

**The Opinion of Independent Financial Advisor
regarding the Acquisition of Assets of**



BTS Group Holdings Public Company Limited

by

Capital Plus Advisory Co., Ltd.

15 February 2017

Glossary

The MRT Pink Line Project	The MRT Pink Line Project (Khae Rai - MinBuri)
The MRT Yellow Line Project	The MRT Yellow Line Project (Lat Phrao - Samrong)
SET	The Stock Exchange of Thailand
Independent Financial Advisor or IFA	Capital Plus Advisory Co., Ltd
The Company or BTS	BTS Group Holdings Public Company Limited
PISU Act	Private Investments in State Undertakings Act B.E. 2556 (2013)
MRTA	The Mass Rapid Transit Authority Thailand
SRT	The State Railway of Thailand
OTP	The Office of Transport and Traffic Policy and Planning (OTP)
BEM	Bangkok Expressway and Metro Public Company Limited
BLAND	Bangkok Land Public Company Limited
BTSC	Bangkok Mass Transit System Public Company Limited
BTSGIF	BTS Rail Mass Transit Growth Infrastructure Fund
BSR	BSR Joint Venture
CAGR	Compound Annual Growth Rate
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EBT	Earnings Before Tax
FDR	6-month Fixed Deposit Interest Rate for personal of 4 main commercial banks as at 31 October 2016 or 7 days prior to the submission of proposal
IRR	Internal Rate of Return
NPV	Net Present Value
PPP Net Cost	Public-Private Partnership Net Cost
RATCH	Ratchaburi Electricity Generating Holding Public Company Limited
STEC	Sino-Thai Engineering & Construction Public Company Limited
TOR	Term of Reference
WACC	Weighted Average Cost of Capital

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This English Transaction has been prepared solely for the convenience of foreign shareholders of BTS Group Holdings Public Company Limited and should not be relied upon as the definitive and official opinions of the independent financial advisor on the Acquisition of Assets transaction. The Thai language version of the Opinion of the Independent Financial Advisor is the definitive and official document of the advisor and shall prevail in all respects in the event of any inconsistency with this English translation.

(Translation)

15 February 2017

Subject: The Opinion of Independent Financial Advisor regarding the Acquisition of Assets for the bidder who had proposed the best offers for the MRT Pink Line Project and the MRT Yellow Line Project

To: Independent Directors, Audit Committee, and Shareholders of
BTS Group Holdings Public Company Limited

According to the Board of Directors Meeting of BTS Group Holdings Public Company Limited (“the Company” or “BTS”) No. 12/2016 held on 19 October 2016 approved the establishment the BSR Joint Venture (“BSR”) under the BSR Joint Venture Agreement which comprises of the Company (holding 75% of BSR), Sino-Thai Engineering & Construction Public Company Limited (“STEC”) (holding 15% of BSR), and Ratchaburi Electricity Generating Holding Public Company Limited (“RATCH”) (holding 10% of BSR) in order to participate in the bidding of the concession contracts for the MRT Pink Line Project (Khae Rai – MinBuri) (“the MRT Pink Line Project”), the entire route is about 34.5 kilometers, and the MRT Yellow Line Project (Lat Phrao –Samrong) (“the MRT Yellow Line Project”), the entire route is about 30 kilometers, which are under public private partnership with the Mass Rapid Transit Authority of Thailand (the “MRTA”), and for each concession, MRTA is responsible for the acquisition of land ownership whereas the concessionaire is responsible for investment, the design, civil works, mechanical and electrical systems and rolling stock, including the operation and maintenance services of both line, the term of investment is 33 years 3 months (3 years and 3 months of construction, 30 years of operation and maintenance).

On 7 November 2016, BSR submitted the proposals for the investment on the concession for the MRT Pink Line Project and the MRT Yellow Line Project, which had 2 bidders, the MRTA opened the offer on 17 November 2016. Thereafter, on 14 December 2016, the MRTA issued Letters Nos. MRTA 004/3227 and MRTA 004/3228 stating that BSR Joint Venture was the bidder who had proposed the best offers for the MRT Pink Line Project and the MRT Yellow Line Project, the investment value according the approval of public sector was in the total investment approval by the Cabinet of 105,300 million baht (includes the acquisition of lands), consists of the MRT Pink Line Project of 53,490 million baht and the MRT Yellow Line Project of 51,810 million baht (“the main concession contract”), besides the main concession contract, BSR had also proposed the extension of the MRT Pink Line Project which has total investment of 2,500 million baht and the extension of the MRT Yellow Line Project which has total investment of 3,000 million baht. The Company with STEC and RATCH, under the BSR Joint Venture Agreement, will establish the 2 JV Companies to invest in each project (the “JV Company” or “JV Companies”). The JV Companies will be subsidiaries of the Company.

Moreover, total value of consideration (exclude the acquisition of land of 7,000 million baht for the MRT Pink Line Project and 6,000 million baht for the MRT Yellow Line Project, Source: MRTA¹), according to the proposals BSR submitted to MRTA and the subsidies for civil works from public sector can be summarized as follows:

(1) The MRT Pink Line Project has the estimated investment cost of approximately 47,564 million baht for the main concession contract and the extension. The detail is as follows:

MRT Pink Line Project	Amount (million baht)
<i>The main concession contract</i>	
Civil Works	22,000
Mechanical and Electrical systems	23,764
Pre-operating Expenses	300
Revenue Sharing to MRTA throughout the term of concession	250
Total Investment for the main concession contract	46,314
<i>The Extension</i>	
Civil Works	1,800
Mechanical and Electrical systems	700
Less Fund from private company *	1,250
Total Investment for the extension	1,250
Total Investment	47,564

Remark * Refer to Memorandum of Agreement between the Company and Bangkok Land Public Company Limited ("BLAND") dated 7 November 2016, which was disclosed to the SET on 8 November 2016.

The subsidies from the public sector is not exceeding 20,135 million baht for the main concession contract of MRT Pink Line Project, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%) and the JV Companies will receive by yearly installments for the period of not less than 10 years after the start of train operation services.

(2) The MRT Yellow Line Project has the estimated investment cost of approximately 46,654 million baht for the main concession contract and the extension. The detail is as follows:

MRT Yellow Line Project	Amount (million baht)
<i>The main concession contract</i>	
Civil Works	23,000
Mechanical and Electrical systems	20,104
Pre-operating Expenses	300
Revenue Sharing to MRTA throughout the term of concession	250
Total Investment for the main concession contract	43,654
<i>The Extension</i>	
Civil Works	1,900
Mechanical and Electrical systems	1,100
Total Investment for the extension	3,000
Total Investment	46,654

¹ <https://mrta.co.th/th/MRTAproject/pinkLine.php> and <https://mrta.co.th/th/MRTAproject/yellowLine.php>

The subsidies from the public sector is not exceeding 22,354 million baht for the main concession contract of MRT Yellow Line Project, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%) and the JV Companies will receive by yearly installments for the period of not less than 10 years after the start of train operation services.

According to the information received from the management of the Company as of 14 February 2017, the investment of the main concession contract of MRT Pink Line Project and MRT Yellow Line Project are accepted by MRTA and is in the process of negotiation on the extension of both project with MRTA.

Status of the concession contract for the MRT Pink Line Project

At present, BSR Joint Venture is in the process of negotiating the draft concession contract, as set out in the Terms of Reference, for the MRT Pink Line Project with the MRTA (the "Draft Concession Contract for the MRT Pink Line Project"). The material issues are, among others, the following: (1) variation or change of works by the MRTA and (2) delay in the provision of land by the MRTA (these two issues may have an impact on the investment cost and the implementation of the works under the concession contract as well as the ability of the JV Company to perform its obligations under the concession contract and to collect revenues in the future), and (3) right of the MRTA to purchase the buildings and the mass transit railway system after the termination of the concession contract (which may have an impact on the investment of the JV Company and the overall performance of the Company). Therefore, the terms and conditions of the executed version of the concession contract for the MRT Pink Line Project may differ from the Draft Concession Contract for the MRT Pink Line Project. For this purpose, the Company will propose to its shareholders meeting to delegate the power to the Executive Committee, or any persons designated by the Executive Committee, to negotiate the concession contract for the MRT Pink Line Project and the extension of the MRT Pink Line Project, as well as to carry out any other acts necessary for or in relation thereto on behalf of the JV Company in order to successfully complete the Acquisition of the MRT Pink Line Project Concession, by taking into consideration the appropriateness, benefits and the impacts on the Company and its shareholders.

As BSR Joint Venture has submitted an additional proposal relating to the extension of the MRT Pink Line Project together with the main proposal for the investment in the MRT Pink Line Project to the MRTA, the Company anticipates that the terms and conditions of the extension of the MRT Pink Line Project will be included in the concession contract for the MRT Pink Line Project. However, if the negotiations for the extension of the MRT Pink Line Project are delayed, the Company may decide to enter into the concession contract for the MRT Pink Line Project with the MRTA first, without the details relating to the extension of the MRT Pink Line Project, if such action would be more beneficial to the Company.

Status of the concession contract for the MRT Yellow Line Project

At present, BSR Joint Venture is in the process of negotiating the draft concession contract, as set out in the Terms of Reference, for the MRT Yellow Line Project with the MRTA (the "Draft Concession Contract for the MRT Yellow Line Project"). The material issues are, among others, the following: (1) variation or change of works by the MRTA and (2) delay in the provision of land by the MRTA (these two

issues may have an impact on the investment cost and the implementation of the works under the concession contract as well as the ability of the JV Company to perform its obligations under the concession contract and to collect revenues in the future), and (3) right of the MRTA to purchase the buildings and the mass transit railway system after the termination of the concession contract (which may have an impact on the investment of the JV Company and the overall performance of the Company). Therefore, the terms and conditions of the executed version of the concession contract for the MRT Yellow Line Project may differ from the Draft Concession Contract for the MRT Yellow Line Project. For this purpose, the Company will propose to its shareholders meeting to delegate the power the Executive Committee, or any persons designated by the Executive Committee, to negotiate the concession contract for the MRT Yellow Line Project and the extension of the MRT Yellow Line Project, as well as to carry out any other acts necessary for or in relation thereto on behalf of the JV Company in order to successfully complete the Acquisition of the MRT Yellow Line Project Concession, by taking into consideration the appropriateness, benefits and the impacts on the Company and its shareholders.

As BSR Joint Venture has submitted an additional proposal relating to the extension of the MRT Yellow Line Project together with the main proposal for the investment in the MRT Yellow Line Project to the MRTA, the Company anticipates that the terms and conditions of the extension of the MRT Yellow Line Project will be included in the concession contract for the MRT Yellow Line Project. However, if the negotiations for the extension of the MRT Yellow Line Project are delayed, the Company may decide to enter into the concession contract for the MRT Yellow Line Project with the MRTA first, without the details relating to the extension of the MRT Yellow Line Project, if such action would be more beneficial to the Company.

The Company disclosed the details of the acquisition of assets transaction to the SET on 14 December 2016, 10 February 2017 and 17 February 2017.

The total consideration value is 94,218 million baht which is regarded as an acquisition of assets according to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and 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 Acquisition and Disposal of Assets B.E. 2547, as amended. In this regard, the transaction value is 102.3% of the total assets of the Company and its subsidiaries as at 31 December 2016 (quarter 3/2017). In addition, after combining the transaction value with other asset acquisition transactions of the Company occurring during the past six months prior to the entering into these transactions, the total transaction value calculated based on the Total Value of Consideration Basis is equivalent to 108.4%, which is classified as type-4 transaction which the value of transaction is above 100%. However, the entering into the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession does not constitute an indirect listing on the SET pursuant to the Notifications on Acquisition and Disposal of Assets because it falls under the exception of Clause 24 of the Notifications on Acquisition and Disposal of Assets where the transaction meet all the following requirements, the SET may not treat it as a new listing application, which are

(1) The acquired business is in a similar line of business and supports the business of the Company

The Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession are in a similar line of business and support the business of the Company. The Company's businesses consist of 4 main businesses, namely mass transit business, media business, property business and services business. The Company operates its mass transit business through Bangkok Mass Transit System Public Company Limited ("BTSC") engaging as the service provider for the MRT Green Line Project as well as the extension thereof. The nature of business of the MRT Green Line Project is in a similar line of business as those of the MRT Pink Line Project (including the extension of the MRT Pink Line Project) and the MRT Yellow Line Project (including the extension of the MRT Yellow Line Project). In addition, the Company operates its media business through VGI Group, which comprises VGI Global Media Public Company Limited ("VGI") and its subsidiaries, providing media network services as well as commercial development and other commercial activities both inside and outside of the stations and the rolling stocks, etc. The Company also engages in services business which supports the core businesses of the Company and its subsidiaries. Therefore, the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession will support, enhance and create new business opportunities for the existing media business and services business of BTS Group. In addition, they will also enhance the opportunities for the property business of BTS Group in investing in new property development projects along the MRT routes.

(2) The Company does not have a policy to make a major change in its main business,

The Company does not have a policy to change its main business. The Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession, which have a concession term of 30 years, will enable the Company to continuously operates the mass transit business, which is its main business.

(3) The Company still has suitable qualifications for listing on the SET after the acquisition of assets

The Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession are acquisitions of businesses that do not engage in any illegal activities. In addition, after the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession, the Company still has suitable qualifications to maintain its listing status on the Stock Exchange of Thailand (the "SET"), i.e. (a) the directors, executives and controlling persons of the Company have the required qualifications and do not have any prohibited characteristics or any characteristics indicating the lack of suitability to be trusted to manage a business whose shares are held by the public; (b) the Company has in place a good corporate governance system in which the independent directors and the Audit Committee have the required composition and qualifications as prescribed; (c) the Company's auditor is on the approved list of the Office of the Securities and Exchange Commission (the "SEC"); (d) the Company has in place a sufficient and appropriate internal control system; (e) the Company and its subsidiaries do not have any conflict of interest; (f) the Company maintains its free float requirement; and (g) the Company has set up a provident fund in accordance with the law governing provident funds.

(4) There is no material change in the composition of the Board of Directors, shareholders or controlling persons of the Company.

The Company has no material change in the composition of the Board of Directors, shareholders, or controlling persons of the Company. Currently, Mr. Keeree Kanjanapas Group, which holds 41.27 percent of the total number of voting shares of the Company, is a major shareholder and a controlling person of the Company. After the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession, Mr. Keeree Kanjanapas Group will remain as a major shareholder and a controlling person of the Company, and does not have a policy to change the members of the Board of Directors and the executives of the Company in the near future.

Therefore, the Company is required to disclose the information memorandum regarding the Transaction to the Stock Exchange of Thailand ("SET"), appoint an independent financial advisor to provide the opinion to shareholders, and hold the shareholder meeting to consider and approve the Transaction. The Transaction must be approved by a resolution of no less than three-fourth (3/4) of the total number of votes of the shareholders who have the rights to vote or proxy (if any) who attending the meeting and entitled to vote. However, in order to entering into the aforesaid Transaction, the Company shall not asking for the approval from shareholders before entering into the Transaction since the disclosure of amount of money for the auction or relating information such as investment budget, and sources of funds, and financial projection and return on investment in advance because it may undermine BSR to participate in the auction. During the time of the auction, there are the uncertainty that BSR could win the MRT Pink Line Project and the MRT Yellow Line Project and how much value of the auction. Therefore, the Company needs to take an action before getting approval of the Transaction from shareholders. To be legally binding for the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession, the Board of Directors Meeting No. 2/2017 held on 10 February 2017 has resolved to determine the Extraordinary General Meeting of the Shareholders No. 1/2017, which contains of the agenda To approve the entering into the material transaction of acquisition of aforesaid assets in Agenda 3 (The more details has shown in the invitation letter for the Extraordinary General Shareholders' Meeting No. 1/2017 which is attached together with this IFA Report) before officially signed the concession contract with MRTA, which is estimated to be signed in June 2016.

The Company has appointed Capital Plus Advisory Co., Ltd ("Independent Financial Advisor" or "IFA") to be an independent financial advisor to provide the opinion to shareholders on the appropriateness of the Transaction and the reasonable of prices and terms of the Transaction to shareholders.

In preparing this report, IFA relied on the information and details from Information Memorandum which the Company submitted to SET and other information received from the Company such as the financial statements of the Company which have been audited by a Certified Public Accountant, the summary performance of the mass transit business, the projections, business practices and investment of the MRT Pink Line Project and the MRT Yellow Line Project, the feasibility analysis of the MRT Pink Line Project

and the MRT Yellow Line Project which was prepared by financial advisor according to PISU Act² and the Systra MVA (Thailand) ("MVA"), providing consultancy that specializes in providing consultancy for transportation services both domestically and international, who is a consultant of the Company to estimate the ridership for the MRT Pink Line Project and the MRT Yellow Line Project. MVA has 17 branches around the world. For Thailand, MVA provided consultancy for Bangkok mass transit system, express way system, high way and railway system with clients in public sector and well-known organizations such as MRTA, Don Muang Tollway Public Company Limited, Bangkok Expressway and Metro Public Company Limited (at the present is BEM). The study of MVA overview provided the analysis of population along the MRT line, the connection to other transit systems such as main roads, expressway, and other Mass Transit lines, and also the environment of area such as the traffic, residential and shopping malls, including the economics of Thailand such as GDP growth, Inflation rate and population growth. IFA considered to refer this study for the valuation.

In addition, IFA considered Act and Regulations Related to the auction including Private Investments in State Undertakings Act B.E. 2556 (2013) and Notification of the Private Investments in State Undertakings Policy Committee B.E. 2557 (2014), including the public information such as mass rapid transit industry, mass rapid transit construction plan of public sector, economic situation, other information relating to the consideration of entering into the transaction together with the interview of the Company's staffs, specialized officers and management related to this transaction.

However, the analysis and opinion of IFA is under the assumption that all information received from the Company as well as the management interview are complete and accurate. In this case, IFA does not verify the accuracy and completeness of all disclosure information. In addition, BSR is during the process of negotiation with MRTA, which may cause IFA consideration differ from the actual condition of investment. Therefore, IFA can not certify or guarantee or liability, either directly or indirectly related to the accuracy or completeness of the information and certifications that the Company provided to the IFA. IFA is not responsible for any profits or losses and various impacts resulting from this transaction.

The sole purpose of this report is to provide opinion to independent director, audit committee, and the Company's shareholders regarding fairness of price and appropriateness of entering into the transaction based on the current information. Therefore, the opinion of IFA could not verify the impact of any changes or any event subsequent to the transaction which could significantly impact the business operations and financial projections which has been prepared for consideration of the reasonableness of the acquisition of assets as mentioned above.

² For the MRT Pink Line, TEAM Consulting Engineering and Management Co., Ltd., TEAM Logistics and Transport Co., Ltd., SEA Consult Engineering Co., Ltd., New Model Engineering Consultant Co., Ltd., and Tonichi Engineering Consultants, Inc.

For the MRT Yellow Line, Asian Engineering Consultants Corporation Limited, Hamburg – Consult GmbH, 1D2 Group Co., Ltd., Wisit Engineering Consultants Co., Ltd., Enrich Consultants Co., Ltd. and Prime Street Advisory (Thailand) Co., Ltd.

Executive Summary

According to the Board of Directors Meeting of BTS Group Holdings Public Company Limited (“the Company” or “BTS”) No. 12/2016 held on 19 October 2016 approved the establishment the BSR Joint Venture (“BSR”) under the BSR Joint Venture Agreement which comprises of the Company (holding 75% of BSR), Sino-Thai Engineering & Construction Public Company Limited (“STEC”) (holding 15% of BSR), and Ratchaburi Electricity Generating Holding Public Company Limited (“RATCH”) (holding 10% of BSR) in order to participate in the bidding of the concession contracts for the MRT Pink Line Project (Khae Rai – MinBuri) (“the MRT Pink Line Project”), the entire route is about 34.5 kilometers, and the MRT Yellow Line Project (Lat Phrao –Samrong) (“the MRT Yellow Line Project”), the entire route is about 30 kilometers, which are under public private partnership with the Mass Rapid Transit Authority of Thailand (the “MRTA”), and for each concession, MRTA is responsible for the acquisition of land ownership whereas the concessionaire is responsible for investment, the design, civil works, mechanical and electrical systems and rolling stock, including the operation and maintenance services of both line, the term of investment is 33 years 3 months (3 years and 3 months of construction, 30 years of operation and maintenance).

On 7 November 2016, BSR submitted the proposals for the investment on the concession for the MRT Pink Line Project and the MRT Yellow Line Project, which had 2 bidders, the MRTA opened the offer on 17 November 2016. Thereafter, on 14 December 2016, the MRTA issued Letters Nos. MRTA 004/3227 and MRTA 004/3228 stating that BSR Joint Venture was the bidder who had proposed the best offers for the MRT Pink Line Project and the MRT Yellow Line Project, the investment value according the approval of public sector was in the total investment approval by the Cabinet of 105,300 million baht (includes the acquisition of lands), consists of the MRT Pink Line Project of 53,490 million baht and the MRT Yellow Line Project of 51,810 million baht (“the main concession contract”), besides the main concession contract, BSR had also proposed the extension of the MRT Pink Line Project which has total investment of 2,500 million baht and the extension of the MRT Yellow Line Project which has total investment of 3,000 million baht. The Company with STEC and RATCH, under the BSR Joint Venture Agreement, will establish the 2 JV Companies to invest in each project (the “JV Company” or “JV Companies”). The JV Companies will be subsidiaries of the Company.

The MRT Pink Line Project has the estimated investment cost of approximately 47,564 million baht for the main concession contract and the extension. The detail is as follows:

MRT Pink Line Project	Amount (million baht)
<i>The main concession contract</i>	
Civil Works	22,000
Mechanical and Electrical systems	23,764
Pre-operating Expenses	300
Revenue Sharing to MRTA throughout the term of concession	250
Total Investment for the main concession contract	46,314
<i>The Extension</i>	
Civil Works	1,800
Mechanical and Electrical systems	700
Less Fund from private company *	1,250
Total Investment for the extension	1,250
Total Investment	47,564

Remark * Refer to Memorandum of Agreement between the Company and Bangkok Land Public Company Limited ("BLAND") dated 7 November 2016, which was disclosed to the SET on 8 November 2016.

The subsidies from the public sector is not exceeding 20,135 million baht for the main concession contract of MRT Pink Line Project, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%) and the JV Companies will receive by yearly installments for the period of not less than 10 years after the start of train operation services. The subsidies amount and period of payment are proposed by BSR to MRTA at the bidding process before the announcement as the winner of the Project.

The MRT Yellow Line Project has the estimated investment cost of approximately 46,654 million baht for the main concession contract and the extension.

MRT Yellow Line Project	Amount (million baht)
<i>The main concession contract</i>	
Civil Works	23,000
Mechanical and Electrical systems	20,104
Pre-operating Expenses	300
Revenue Sharing to MRTA throughout the term of concession	250
Total Investment for the main concession contract	43,654
<i>The Extension</i>	
Civil Works	1,900
Mechanical and Electrical systems	1,100
Total Investment for the extension	3,000
Total Investment	46,654

The subsidies from the public sector is not exceeding 22,354 million baht for the main concession contract of MRT Yellow Line Project, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%) and the JV Companies will receive by yearly installments for the

period of not less than 10 years after the start of train operation services. The subsidies amount and period of payment are proposed by BSR to MRTA at the bidding process before the announcement as the winner of the Project.

According to the information received from the management of the Company as of 14 February 2017, the investment and Revenue Sharing to MRTA throughout the term of concession of the main concession contract of MRT Pink Line Project and MRT Yellow Line Project are accepted by MRTA. The extension of both project is on negotiation with MRTA. The significant issues are summarized as follows:

The Extension of MRT Pink Line Project

The investment of JV Company is not exceeding 2,500 million baht. Bangkok Land Public Company Limited ("BLAND") and MRTA will be responsible for the acquisition of land ownership. Other conditions will be complied with the main concession contract without additional revenue sharing to MRTA. If the negotiation is not success, the Extension may not occur.

The Extension of MRT Yellow Line Project

The investment of JV Company is not exceeding 3,000 million baht. MRTA will be responsible for the acquisition of land ownership. Other conditions will be complied with the main concession contract without additional revenue Sharing to MRTA. If the negotiation is not success, the Extension will not occur. However, BSR is in the process of negotiation that BTS group will purchase the land in the area where the maintenance and repair depot, which MTRA is responsible for the acquisition of land ownership (per the main concession contract). MRTA is responsible for the acquisition of land ownership of this part of land whether the Extension of MRT Yellow Line Project happen or not. For the proposal to purchase part of land instead of the MRTA, the Company has plan to invest and develop the certain of land (includes the area around the depot) to be the large commercial property project separately from the MRT Yellow Line Project. If there is the clear condition of this project, the Company will comply with the related law and regulation including the Notification concerning the Acquisition and Disposal of Assets. The Extension of MRT Yellow Line Project is not binding with the proposal of the Company to purchase of land.

The total consideration value is 94,218 million baht which is regarded as an acquisition of assets according to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and 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 Acquisition and Disposal of Assets B.E. 2547, as amended. In this regard, the transaction value is 102.3% of the total assets of the Company and its subsidiaries as at 31 December 2016 (quarter 3/2017). In addition, after combining the transaction value with other asset acquisition transactions of the Company occurring during the past six months prior to the entering into these transactions, the total transaction value calculated based on the Total Value of Consideration Basis is equivalent to 108.4%, which is classified as type-4 transaction which the value of transaction is above 100%. However, the entering into the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession does not constitute an indirect listing on the SET pursuant to the Notifications on Acquisition and Disposal of Assets because it falls under the exception of Clause 24 of the

Notifications on Acquisition and Disposal of Assets where the transaction meet all the following requirements, the SET may not treat it as a new listing application, which are

(1) The acquired business is in a similar line of business and supports the business of the Company

The Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession are in a similar line of business and support the business of the Company. The Company's businesses consist of 4 main businesses, namely mass transit business, media business, property business and services business. The Company operates its mass transit business through Bangkok Mass Transit System Public Company Limited ("BTSC") engaging as the service provider for the MRT Green Line Project as well as the extension thereof. The nature of business of the MRT Green Line Project is in a similar line of business as those of the MRT Pink Line Project (including the extension of the MRT Pink Line Project) and the MRT Yellow Line Project (including the extension of the MRT Yellow Line Project). In addition, the Company operates its media business through VGI Group, which comprises VGI Global Media Public Company Limited ("VGI") and its subsidiaries, providing media network services as well as commercial development and other commercial activities both inside and outside of the stations and the rolling stocks, etc. The Company also engages in services business which supports the core businesses of the Company and its subsidiaries. Therefore, the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession will support, enhance and create new business opportunities for the existing media business and services business of BTS Group. In addition, they will also enhance the opportunities for the property business of BTS Group in investing in new property development projects along the MRT routes.

(2) The Company does not have a policy to make a major change in its main business,

The Company does not have a policy to change its main business. The Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession, which have a concession term of 30 years, will enable the Company to continuously operates the mass transit business, which is its main business.

(3) The Company still has suitable qualifications for listing on the SET after the acquisition of assets

The Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession are acquisitions of businesses that do not engage in any illegal activities. In addition, after the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession, the Company still has suitable qualifications to maintain its listing status on the Stock Exchange of Thailand (the "SET"), i.e. (a) the directors, executives and controlling persons of the Company have the required qualifications and do not have any prohibited characteristics or any characteristics indicating the lack of suitability to be trusted to manage a business whose shares are held by the public; (b) the Company has in place a good corporate governance system in which the independent directors and the Audit Committee have the required composition and qualifications as prescribed; (c) the Company's auditor is on the approved list of the Office of the Securities and Exchange Commission (the "SEC"); (d) the Company has in place a sufficient and appropriate internal control system; (e) the Company

and its subsidiaries do not have any conflict of interest; (f) the Company maintains its free float requirement; and (g) the Company has set up a provident fund in accordance with the law governing provident funds.

(4) There is no material change in the composition of the Board of Directors, shareholders or controlling persons of the Company.

The Company has no material change in the composition of the Board of Directors, shareholders, or controlling persons of the Company. Currently, Mr. Keeree Kanjanapas Group, which holds 41.27 percent of the total number of voting shares of the Company, is a major shareholder and a controlling person of the Company. After the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession, Mr. Keeree Kanjanapas Group will remain as a major shareholder and a controlling person of the Company, and does not have a policy to change the members of the Board of Directors and the executives of the Company in the near future.

However, the acquisition of assets transaction of the Company meets all requirements of Clause 24 of the Notifications on Acquisition and Disposal of Assets. Therefore, the Company is required to disclose the information memorandum regarding the Transaction to the Stock Exchange of Thailand (“SET”), appoint an independent financial advisor to provide the opinion to shareholders, and hold the shareholder meeting to consider and approve the Transaction. The Transaction must be approved by a resolution of no less than three-fourth (3/4) of the total number of votes of the shareholders who have the rights to vote or proxy (if any) who attending the meeting and entitled to vote. However, in order to entering into the aforesaid Transaction, the Company shall not ask for the approval from shareholders before entering into the Transaction since the disclosure of amount of money for the auction or relating information such as investment budget, and sources of funds, and financial projection and return on investment in advance because it may undermine BSR to participate in the auction. During the time of the auction, there are the uncertainty that BSR could win the MRT Pink Line Project and the MRT Yellow Line Project and how much value of the auction. Therefore, the Company needs to take an action before getting approval of the Transaction from shareholders. To be legally binding for the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession, the Board of Directors Meeting No. 2/2017 held on 10 February 2017 has resolved to determine the Extraordinary General Meeting of the Shareholders No. 1/2017, which contains of the agenda To approve the entering into the material transaction of acquisition of aforesaid assets in Agenda 3 (The more details has shown in the invitation letter for the Extraordinary General Shareholders’ Meeting No. 1/2017 which is attached together with this IFA Report).

Capital Plus Advisory Co., Ltd (“Independent Financial Advisor” or “IFA”) is an Independent Financial Advisor providing opinion to shareholder on the reasonableness, fairness of price and conditions of the acquisition of such assets. IFA has considered the reasonableness of the transaction to acquire the assets and has seen that the acquisition of the MRT Pink Line Project Concession and its extension and the Acquisition of the MRT Yellow Line Project and its extension through an auction organized by the MRTA, which is a government agency which has reasons and justifications below:

(1) The MRT Pink Line Project and the MRT Yellow Line Project are Feeder System to Core System and will generate more revenue to the Company. The MRT Pink Line will connect with the extension of MRT Dark Green Line at Lak Si Circle Station Station (under construction) and the MRT Yellow Line will connect with MRT Dark Green Line at Samrong Station (during construction, which was expected to finish and operate in March 2017).

(2) Increase revenue and enhance the growth of other businesses in the Company's group. The Company's subsidiaries operate media on core MRT system, property development along the MRT routes, advertising in the stations, and etc.

(3) Increase competitiveness of the Company in terms of distance and number of passengers who use the services, which increase to the market share, passenger and revenue.

(4) The concessions of this transaction may boost the bidding process of other mass rapid transit projects in the pipeline of MRTA for the effectiveness connection of the mass rapid transit network for the benefit to people.

(5) The Company has partners with expertise and experience in investment projects as MRTA announced the winner of the bidding with confidence to operate the projects as proposals.

(6) Increase the chance of getting concession of the extension projects or new projects in the future.

However, IFA also consider factors or risks that may be affected the transaction including:

(1) Large-scale projects with high investment and the Company may need liquidity management. Due to the Company expects this investment will use source of fund from cash flow from operations and loan from the financial institutions or from bond market. The interest-bearing debt to equity shareholders may increase which IFA has opinion that it is not higher rate and creates insignificant risk to the Company. Moreover, the Company's cash flows are quite stable, so it will help liquidity and relieve to repay loan.

(2) The risk that other joint venture partners do not support the investment for the MRT Pink Line Project and the MRT Yellow Line Project. According terms and conditions of the JV Company, the JV partners will inject capital in the portion of their shareholding. If any partners cannot support the fund for any reason, it can impact to project delays or insufficient funds to continue the projects. However, all co-investors are professionals who have knowledge and experience in their responsible parts as well operating their businesses for a long time with the government agency as their continuous customers. Moreover, they have good financial status and well liquidity. IFA opinion is that the risk of this topic is unlikely to be significant to this investment.

(3) The risks resulting from the ridership of projects does not meet expectations. The MRT Pink Line Project and the MRT Yellow Line Project are secondary line, mainly through suburb area. Therefore, the number of passengers may be less than expectation. However, IFA has an opinion that although the two projects are passing the suburb, their routes pass through residential communities in suburban areas including the connection points to the main lines, which are under construction and/or completed projects. In addition, the study of MVA (2016) and the documents attachment of MRTA's proposal (2016), reviewed and analyzed the characteristics and population density areas along 2 the lines. All these factors will reduce the risk of the number of passengers and provide more accurate forecasted return.

(4) The risk of loan incurred, in case the projects do not go as planned. The Company has risk to proportionately repay loan instead of the 2 JV companies. The Company will hold 75% in the 2 new companies. If this occurs, The Company may require additional capital in the future to reduce the risks that may arise in this case.

(5) The risk of delays caused by the late delivery of the land of the MRTA and the amendment by order of the MRTA or other factors. It could affect the cost to the JV companies as well. However, if all parties including the government are collaborated as plan or their objective, it would help reduce the risk mentioned above.

(6) The risk of high construction costs during the construction period. If construction costs related to civil works and electrical system during the construction period are higher than projected, the return on investment of the project may not meet the expectations. However, STEC and RATCH are responsible for the civil construction of the 2 projects and Thailand's largest manufacturer which has a long experience of the civil construction and IPP manufacturer, through the construction of large projects. Moreover, the former increased in price of the major construction materials was unlikely to be significant. Coupled with the knowledge and experience of the co-investors in construction and pricing of key materials suppliers. The risk of higher construction costs would be limited.

(7) Since both projects are large-scale projects, it could cause the Company's liquidity and may affect the ability to bid for projects other lines in the future. However, considering the rate of interest-bearing debts to shareholders' equity the Company still has a chance to get more concessions in the future.

(8) The risk of breaching conditions in the draft concession contract. The draft concession contract has identified the fines against the concessionaire during the first phase and the second phase by MRTA. The risk on this topic could be reduced by a partnership between MRTA and JV companies to achieve the target.

(9) The risk from the payment period of subsidies by MRTA do not meet expectations. According to the terms of the concession, MRTA has the amount of subsidies for the civil works paid to the concessionaire by not less than 10 years, if the number of subsidies payment period is longer than 10 years it will impact to the JV companies. However, mass transit is necessary for the public and previous and current government has been supporting. It can also be seen from the terms of the subsidies for civil works have never happened before, but there are with these 2 projects. This implies that the government has all support for the projects to occur. In addition, the conditions and bidding documents were considered prior to the winning of BSR and the current status of negotiations between BSR with MRTA has no issue about subsidies

For the reasonableness of valuation, IFA evaluates the value of entering into the Transaction by the feasibility analysis. The IFA considers the financial information of the Company and related mass transit business such as the financial statements of the Company which have been audited by a Certified Public Accountant, the summary performance of the mass transit business, the projections, business practices and investment of the MRT Pink Line Project and the MRT Yellow Line Project, the feasibility analysis of the MRT Pink Line Project and the MRT Yellow Line Project which was prepared by financial advisor according to PISU Act and the Systra MVA (Thailand) ("MVA"), providing consultancy that specializes in providing

consultancy for transportation services both domestically and international, who is a consultant of the Company to estimate the ridership for the MRT Pink Line Project and the MRT Yellow Line Project. In addition, IFA considered Act and Regulations Related to the auction including Private Investments in State Undertakings Act B.E. 2556 (2013) and Notification of the Private Investments in State Undertakings Policy Committee B.E. 2557 (2014), including the public information such as mass rapid transit industry, mass rapid transit construction plan of public sector, economic situation, other information relating to the consideration of entering into the transaction together with the interview of the Company's staffs, specialized officers and management related to this transaction. The feasibility analysis can be summarized as follows:

(1) The investment in the MRT Pink Line Project (including the extension) in Base Case basis has Net Present Value ("NPV") approximately of 4,000 million baht, Internal Rate of Return ("IRR") about 7.8% per year which is higher than cost of project which is 7.3%, and Payback Period is about 16.8 years (including the construction period of 3 years 3 months).

Sensitivity Analysis in order to estimate the feasibility of the MRT Pink Line Project (including the extension) in Best Case basis and Worst Case basis which the growth rate of number of passengers increase and decrease from existing assumption by 5% or discount rate increase and decrease from existing assumption by 0.5%, as a result NPV is approximately between 560 – 7,802 million baht, IRR is about 7.3% - 8.3%, Payback Period is about 16.1 – 17.6 years (including the construction period of 3 years 3 months).

(2) The investment in the MRT Pink Line Project (the main concession only) in Base Case basis has Net Present Value ("NPV") approximately of 3,651 million baht, Internal Rate of Return ("IRR") about 7.8% per year which is higher than cost of project which is 7.3%, and Payback Period is about 16.9 years (including the construction period of 3 years 3 months).

Sensitivity Analysis in order to estimate the feasibility of the MRT Pink Line Project (the main concession only) in Best Case basis and Worst Case basis which the growth rate of number of passengers increase and decrease from existing assumption by 5% or discount rate increase and decrease from existing assumption by 0.5%, as a result NPV is approximately between 375 – 7,315 million baht, IRR is about 7.3% - 8.3%, Payback Period is about 16.1 – 17.6 years (including the construction period of 3 years 3 months).

(3) The investment in the MRT Yellow Line Project (including the extension) in Base Case basis has Net Present Value ("NPV") approximately of 4,853 million baht, Internal Rate of Return ("IRR") about 8.1% per year which is higher than cost of project which is 7.3%, and Payback Period is about 14.3 years (including the construction period of 3 years 3 months).

Sensitivity Analysis in order to estimate the feasibility of the MRT Pink Line Project (including the extension) in Best Case basis and Worst Case basis which the growth rate of number of passengers increase and decrease from existing assumption by 5% or discount rate increase and decrease from existing assumption by 0.5%, as a result NPV is approximately between 1,728 – 8,339 million baht, IRR is about 7.6% - 8.5%, Payback Period is about 13.7 – 15.1 years (including the construction period of 3 years 3 months).

(4) The investment in the MRT Yellow Line Project (the main concession only) in Base Case basis has Net Present Value ("NPV") approximately of 3,908 million baht, Internal Rate of Return ("IRR") about

8.0% per year which is higher than cost of project which is 7.3%, and Payback Period is about 14.3 years (including the construction period of 3 years 3 months).

Sensitivity Analysis in order to estimate the feasibility of the MRT Yellow Line Project (the main concession only) in Best Case basis and Worst Case basis which the growth rate of number of passengers increase and decrease from existing assumption by 5% or discount rate increase and decrease from existing assumption by 0.5%, as a result NPV is approximately between 1,070 – 7,073 million baht, IRR is about 7.5% - 8.4%, Payback Period is about 13.6 – 15.0 years (including the construction period of 3 years 3 months).

From the above analysis, the return of MRT Pink Line Project and MRT Yellow Line Project (the main concession only) are feasible as well as the consideration together with the extension of each project. The extension of both projects creates more value to the Company; however, the extension of both projects shall not happen without the main concessions. IFA has opinion that shareholders should approve the investment of the extension of both concessions together with the main concession contracts. However, if shareholders approve the extension of both concessions and after the approval, the negotiation with MRTA regarding the land ownership does not success, the construction under both main concession contracts will continue and it is possible that MRTA may approve the extension of any concession. In addition, if the extensions of both concession contracts have not been considered together with the main concession contracts in this shareholders' meeting, it may delay the process if MRTA approves the extensions. if the conditions regarding the land ownership or other conditions have varied from the negotiation with MRTA for the extension of the concession, the Company should comply with the related regulation.

According to the uncertainty of the approval of the extension of these 2 projects. IFA summarizes the table for consideration of reasonableness of the transaction as follows.

Case	Investment Cost (million baht)	NPV (million baht)	IRR (%)	Payback Period (Years)*	Shareholders' Vote	
					Approve	Not Approve
1. MRT Pink Line Project						
1.1 <u>Including</u> Proposal of the Extension	47,564	4,000	7.8	16.8	√	
1.2 <u>Excluding</u> Proposal of the Extension	46,314	3,651	7.8	16.9	√	
2. MRT Yellow Line Project						
2.1 <u>Including</u> Proposal of the Extension	46,654	4,853	8.1	14.3	√	
2.2 <u>Excluding</u> Proposal of the Extension	43,654	3,908	8.0	14.3	√	

Remark: * Payback Period (including the construction period of 3 years 3 months)

For Case 1, it may occur only 1 case. For Case 2, it may occur only 1 case, also. The MRT Pink Line Project and the MRT Yellow Line Project occur independently of each other.

From the consideration of the above information and reasons, IFA's opinion is that the investment in the MRT Pink Line Project (including its extension) of approximately 47,564 million baht and the investment in the MRT Yellow Line Project (including its extension) of approximately 46,654 million baht with total

investment of 94,218 million baht, proposed by the board of directors, is the reasonable transaction and the shareholders should vote in favor of approving the Transaction. Nevertheless, the final decision rests primarily with the individual shareholders. The shareholders should study the information contained in this report along with other related information provided together with the invitation of this shareholders meeting and use his/her own judgment in making the final decision carefully.

Part 1 The General Characteristics of the Transaction

1.1 Characteristics and Size of Transaction

According to the Cabinet meeting held on 29 March 2016, had resolution to approve the MRT Pink Line Project (Khae Rai – MinBuri) (“the MRT Pink Line Project”), the entire route is about 34.5 kilometers with the total investment of 53,490 million baht and the MRT Yellow Line Project (Lat Phrao –Samrong), the entire route is about 30 kilometers with the total investment of 51,810 million baht, the total investment of two projects is 105,300 million baht. It is the Straddle Monorail and the investment type is Private Partnership Net Cost; “PPP Net Cost” according to PISU Act. The public sector is responsible for acquiring the land and private sector (JV Company) is responsible for investment, the design, civil works, mechanical and electrical systems and rolling stock, including the operation and maintenance services of both line, the term of investment is 33 years 3 months which is divided to 2 phases:

(1) Phase 1: Design and construction of the civil works, supply and installation of the electrical equipment, testing, and trial runs. The implementation period of Phase 1 is not over 3 years and 3 months from the date on which the MRTA issues the Notice to Proceed (unless an extension is granted by MRTA)

(2) Phase 2: Train operation and maintenance for the period of 30 years from the date of issuance of the Commissioning Certificate or the Substantial Commissioning Certificate from MRTA until the expiration of concession.

However, there were the subsidies from the public sector for civil works of the MRT Pink Line Project in the amount of not exceeding 20,135 million baht and the MRT Yellow Line Project in the amount of not exceeding 22,354 million baht, the total subsidies of two projects is 42,489 million baht, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%).

The Company is a leading provider of mass transit in the form of mass transit in Bangkok as a base, seeing an opportunity to increase the competitiveness of the company and business opportunities as a growing number of residents and users of rail services in the future from the expanding the outskirts of Bangkok if the train network is connected together. Therefore, the Board of Directors’ Meeting No. 12/2016 held on 19 October 2016 has resolution to approve the Joint Venture of BSR to be a bidder of the concession of foresaid projects.

On 7 November 2016, BSR has submitted the proposals for the investment on the concession for the MRT Pink Line Project and the MRT Yellow Line Project, which has 2 bidders, the MRTA opened the offer on 17 November 2016. Thereafter, on December 14, 2016, the MRTA issued Letters Nos. MRTA 004/3227 and MRTA 004/3228 stating that BSR Joint Venture was the bidder who had proposed the best offers for the MRT Pink Line Project and the MRT Yellow Line Project, the investment value according the approval of public sector was in the total of 105,300 million baht (includes the acquisition of lands), consists of the MRT Pink Line Project of 53,490 million baht and the MRT Yellow Line Project 51,810 million baht. The Company is a joint venture with STEC and RATCH, the JV Companies to be established under the BSR Joint Venture Agreement of 2 companies to invest in the project (the “JV Company” or “JV Companies”). The JV Companies will be subsidiaries of the Company.

Besides the main concession contract, BSR has also proposed the extension of the MRT Pink Line Project and the MRT Yellow Line Project which has details as follows:

(1) The MRT Pink Line Project is a Spur-line in order to connect and provide train services from the Sri Rat Station (PK10) of the MRT Pink Line Project station to the center of Muang Thong Thani, with a length of approximately 2.8 kilometers. The extension includes two stations, the first station being located at Impact Challenger Hall and the second station being located at the lake area in Muang Thong Thani. The total investment is 2,500 million baht, BSR will receive the subsidies from public sector for half of investment cost of civil works and M&E works, which is about 1,250 million baht during the construction period (Approximately 2017-2020) and the subsidies for operating 10 million baht per year during the operating the MRT Pink Line Project (Approximately 2021-2050) from related private sector (following the MOA between the Company and BLAND). MRTA and BLAND are responsible for the acquisition of land ownership for the extension.

(2) The MRT Yellow Line Project Construction of the extension of the MRT Yellow Line Project to the north, with a length of 2.6 kilometers, along Ratchadaphisek Road to connect with the MRT Green Line Extension (Mo Chit – Sapan Mai – Khu Khot) which is currently under construction. The extension includes two stations, the first station being located in the middle of the extended route and the second station being located before approaching Ratchayothin Intersection. BSR is under negotiation with MRTA for the investment of this extension. In addition, BTS group proposed to purchase the land in the area where the maintenance and repair depot for the MRT Yellow Line Project is to be constructed instead of the MRTA, which will enable the MRTA to save on costs from the expropriation of this land. BSR Joint Venture or the JV Company will construct a multi-purpose building, comprising (1) a repair and maintenance depot, whereby BSR Joint Venture or JV Company will grant the MRTA the right to use this area; and (2) a commercial area, which BSR Joint Venture or JV Company is entitled to develop and utilize for all commercial purposes (including the area around the repair and maintenance depot). The approval of MRTA for the extension of MRT Yellow Line Concession is not binding with the proposal to purchase of land. However, if BTS group purchases this certain land for the depot and the area around the depot, BTS group shall comply with the related law and regulation.

At Present, BSR is in the process of negotiating the conditions with MRTA. However, it is expected that two JV Companies could sign the Concession contract of two lines with MRTA within June 2017. Overall process and time of the MRT Pink Line Project and the MRT Yellow Line Project can be summarized as follows:

Process	Period of Time	
	Beginning	Ending
1. The Cabinet approved the MRT Pink Line Project and the MRT Yellow Line Project	29 Mar 16	
2. MRTA sold the document offer of the Joint Venture	6 Jul 16	5 Aug 16
3. MRTA started to receive the proposal	7 Nov 16	
4. MRTA opened the document offer	17 Nov 16	
5. MRTA notified BSR was the bidder who had proposed the best offers	14 Dec 16	
6. MRTA presents for approval of the Office of the Attorney General and for approval of the Cabinet.	Within 30 Jun 17	
7. BSR signs the contract and delivers a letter of guarantee to MRTA.	within 28 days	
8. Action after signing contract		
- BSR shows binding agreement to subcontractors/suppliers.	within 60 days	
- BSR operates to obtain success in fundraising.	within 120 days	
The actions according to Contract	Beginning	Ending
Phase 1: Design and construction of the civil works, supply and installation of the electrical equipment	3 years and 3 months from the date on which the MRTA issues the Notice to Proceed (unless an extension is granted by MRTA)	MRTA issues the Commissioning Certificate
Phase 2: Train operation and maintenance	MRTA issues the Commissioning Certificate or Substantial Commissioning Certificate	30 years

However, total value of investment (exclude the acquisition of land) according to the operation plan of the Company, the subsidies from public sector, and the benefit which JV companies will pay to MRTA for each project can be summarized as follows:

(1) The MRT Pink Line Project has the estimated investment cost of approximately 47,564 million baht for the main concession contract and the extension. The detail is as follows:

MRT Pink Line Project	Amount (million baht)
<i>The main concession contract</i>	
Civil Works	22,000
Mechanical and Electrical systems	23,764
Pre-operating Expenses	300
Revenue Sharing to MRTA throughout the term of concession	250
Total Investment for the main concession contract	46,314
<i>The Extension</i>	
Civil Works	1,800
Mechanical and Electrical systems	700
Less Fund from private company *	1,250
Total Investment for the extension	1,250
Total Investment	47,564

Remark * Refer to Memorandum of Agreement between the Company and Bangkok Land Public Company Limited ("BLAND") dated 7 November 2016, which was disclosed to the SET on 8 November 2016.

The subsidies from the public sector is not exceeding 20,135 million baht for the main concession contract of MRT Pink Line Project, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%) and the JV Companies will receive by yearly installments for the period of not less than 10 years after the start of train operation services.

(2) The MRT Yellow Line Project has the estimated investment cost of approximately 46,654 million baht for the main concession contract and the extension. The detail is as follows:

MRT Yellow Line Project	Amount (million baht)
<i>The main concession contract</i>	
Civil Works	23,000
Mechanical and Electrical systems	20,104
Pre-operating Expenses	300
Revenue Sharing to MRTA throughout the term of concession	250
Total Investment for the main concession contract	43,654
<i>The Extension</i>	
Civil Works	1,900
Mechanical and Electrical systems	1,100
Total Investment for the extension	3,000
Total Investment	46,654

The subsidies from the public sector is not exceeding 22,354 million baht for the main concession contract of MRT Yellow Line Project, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%) and the JV Companies will receive by yearly installments for the period of not less than 10 years after the start of train operation services.

According to the information received from the management of the Company as of 14 February 2017, the investment of the main concession contract of MRT Pink Line Project and MRT Yellow Line Project including the revenue sharing to MRTA and the subsidies of civil works amount and payment period from the MRTA were accepted by MRTA as BSR was announced as the winner of the bidding and were accepted at the present negotiation process and is in the process of negotiation on the extension of both projects with MRTA.

In determining the value of transaction for the Acquisition, the size of transaction as at quarter 3/2017 (31 December 2016) are as follows:

- Total value of consideration basis

Detail	Amount (million baht)
1) MRT Pink Line Project	
Investment per the main concession contract	46,314
Investment per the proposal of the extension	1,250
Total investment of the MRT Pink Line Project	47,564
2) MRT Yellow Line Project	
Investment per the main concession contract	43,654
Investment per the proposal of the extension	3,000
Total investment of the MRT Yellow Line Project	46,654
Total investment of the MRT Pink Line Project and MRT Yellow Line Project	94,218
Total Assets of the Company as of 31 December 2016	92,091
% of the consideration value to total assets of the Company	102.3%

Therefore, the total value of consideration is 94,218 million baht which is regarded as an acquisition of assets according to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and 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 Acquisition and Disposal of Assets B.E. 2547, as amended. In this regard, the transaction value is 102.3% of the total assets of the Company and its subsidiaries as at 31 December 2016 (quarter 3/2017). In addition, after combining the transaction value with other asset acquisition transactions of the Company occurring during the past six months prior to the entering into these transactions, the total transaction value calculated based on the Total Value of Consideration Basis is equivalent to 108.4%, which is classified as type-4 transaction which the value of transaction is above 100%. However, the entering into the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession does not constitute an indirect listing on the SET pursuant to the Notifications on Acquisition and Disposal of Assets because it falls under the exception of Clause 24 of the Notifications on Acquisition and Disposal of Assets where the transaction meet all the following requirements, the SET may not treat it as a new listing application, which are

(1) The acquired business is in a similar line of business and supports the business of the Company

The Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession are in a similar line of business and support the business of the Company. The Company's businesses consist of 4 main businesses, namely mass transit business, media business, property business and services business. The Company operates its mass transit business through Bangkok Mass Transit System Public Company Limited ("BTSC") engaging as the service provider for the MRT Green Line Project as well as the extension thereof. The nature of business of the MRT Green Line Project is in a similar line of business as those of the MRT Pink Line Project (including the extension of the MRT Pink Line Project) and the MRT Yellow Line Project (including the extension of the MRT Yellow Line Project). In addition, the Company operates its media business through VGI Group, which comprises VGI Global Media Public Company Limited ("VGI") and its subsidiaries, providing media network services as well as commercial development and other commercial activities both inside and outside of the stations and the rolling stocks, etc. The Company also engages in services business which supports the core businesses of the Company and its subsidiaries. Therefore, the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession will support, enhance and create new business opportunities for the existing media business and services business of BTS Group. In addition, they will also enhance the opportunities for the property business of BTS Group in investing in new property development projects along the MRT routes.

(2) The Company does not have a policy to make a major change in its main business,

The Company does not have a policy to change its main business. The Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession, which have a concession term of 30 years, will enable the Company to continuously operates the mass transit business, which is its main business.

(3) The Company still has suitable qualifications for listing on the SET after the acquisition of assets

The Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession are acquisitions of businesses that do not engage in any illegal activities. In addition, after the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession, the Company still has suitable qualifications to maintain its listing status on the Stock Exchange of Thailand (the "SET"), i.e. (a) the directors, executives and controlling persons of the Company have the required qualifications and do not have any prohibited characteristics or any characteristics indicating the lack of suitability to be trusted to manage a business whose shares are held by the public; (b) the Company has in place a good corporate governance system in which the independent directors and the Audit Committee have the required composition and qualifications as prescribed; (c) the Company's auditor is on the approved list of the Office of the Securities and Exchange Commission (the "SEC"); (d) the Company has in place a sufficient and appropriate internal control system; (e) the Company and its subsidiaries do not have any conflict of interest; (f) the Company maintains its free float requirement; and (g) the Company has set up a provident fund in accordance with the law governing provident funds.

(4) There is no material change in the composition of the Board of Directors, shareholders or controlling persons of the Company.

The Company has no material change in the composition of the Board of Directors, shareholders, or controlling persons of the Company. Currently, Mr. Keeree Kanjanapas Group, which holds 41.27 percent of the total number of voting shares of the Company, is a major shareholder and a controlling person of the Company. After the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession, Mr. Keeree Kanjanapas Group will remain as a major shareholder and a controlling person of the Company, and does not have a policy to change the members of the Board of Directors and the executives of the Company in the near future.

However, the acquisition of assets transaction of the Company meets all requirements of Clause 24 of the Notifications on Acquisition and Disposal of Assets. Therefore, the Company is required to disclose the information memorandum regarding the Transaction to the Stock Exchange of Thailand ("SET"), appoint an independent financial advisor to provide the opinion to shareholders, and hold the shareholder meeting to consider and approve the Transaction. The Transaction must be approved by a resolution of no less than three-fourth (3/4) of the total number of votes of the shareholders who have the rights to vote or proxy (if any) who attending the meeting and entitled to vote. However, in order to entering into the aforesaid Transaction, the Company shall not ask for the approval from shareholders before entering into the Transaction since the disclosure of amount of money for the auction or relating information such as investment budget, and sources of funds, and financial projection and return on investment in advance because it may undermine BSR to participate in the auction. During the time of the auction, there are the uncertainty that BSR could win the MRT Pink Line Project and the MRT Yellow Line Project and how much value of the auction. Therefore, the Company needs to take an action before getting approval of the Transaction from shareholders. To be legally binding for the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession, the Company determined the Extraordinary General Meeting of the Shareholders No. 1/2017 on 3 April 2017 to approve the certain transaction.

1.2 Transaction Date

BSR has financial conditions which shall be done before the signing of the concession contracts and the implementation of the contracts in Phase 1 and 2 for each concession contract, as details below.

(1) BSR shall register the establishment of a new Thai juristic entity. At least 1 member of the newly established firm shall be Thai juristic person with a shareholding of not less than 35% and the total shareholding of Thai juristic members in the new firm shall be not less than 51% of paid-up capital.

(2) The newly established Thai entity shall have a paid-up registered capital of not less than 3,500 million baht on the contract signing date and shall increase the paid-up registered capital to not less than 14,000 million baht before the start date of the train operation services. The paid-up registered capital is

required to maintain Debt to Equity ratio at 2.5. Change of the members of the juristic entity and their shareholding stakes during the concession period shall be made upon approval of the MRTA only.

According to the plans of the Company, two JV companies has each paid-up capital of at least 3,500 million baht before signing each concession contract with the MRTA. Each JV has 3 Thai members, which are the Company (holding 75%), STEC (holding 15%), and RATCH (holding 10%), and the first Joint Venture Company will increase its paid-up capital to about 14,000-17,423 million baht to carry out the MRT Pink Line Project (including extension) and the second Joint Venture Company will increase its paid-up capital to about 14,000 to 16,013 million baht to carry out the MRT Yellow Line Project (including extension) before the start of the train operation services.

In addition to the financial conditions above, the investment of the MRT Pink Line Project and the MRT Yellow Line Project will occur only after;

(1) the MRTA has been granted approval by the Cabinet to enter into the concession contract for the MRT Pink Line Project and the concession contract for the MRT Yellow Line Project and

(2) The Company has been granted approval of the Extraordinary General Meeting of Shareholders which will be held on 3 April 2017 to enter into the Acquisition of the MRT Pink Line Project Concession and the Acquisition of the MRT Yellow Line Project Concession. After the approval of the Extraordinary General Meeting of Shareholders, it is expected that concession contracts of both projects will be signed within June 2017.

According to the information received from the management of the Company as of 14 February 2017, the investment of the main concession contract of MRT Pink Line Project and MRT Yellow Line Project including the revenue sharing to MRTA and the subsidies of civil works amount and payment period from the MRTA were accepted by MRTA as BSR was announced as the winner of the bidding and were accepted at the present negotiation process and is in the process of negotiation on the extension of both projects with MRTA.

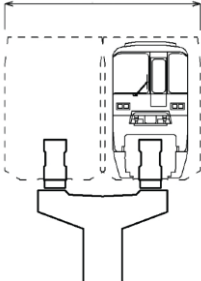
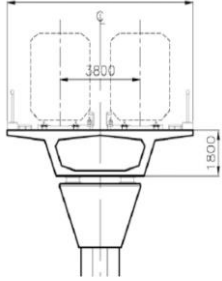
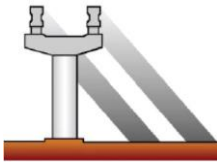
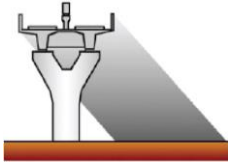
1.3 Contractual parties and relationship with the Company

Grantor	: MRTA
Concessionaire	: One JV Company for the investment in the MRT Pink Line Project and the other JV Company for the investment in the MRT Yellow Line Project. Each JV Company will have shareholding at 75% held by the Company, 15% by STEC, and 10% by RATCH
Relationship	MRTA is not connected persons of the Company and subsidiaries in accordance with the Notification of Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and 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 B.E 2546 (and its amendments)

1.4 The nature of the assets acquired

The MRT Pink Line Project (and its extension) and the MRT Yellow Line Project (and its extension) are the concession contracts for the joint venture entity to be established under the agreement of the BSR with the MRTA in the form of PPP Net Cost which MRTA will invest the land and JV Companies are responsible for civil construction, mass transit train system, and the train service and maintenance. The total concession period is 33 years and 3 months (3 years 3 months construction period and operation period of 30 years), both projects are the first project of the monorail system which has characteristics and differences from the heavy rail system using at the present as follows:

Comparison of Monorail system VS Heavy rail system

Characteristics	Monorail	Heavy Rail
Service capacity	Passenger capacity: between 10,000 - 44,000 passengers/Hour/Direction Traffic	Passenger capacity: between 30,000 - 80,000 passengers/Hour/Direction Traffic
Speed	Average speed 35 km/h, maximum speed 80 km/h	Average speed 35 km/h, maximum speed 80 km/h
Width (the structure from guideway to guideway)	6.7 – 6.3 Meters 	9 Meters 
Permanent way (Horizontal)	Average -Minimum railway curve radius 70 Meter	Wide -Minimum railway curve radius 200 Meter
Permanent way (Vertical)	Steep slope - maximum slope 6%	Mild slope - maximum slope 3.5%
Permanent way (Vertical)	Steep slope - maximum slope 6%	Mild slope –maximum slope 3.5%
System Safety	High	High
Environmental Impacts of Noise and Vibration Pollution	Low - Lighter weight of the rolling stock, use rubber tires and air springs	High - Steel-on-steel rolling stock
Environmental Impacts of Sunlight Obstruction	Low 	High 
Environmental Impacts of an expropriation and migration in the project area	Low - Flexible Route Alignment and Train Configuration	High - Wider Route Alignment and Train Configuration and railway curve radius

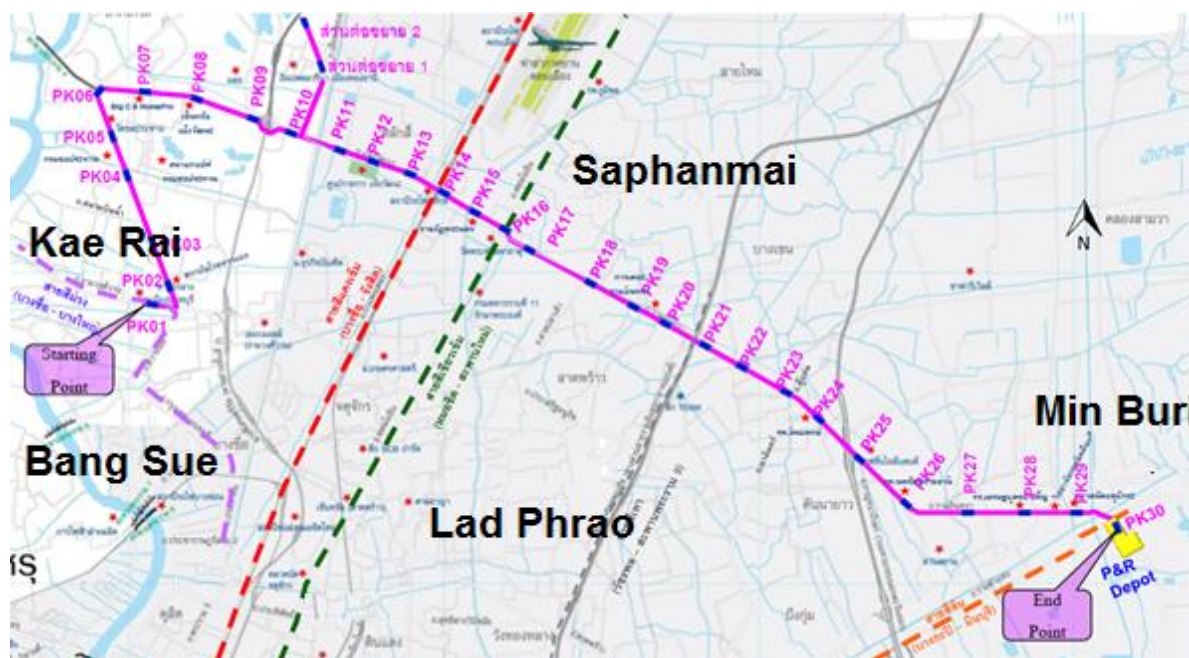
Source: Study and review of the details and appropriateness adjustment and preparation of bidding documents of MRT Pink Line Project by MRTA

Each project has the route and connections to other transport systems as follows:

1) The MRT Pink Line Project has the route length about 34.5 kilometers with the total value of investment of 46,314 million baht (exclude land acquisition), which has 42 rail trains with the maximum speed of 80 kilometers per hour (the average speed about 35 kilometers per hour) and contains more than 30,000 passengers per hour per direction. There are 30 stations, 1 depot (PK30), and 1 Park and Ride building. The route alignment starts from the Nonthaburi Government Center (PK01), where the line will connect to the MRT purple line (Bangyai-Bangsue Section), passing Impact Arena, Mueang Thong Thani, near the 2nd stage expressway, the Government Complex, and Lak Si intersection where it will connect to the Red Line (Airport Rail Link), passing Phithak Rattathammanun Monument Circle where Wat Phra Si Maha That station is located, serving as an interchange station between the Pink Line and the Dark Green Line (Mo Chit-Saphan Mai Section) and runs further until Min Buri intersection where there is an interchange station linking to the Orange Line (Bangkapi-Min Buri Section). However, MRTA will give the subsidies for civil works of the MRT Pink Line Project of not exceeding 20,135 million baht, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%), by yearly installments for the period of not less than 10 years after the start of train operation services. According to the information received from the management of the Company as of 14 February 2017, the investment of the main concession contract of MRT Pink Line Project and MRT Yellow Line Project including the revenue sharing to MRTA and the subsidies of civil works amount and payment period from the MRTA were accepted by MRTA as BSR was announced as the winner of the bidding and were accepted at the present negotiation process and is in the process of negotiation on the extension of both projects with MRTA.

The extension of the MRT Pink Line Project with a length of approximately 2.8 kilometers is a Spur-line from the Srirat Station (PK10) of MRT Pink Line Project to connect to the first station located at Impact Challenger Hall and the second station located at the lake area in Muang Thong Thani. Total investment is 2,500 million baht (exclude land acquisition provided by MRTA and BLAND), JV Company will receive the subsidies for construction in the amount of 1,250 million baht during the construction period (Approximately 2017-2020) and the subsidies for operating 10 million baht per year during the train operation services of the MRT Pink Line Project (Approximately 2021-2050) from BLAND, referring to Memorandum of Agreement between the Company and BLAND dated 7 November 2016 and the information memorandum of BLAND disclosed to the SET on 8 November 2016. However, based on information received from the management of the Company as of 14 February 2017, the proposal of the extension is under the consideration of MRTA.

Map of the MRT Pink Line Project



Source: <https://www.mrta.co.th/pinkline/about2.html>

All stations of MRT Pink Line Project are elevated structure, mostly with the ticket office on the second floor and platform on the third floor, constructed over existing public main roads. There will be 32 stations along the route. (30 stations for the main concession contract and 2 stations for the extension)

Symbol	Station	Route Information
PK01	Nonthaburi Government Center Station	Nonthaburi Government Center is the Pink Line starting point, which will connect to the Purple line. (Bang Yai- Bang sue) The station located in front of Nonthaburi Government Centre, Rattanathibet road, Nonthaburi Province.
PK02	Khae Rai Station	The station located at Tiwanon Road near Khae Rai Intersection. Central Chest Hospital in the west, and the east is between Tiwanon Soi 11 & 13.
PK03	Sanam Bin Nam Station	Sanam Bin Nam Station located at Tiwanon Rd, between Sanam Bin Nam Junction, In the west is between Tiwanon Soi 27 and Soi 29, In the east is between Tiwanon Soi 38 and Soi 40.
PK04	Samakkhi Station	The station located at Tiwanon Road, In front of Klong Bang Talad bridge, between Soi Samakkhi and Klong Bang Talad.
PK05	Chonlaphrathan Station	The station located at Tiwanon Road, between Chonprathan Withaya school and Irrigation College, next to Tiwanon Soi 4.
PK06	Pak Kret Station	Located between the South east corner of Pak Kret Intersection before entering Chaeng Wattana Road, near Feel So Good's football field.
PK07	Liang Mueang Pak Kret Station	Located at Chaeng Wattana Road, before Liang Mueang intersection cross with Pak Kret intersection, In the south is HomePro department store, In the north is Thai Garment Export co., Ltd.

Symbol	Station	Route Information
PK08	Chaeng Wattana-Pak Kret 28 Station	Located at Chaeng Wattana Road, In the south is Chaeng Wattana-Pak Kret Soi 28. In the north is Chaeng Wattana-Pak Kret Soi 19, next to Central Chaeng Wattana department store.
PK09	Muang Thong Thani Station	Located at Chaeng Wattana Road, in the north of the station is Chaeng Wattana-Pak Kret Soi 35 and Si Rat Outer Ring Road Expressway, in the south is Klong Gleua school and Chaeng Wattana-Pak Kret Soi 32.
PK10	Si Rat Station	Located at Chaeng Wattana Road, Nonthaburi province, next to Si Rat Outer Ring Road Expressway, In the south is Makro Department store Chaeng Wattana, between Chaeng Wattana-Pak Kret Soi 38 and Soi 40.
	Extension Station1	Located at Muang Thong Thani, connecting to Impact Challenger Hall.
	Extension Station2	Located at lake area in Muang Thong Thani.
PK11	Chaeng Wattana 14 Station	Located at Chaeng Wattana Road, Bangkok, in the north is between Big C Super Center Chaeng Wattana and Wattana Soi14 (Soi Muang Thong 1) and near MongKud Watthana Hospital, in the south is next to Soi Khun Vi Viean.
PK12	Government Complex Station	Located at Chaeng Wattana Road, in front of Department of Consular Affairs, In the south is Government Complex Chaeng Wattana. Nearby 1 st Long Range Reconnaissance Patrol Company.
PK13	TOT Station	Located at Chaeng Wattana Road, the south is in front of TOT Public Company Limited and the north is in front of Na Nakorn building.
PK14	Lak Si Station	Located at Chaeng Wattana Road in the west of Vibhavadi rangsit Road (inbound), in the north is Division Lak Si Road Highway Department which is between Chaeng Wattana Soi 8 and Vibhavadi Rangsit Road. This station is an interchange station to the Red line. (Bang Sue - Rangsit) by walkway (Skywalk).
PK15	Phranakhon Rajabhat Station	Located at Chaeng Wattana Road, In front of Max Value supermarket and Phranakhon Rajabhat University next to Klong Ta Non.
PK16	Wat Prasi Mahathat Station	Located at Phithak Raitthammanun Monument Circle, which is interchange with the Dark Green line. (Mor Chit- Sa Phan Mai)
PK17	Rarm Intra 3 Station	Located at Rarm Intra Road, between Soi Rarm Intra 3 and Rarm Intra 5, In front of Lumpini Place condominium (on the north of this station).
PK18	Lat Pla Khao Station	Located at Rarm Intra Road, between Soi Rarm Intra 23 on the north and Rarm Intra 4/3 on the south.
PK19	Ramindra 31 Station	Located at Rarm Intra Road, In the north is between Soi Rarm Intra 33 and Rarm Intra 37. In the south is between Soi Rarm Intra 8 and Rarm Intra 10.
PK20	Maiyalap Station	Located at Rarm Intra Road, In the north is Soi Rarm Intra 41. In the south is between Soi Rarm Intra 18 and Rarm Intra 14 (Soi Maiyalap).
PK21	Watcharapol Station	Located at Rarm Intra Road, Next to Chalong Rat Expressway, between Ram Intra Soi 57/1 and Soi 59
PK22	Ramindra 40 Station	Located at Rarm Intra Road, between Rarm Intra Soi 40 and Soi 42 in the south and Esso gas station in the north.
PK23	Khu bon Station	Located at Rarm Intra Road, between Rarm Intra Soi 69 and Soi 46
PK24	Ramindra 83 Station	Located at Rarm Intra Road, between Rarm Intra Soi 83 and Soi 85 in the north and Rarm Intra Soi 54 also car park in the south.

Symbol	Station	Route Information
PK25	East Outer Ring Road Station	Located at Rarm Intra Road, Next to East Outer Ring Road, Fashion Island Department Store and The Promenade Shopping mall located in the north of this station.
PK26	Nopparat Rajchanee Station	Located at Rarm Intra Road, between Soi Suan Siam in the south nearby Nopparatrajathanee Hospital 83
PK27	Bang chan Station	Located at Rarm Intra Road, between Rarm Intra Soi 113 and Rarm Intra Soi 115 in the north, near Rarm Intra Soi 109 (Soi Prhrayasuren)
PK28	Settabut Bampen Station	Located at Rarm Intra Road, between PTT Gas station and Rarm Intra Soi 123, In the north is Settabut Bampen School.
PK29	Min Buri Market Station	Min Buri Market Station is the first station on Sihaburanukit Road, which is connect from Rarm Intra Road, Located in front of JJ market 2 in the north, between Sihaburanukit Soi 16 and Sihaburanukit Soi 18 in the south.
PK30	Min Buri Station	Min Buri Station is the terminal station of The MRT Pink Line, Located at Ramkhamhaeng Road, between Ramkhamhaeng Soi 192 and Klong Song Ton Nun. The station is for a depot, park and ride building and also the interchange with Orange Line.

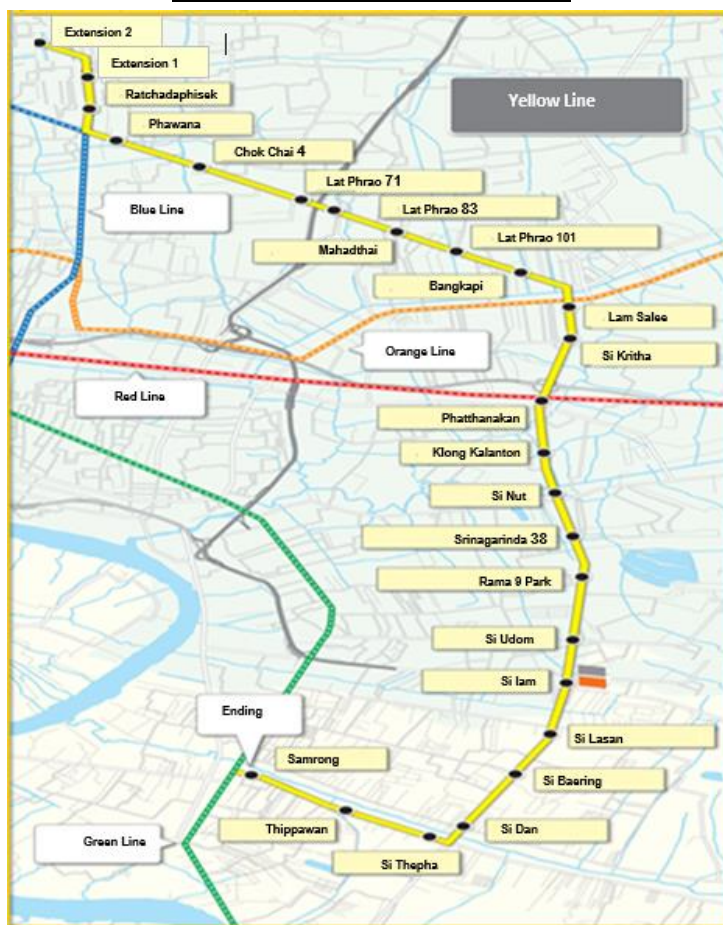
Source: <https://www.mrta.co.th/pinkline/about2.html>

2) The MRT Yellow Line Project has the route length about 30 kilometers with the total value of investment of 43,654 million baht (exclude land acquisition), which has 30 rail trains with the maximum speed of 80 kilometers per hour (The average speed about 35 kilometers per hour) and contains more than 30,000 passengers per hour per direction. There are 23 stations, 1 depot (YL23), and 1 Park and Ride building. The route alignment starts from Lad Phrao (YL01), at Ratchadapisek-Lat Phrao intersection, and heads along Lat Phrao Road and turn right on to Srinagarindra Road, where it will interchange with the Orange Line at Lam Salee intersection. The line then heads along Srinagarindra Road where it will interchange with Red Line (Airport Rail Link) at Rama 9 Intersection, passing all the way to Phatthanakarn, Si Nut, Si Udom, Si lam and Si Thepha Intersections. The line then heads west along Thepha Rak Road before terminating at Samrong station, where it will interchange with the BTS Sukhumvit Line (Green Line Project, Bearing – Samut Prakarn Section). However, MRTA will give the subsidies for civil works of not exceeding 22,354 million baht, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%), by yearly installments for the period of not less than 10 years after the start of train operation services. According to the information received from the management of the Company as of 14 February 2017, the investment of the main concession contract of MRT Pink Line Project and MRT Yellow Line Project including the revenue sharing to MRTA and the subsidies of civil works amount and payment period from the MRTA were accepted by MRTA as BSR was announced as the winner of the bidding and were accepted at the present negotiation process and is in the process of negotiation on the extension of both projects with MRTA.

The extension of the MRT Yellow Line Project with a length of approximately 2.6 kilometers along Ratchadapisek Road, which will connect with the N10 station (Soi Phahonyothin 24) of the MRT Green Line Extension (Mo Chit – Sapan Mai – Khu Khot) which is currently under construction. The extension includes two stations, the first station being located in the middle of the extended route and the second station being located before approaching Ratchayothin Intersection. Total investment is 3,000 million baht (exclude land

acquisition). In addition, BTS group proposed to purchase the land in the area where the maintenance and repair depot for the MRT Yellow Line Project is to be constructed instead of the MRTA, which will enable the MRTA to save on costs from the expropriation of this land. BSR Joint Venture or the JV Company will construct a multi-purpose building, comprising (1) a repair and maintenance depot, whereby BSR Joint Venture or JV Company will grant the MRTA the right to use this area; and (2) a commercial area, which BSR Joint Venture or JV Company is entitled to develop and utilize for all commercial purposes (including the area around the repair and maintenance depot). The approval of MRTA for the extension of MRT Yellow Line Concession is not binding with the proposal to purchase of land. However, if BTS group purchases this certain land for the depot and the area around the depot, BTS group shall comply with the related law and regulation. However, based on information received from the management of the Company as of 14 February 2017, the proposal of the extension is under the consideration of MRTA.

Map of the MRT Yellow Line Project



Source: <http://www.thansettakij.com/2016/08/01/76090>

All stations of MRT Yellow Line Project are elevated structure, mostly with the ticket office on the second floor and platform on the third floor, constructed over existing public main roads. There will be 25 stations along the route. (23 stations for the main concession contract and 2 stations for the extension)

Symbol	Station	Route Information
	Extension Station 1	Located at Ratchadaphisek Road, heading toward Ratchayothin Intersection.
	Extension Station 2	Located before Ratchayothin Intersection, connect with the MRT Green Line Extension. (Mo Chit – Sapan Mai – Khu Khot)
YL01	Ratchadaphisek Station	Located in front of Park and Ride building at Ratchadaphisek Road, Ratchada-Lat Phrao intersection. It will interchange with Chaloe M Ratchamongkhon Line, the MRT Blue Line.
YL02	Phawana Station	Located at Soi Phawana. (Lat Phrao 41)
YL03	Chok Chai 4 Station	Located at Chok Chai 4 Shopping Mall. (Lat Phrao 53)
YL04	Lat Phrao 71 Station	Located at Soi Lat Phrao 71.
YL05	Lat Phrao 83 Station	Located between Soi Lat Phrao 83 and Soi Lat Phrao 85.
YL06	Mahadthai Station	Located at Soi Lat Phrao 9, Foodland Supermarket (Lat Phrao branch)
YL07	Lat Phrao 101 Station	Located at Soi Lat Phrao 101, near Lat Phrao Market.
YL08	Bangkapi Station	Located at Makro Department store, near The Mall (Bangkapi) Shopping centre.
YL09	Lam Salee Station	Located at Lam Salee (in the south), interchange with the Orange Line. (Taling Chan- Min Buri)
YL10	Si Kritha Station	Si Kritha Station is next to Si Kritha intersection (in the south), at the construction area of elevated way.
YL11	Phatthanakan Station	Located between intersection of train station (Phatthanakan Station) and Phatthanakan Road, interchange with Red Line (Airport Rail Link)
YL12	Klong Kalanton Station	Located in front of Than Ya shopping park and Baan Klang Muang Urbanion Srinakar in.
YL13	Si Nut Station	Located in the south of Si Nut intersection.
YL14	Srinagarinda 38 Station	Located in front of Soi Srinagarinda 38, (near Krung Thai Bank)
YL15	Rama 9 Park Station	Located between Seacon Square and Paradise Park Shopping Mall.
YL16	Si Udom Station	Located at Udomsuk road, Sri Udom intersection.
YL17	Si lam Station	Si lam Station located at Si lam intersection. (In the north of Bang Na-Trat Road) This station is a park and ride and a depot of the MRT Yellow Line.
YL18	Si Lasan Station	Located at Si Lasan intersection in the south.
YL19	Si Baering Station	Located at Sri Bearing intersection in the south.
YL20	Si Dan Station	Located near Si Dan intersection in the north.
YL21	Si Thepha Station	Located near Si Thepha intersection in the west.
YL22	Thippawan Station	Located in front of Soi Moo Ban Thippawan.
YL23	Samrong Station	Located near Su Thepha intersection, Thepharak fresh food market and the interchange with BTS Green line (Bearing – Samut Prakarn Section)

Source: <https://www.mrt.a.co.th/th/MRTAproject/yellowLine.php>

1.5 The Value of Consideration

In determining the value of consideration for the Acquisition of the MRT Pink Line Project Concession and its extension, with the investment value of 47,564 million baht (the calculation estimated from the civil works of 23,800 million baht, the mechanical and electrical system of 24,464 million baht, and Pre-operating of 300 million baht, and added by revenue sharing to MRTA 250 million baht, deducted by the subsidies from BLAND for construction of the extension project of 1,250 million baht), the entire route is about 37.3 kilometers and the MRT Yellow Line Project Concession and its extension with the investment value of 46,654 million baht (the calculation estimated from the civil works of 24,900 million baht, the mechanical and electrical system of 21,204 million baht, and Pre-operating expenses of 300 million baht, and added by revenue sharing to MRTA 250 million baht), the entire route is about 32.6 kilometers. Both the MRT Pink Line Project and the MRT Yellow Line Project receive the subsidies for the civil works from MRTA of not exceeding 20,135 million baht and 22,354 million baht, respectively, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%), gradually payment after the train operation services on annual basis within a period of not less than 10 years.

The certain values of these projects are proposed during the bidding process to MRTA, the Government Agency. There were two bidders for each of the MRTA project. MRTA is the one who set conditions and rights and obligations of all bidders who joined the bidding of concession projects. The participation of BSR in Biddings of MRT projects are in accordance with the approval by the Board of Directors Meeting No. 12/2016, held on 19 October 2016.

1.6 Source of fund

Two JV Companies have policy to use capital increase and loans from financial institutions to invest in the MRT Pink Line Project (including its extension) and the MRT Yellow Line Project (including its extension), which has the construction period of 3 years and 3 months, which is expected to start the civil works in October 2017 and expected to be completed in December 2020. After that, it is the train operation of 30 years (from January 2021 – December 2050). As the plan received from the Company which was submitted to MRTA for bidding, the investment value and the source of fund for the construction of the MRT Pink Line Project and the MRT Yellow Line Project and their extensions of each year can be summarized as follows:

The MRT Pink Line Project (Unit: million baht)	2017(3M)	2018	2019	2020	Total
Investment					
<u>Part 1: Main concession contract</u>					
- Civil works	3,300	9,900	6,600	2,200	22,000
- Mechanical and Electrical Systems	3,565	5,941	9,506	4,753	23,764
- Pre-Operating Expenses	-	-	-	300	300
- Estimated Interest Expenses ¹	14	431	1,034	1,459	2,938
Total Investment of Main concession contract	6,879	16,272	17,139	8,712	49,002
<u>Part 2: The Extension</u>					
- Civil works	270	810	540	180	1,800
- Mechanical and Electrical Systems	105	175	280	140	700
- Estimated Interest Expenses ¹	1	15	31	42	89
Total Investment of the Extension	376	1,000	851	362	2,589
<u>Total (Main concession contract and its Extension)</u>					
- Civil works	3,570	10,710	7,140	2,380	23,800
- Mechanical and Electrical Systems	3,670	6,116	9,786	4,893	24,464
- Pre-Operating Expenses	-	-	-	300	300
- Estimated Interest Expenses ¹	15	446	1,065	1,501	3,027
Total Investment of Main concession contract and its Extension	7,255	17,272	17,991	9,074	51,592
Source of Fund					
<u>Part 1: Main concession contract</u>					
Equity	4,640	3,510	5,789	3,061	17,000
Loan	2,239	12,762	11,351	5,651	32,002
Total Fund of Main concession contract	6,879	16,272	17,140	8,712	49,002
<u>Part 2: The Extension</u>					
Equity	60	159	139	65	423
Loan	129	348	303	137	916
Fund from private company ²	188	493	410	160	1,250
Total Fund of the Extension	377	1,000	852	362	2,589
<u>Total (Main concession contract and its Extension)</u>					
Equity	4,700	3,669	5,928	3,126	17,423
Loan	2,367	13,110	11,653	5,788	32,918
Fund from private company ²	188	493	410	160	1,250
Total Fund of Main concession contract and its Extension	7,255	17,272	17,991	9,074	51,592

Financial Position	2017(3M)	2018	2019	2020
Accumulated Equity (million baht)	4,700	8,369	14,297	17,423
Accumulated loan (million baht)	2,367	15,477	27,130	32,918
Debt to Equity ratio (times)	0.5	1.8	1.9	1.9

Rounding figures in the above tables.

- Remark 1. Refer to the Projection of IFA with the interest rate at 5% p.a., the actual interest rate may be different from the projection.
2. Refer to the information received from the Company and the information that BLAND disclosed to the SET on 3 November 2016.

From the information above, the investment of the MRT Pink Line Project for the main concession contract is approximately 49,002 million baht and for the extension is approximately 2,589 million baht or the total investment of 51,592 million baht. The equity for the main concession contract is approximately 17,000 million baht and for the extension is approximately 423 million baht and the total equity for investment in the MRT Pink Line Project, the main concession contract and its extension is approximately 17,423 million baht. The loan from financial institution is forecasted for the main concession contract and its extension totaling about 32,918 million baht. As of 4 November 2016, BSR has received a letter of financial support issued by a financial institution in the amount of not less than 32,900 million baht for the investment in the MRT Pink Line Project.

The expected maximum Debt to Equity ratio of MRT Pink Line Project is about 1.9 times and decreasing after starting the train operation service of the MRT Pink Line Project. The above Debt to Equity ratio is not exceeding the requirement of the MRTA to maintain Debt to Equity ratio at 2.5 throughout the concession period.

The MRT Yellow Line Project (Unit: million baht)	2017(3M)	2018	2019	2020	Total
Investment					
<u>Part 1: Main concession contract</u>					
- Civil works	3,450	10,350	6,900	2,300	23,000
- Mechanical and Electrical Systems	3,016	5,026	8,042	4,021	20,104
- Pre-Operating Expenses	-	-	-	300	300
- Estimated Interest Expenses ¹	15	426	1,015	1,429	2,884
Total Investment of Main concession contract	6,480	15,802	15,956	8,050	46,288
<u>Part 2: The Extension</u>					
- Civil works	285	855	570	190	1,900
- Mechanical and Electrical Systems	165	275	440	220	1,100
- Estimated Interest Expenses ¹	1	35	74	102	213
Total Investment of the Extension	451	1,165	1,084	512	3,213
<u>Total (Main concession contract and its Extension)</u>					
- Civil works	3,735	11,205	7,470	2,490	24,900
- Mechanical and Electrical Systems	3,181	5,301	8,482	4,241	21,204
- Pre-Operating Expenses	-	-	-	300	300
- Estimated Interest Expenses ¹	16	461	1,089	1,531	3,097
Total Investment of Main concession contract and its Extension	6,932	16,967	17,041	8,562	49,502
Extension					

The MRT Yellow Line Project (Unit: million baht)	2017(3M)	2018	2019	2020	Total
Source of Fund					
<u>Part 1: Main concession contract</u>					
Equity	4,154	3,429	4,772	2,645	15,000
Loan	2,326	12,373	11,184	5,406	31,288
Total Fund of Main concession contract	6,480	15,802	15,956	8,051	46,288
<u>Part 2: The Extension</u>					
Equity	143	366	341	163	1,013
Loan	310	799	744	348	2,201
Total Fund of the Extension	453	1,165	1,085	511	3,214
<u>Total (Main concession contract and its Extension)</u>					
Equity	4,297	3,795	5,113	2,808	16,013
Loan	2,635	13,172	11,928	5,754	33,489
Total Fund of Main concession contract and its Extension	6,932	16,967	17,041	8,562	49,502

Financial Position	2017(3M)	2018	2019	2020
Accumulated Equity (million baht)	4,297	8,092	13,205	16,013
Accumulated loan (million baht)	2,635	15,807	27,735	33,489
Debt to Equity ratio (times)	0.6	2.0	2.1	2.1

Rounding figures in the above tables.

Remark 1. Refer to the Projection of IFA with the interest rate at 5% p.a., the actual interest rate may be different from the projection.

From the information above, the investment of the MRT Yellow Line Project for the main concession contract is approximately 46,288 million baht and for the extension is approximately 3,213 million baht or the total investment of 49,502 million baht. The equity for the main concession contract is approximately 15,000 million baht and for the extension is approximately 1,013 million baht and the total equity for investment in the MRT Yellow Line Project, the main concession contract and its extension is approximately 16,013 million baht. The loan from financial institution is forecasted for the main concession contract and its extension totaling about 33,489 million baht. As of 4 November 2016, BSR has received a letter of financial support issued by a financial institution in the amount of not less than 33,500 million baht for the investment in the MRT Yellow Line Project.

The expected maximum Debt to Equity ratio of MRT Yellow Line Project is about 2.1 times and decreasing after starting the train operation service of the MRT Yellow Line Project. The above Debt to Equity ratio is not exceeding the requirement of the MRTA to maintain Debt to Equity ratio at 2.5 throughout the concession period.

The Company as a shareholder holding 75% of each JV companies. It is expected to require capital injection and responsibility of loans as the shareholding portion following the JV agreements. The investment plans of each project are as follows:

The MRT Pink Line Project (Unit: million baht)	2017(3M)	2018	2019	2020	Total
<u>Part 1: Main concession contract</u>					
Equity	3,480	2,633	4,342	2,296	12,750
Loan	1,679	9,572	8,513	4,238	24,001
Total Fund of Main concession contract	5,159	12,204	12,855	6,534	36,751
<u>Part 2: The Extension</u>					
Equity	45	119	104	49	317
Loan	96	261	227	103	687
Total Fund of the Extension	141	380	331	152	1,005
<u>Total (Main concession contract and its Extension)</u>					
Equity	3,525	2,751	4,446	2,345	13,067
Loan	1,775	9,833	8,740	4,341	24,689
Total Fund of Main concession contract and its Extension	5,300	12,585	13,186	6,685	37,756

The MRT Yellow Line Project (Unit: million baht)	2017(3M)	2018	2019	2020	Total
<u>Part 1: Main concession contract</u>					
Equity	3,116	2,572	3,579	1,984	11,250
Loan	1,744	9,279	8,388	4,054	23,466
Total Fund of Main concession contract	4,860	11,851	11,967	6,038	34,716
<u>Part 2: The Extension</u>					
Equity	107	275	256	122	760
Loan	232	600	558	261	1,651
Total Fund of the Extension	339	874	814	384	2,411
<u>Total (Main concession contract and its Extension)</u>					
Equity	3,223	2,846	3,835	2,106	12,010
Loan	1,976	9,879	8,946	4,315	25,116
Total Fund of Main concession contract and its Extension	5,199	12,726	12,781	6,421	37,126

Total of 2 Projects (Unit: million baht)	2017(3M)	2018	2019	2020	Total
Equity	6,748	5,598	8,281	4,451	25,077
Loan	3,752	19,712	17,686	8,656	49,805
Total Fund of Main concession contract and its Extension	10,499	25,310	25,966	13,107	74,882

Remark Rounding figures in the above tables

From the above information of the main concession contract and the extension, the Company expects to inject capital in each JV companies by its shareholding portion to invest in the MRT Pink Line Project approximately 13,067 million baht and the MRT Yellow Line Project about 12,010 million baht, representing a total value of 25,077 million baht. The Company has to gradually increase the paid-up capital in proportion to about 4,500 – 8,300 million baht per year during the period of construction. While the responsibility of loans is expected to be approximately 24,689 million baht for the MRT Pink Line Project and

approximately 25,116 million baht for the MRT Yellow Line Project, or in a total of about 49,805 million baht. The responsibility of loans for the two projects of the Company will gradually increase during the construction period of approximately 3,800-19,700 million baht each year during the construction period.

The information from the consolidated financial statements for Q3/2017 as of 31 December 2016, which has been reviewed by the CPA. The Company had cash and cash equivalents of approximately 21,000 million baht, short-term investments of approximately 1,900 million baht, and long-term investments of approximately 12,800 million baht, totaling about 35,700 million baht excluding the estimated amount of 22,000 million baht that the subsidiary company has the plan to take to invest in train system investment and expansion projects of and the MRT green line. Therefore, the Company has cash balance and investment that can be used to invest around 13,700 million baht. In addition, the ratio of interest bearing debt to equity of the Company is approximately 0.77 times, which is not high and the Company has high opportunity to take loans from financial institutions and/or issuing bonds at appropriate interest rates, considering its ability to raise fund by borrowing in the past. Moreover, EBITDA of 2,500 million baht per year, which will help supporting liquidity for investment in MRT project of two lines.

If the Company invests by using loan totaling about 11,377 million baht (the Company will inject capital of about 25,077 million baht, deducted by liquidity assets that can be sold and then will use for investment projects of the two lines about 13,700 million baht), to inject capital to the two joint venture companies, therefore a ratio of interest-bearing debt to equity will be approximately 1.02 times. IFA has opinion that the ratio is in the normal practice of the business and complying to the loan condition of general financial institutions which is usually set the interest-bearing debt to equity of not exceed 2.0-2.5 times. Moreover, after the operation of these two MRT lines, which is expected to be within January 2021, the two JV Companies will have the cash flow from operations, including their subsidies of civil works from government agency to gradually repay their loan principals resulting to reduce the interest and guarantee by the Company. (Details are in Section 4.2 Feasibility Approach of the MRT Pink Line Project and the MRT Yellow Line Project)

1.7 The summary of key terms of agreements

The draft concession contract between the joint venture entity to be established under the agreement of the BSR and MRTA

The MRT Pink Line Project	The MRT Yellow Line Project
<ul style="list-style-type: none"> Khae Rai - Min Buri Section, the monorail system with elevated structure covering a distance of 34.5 km, starting from Khae Rai Station and ending at Min Buri Station, consists of 30 Stations, one Park and Ride building, and one depot. 	<ul style="list-style-type: none"> Lad Phrao – Sam Rong Section, the monorail system with elevated structure covering a distance of 30 km, starting from Ratchada Station and ending at Sam Rong Station, consists of 23 Stations, one Park and Ride building, and one depot.

The MRT Pink Line Project	The MRT Yellow Line Project
<ul style="list-style-type: none"> ● Concession Period: 33 years 3 months divided in to 2 phases as follows: <ul style="list-style-type: none"> - <u>Work for Phase 1:</u> Design and construction of the civil works and the implementation period of Phase 1 is three years and three months starting from the date of issuance of the Notice to Proceed by MRTA until the date of issuance of the Commissioning Certificate by MRTA to the Concessionaire unless an extension of time has been granted by MRTA. The Concessionaire shall carry out the Design and Build of civil works, facilities, depot, Park & Ride building including other buildings, relocation and/or construction of utilities related to the Project as specified in this Contract; manufacture, supply and installation of M&E equipment, monorail rolling stock and other associated systems, computer programs for overall management as well as Individual Testing, Integrated Systems Testing and Trial Run, including training and technology transfer - <u>Work for Phase 2:</u> Train operation period of Phase 2 is 30 years starting from the date of issuance of the Commissioning Certificate or Substantial Commissioning Certificate by MRTA or end of concession contract. The Concessionaire shall be obligated and responsible for the management of train operations and provision of mass transit railway services continuously with efficiency and safety standards set out in the Contract, fare collection, rescue, maintenance of MRT Pink Line Project and MRT Yellow Line Project, improvement of related equipment and materials including both civil infrastructure and equipment of service systems as well as recruitment of personnel with knowledge and expertise, and reserve supply of materials, equipment and spared parts as necessary and sufficiently for the performance of the Contract throughout the concession period. 	
<ul style="list-style-type: none"> ● Duty and Responsibility <ul style="list-style-type: none"> - MRTA shall arrange for the ownership of lands to be utilized by the Concessionaire in the Concession investment in the Design and Build of civil works, supply of mass transit railway system, operation and maintenance, and subsidies as agreed contractually with maximum amount of subsidy as resolved by the Cabinet on 29 March 2016. - The Concessionaire shall arrange funding sources for equipment, tools, materials, machinery, additional land (if any), rolling stock and related systems works, and others for the implementation of the projects. 	
<ul style="list-style-type: none"> ● The subsidies for civil works of the MRT Pink Line Project of not exceeding 20,135 million baht, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%), gradually remit to the Concessionaire after MRTA has issued the Commissioning Certificate, and to be paid in yearly instalments for the period of not less than 10 years. 	<ul style="list-style-type: none"> ● The subsidies for civil works the MRT Yellow Line Project of not exceeding 22,354 million baht, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%), gradually remit to the Concessionaire after MRTA has issued the Commissioning Certificate, and to be paid in yearly instalments for the period of not less than 10 years.
<ul style="list-style-type: none"> ● Performance Security <ul style="list-style-type: none"> - <u>Work for Phase 1:</u> The Concessionaire shall furnish a Performance Security to MRTA in the form of domestic bank guarantee, Thai Government Bond or Thai State Enterprise Bond for an amount of 2,500 million baht per project as a guarantee of its performance under the Contract. MRTA shall return the security to the Concessionaire when the Concessionaire has completed all the Works for Phase 1 and is ready to commence the operations of mass transit railway service and the Concessionaire has furnished a new performance security of Phase 2 to MRTA. - <u>Work for Phase 2:</u> On the date of issuance of the Commissioning Certificate by MRTA and commencement of the Works for Phase 2, the Concessionaire shall furnish a new performance security to MRTA in an amount of 750 million baht per project which shall be valid throughout the contract period. MRTA shall return such performance security after the Concessionaire has been released from the obligations under this Contract. (<u>Remark:</u> A financial institution issued the letter of financial support for the construction of the MRT Pink Line Project and MRT Yellow Line Project not less than 32,900 million baht and 33,500 million baht, respectively, which the above bank guarantees were included.) 	

The MRT Pink Line Project	The MRT Yellow Line Project
<ul style="list-style-type: none"> ● Source of Revenue and the Revenue Collection <ul style="list-style-type: none"> - The Concessionaire shall be responsible for revenue collection. Sources of revenue will come from fares, parking fees and commercial development in accordance with the related laws and regulations including conditions stipulated by various agencies. 	
<ul style="list-style-type: none"> ● Passenger Fare Rates for the MRT Pink Line Project <ul style="list-style-type: none"> a) Fare rates will be calculated by referring to the Basic Reference Fare Rates in BE 2559 (AD 2016). b) Fare rates start at 14 baht and maximum rate shall not exceed 42 baht. c) The first fare rate adjustment shall not be introduced in less than 24 months after the commencement of revenue service and the subsequent fare rate adjustment shall be at the minimum interval of 24 months, calculated on the basis of the actual changes in the consumer price index compared to the Basic Reference Fare Rate in BE 2559 (AD 2016). 	<ul style="list-style-type: none"> ● Passenger Fare Rates for the MRT Yellow Line Project <ul style="list-style-type: none"> a) Fare rates will be calculated by referring to the Basic Reference Fare Rates in BE 2559 (AD 2016). b) Fare rates start at 14 baht and maximum rate shall not exceed 42 baht. c) The first fare rate adjustment shall not be introduced in less than 24 months after the commencement of revenue service and the subsequent fare rate adjustment shall be at the minimum interval of 24 months, calculated on the basis of the actual changes in the consumer price index compared to the Basic Reference Fare Rate in BE 2559 (AD 2016).
<ul style="list-style-type: none"> ● Fines <ul style="list-style-type: none"> - Work for Phase 1: <ul style="list-style-type: none"> a) 10 million baht per day per project starting from the Completion Date of the Contract or the date may be extended to the date when the Concessionaire receives the Commissioning Certificate or Substantial Commissioning Certificate. b) In the event that the delay has caused damages to MRTA and the damages exceed the Liquidated Damages for Delay specified in Clause a), the Concessionaire shall indemnify MRTA for such damages to the actual value of damages. c) In the case that the delay is caused by force majeure or any other causes which are not the fault of the Concessionaire and MRTA has not terminated the Contract, the Liquidated Damages for Delay shall not apply. d) If the accumulated amount of Liquidated Damages for Delay is in excess of ten percent (10) of the Contract Value of Phase 1, MRTA has the right to terminate the Contract with the Concessionaire or reserve the right to continue with the demand of Liquidated Damages at the same rate as MRTA may deem appropriate. - Work for Phase 2: <ul style="list-style-type: none"> MRTA shall evaluate the Concessionaire's operation of mass transit railway service using indicator (KPI) as detailed in the MRTA's Requirements. 	
<ul style="list-style-type: none"> ● Tax <ul style="list-style-type: none"> - The concessionaire shall be responsible for payment of all taxes, duties, permits, fees and other costs related to this Contract. 	
<ul style="list-style-type: none"> ● Revenue Sharing to MRTA. <ul style="list-style-type: none"> - The concessionaire agrees to share revenue to MRTA during the phase 2 of the contract (Currently, the negotiation with MRTA has no issues regarding the amount and payment period of revenue sharing to MRTA. The amount and payment period had been proposed earlier in the bidding process.) 	
<ul style="list-style-type: none"> ● Ownership <ul style="list-style-type: none"> - The ownership of the entire mass transit system shall be delivered to MRTA after the system has passed all tests required by the Contract and MRTA has issued a Commissioning Certificate to the Concessionaire and MRTA shall bestow the rights to supervise, control and occupy related assets to the Concessionaire on the same day in order 	

The MRT Pink Line Project	The MRT Yellow Line Project
<p>to manage the operation and maintenance of the mass transit system throughout the concession period.</p> <p>In case that MRTA has issued the Substantial Commissioning Certificate to the Concessionaire, the Concessionaire will complete the transfer of ownership of the completed assets to MRTA and MRTA shall bestow the right to supervise, control and occupy related assets to the Concessionaire on the same day.</p> <p>All the assets associated with the project which the Concessionaire has supplied and built under the Contract such as land, buildings, rolling stock and connecting walkways and other related to the execution of the Contract, the Concessionaire shall transfer the ownership to MRTS before the start of use.</p>	
<ul style="list-style-type: none"> ● Securitization <ul style="list-style-type: none"> - The Concessionaire is entitled to pledge his rights for operation, collection of fares and/or car parking fee and/or commercial development under this Contract, in all or in part, including financial subsidy from the government as a security to the person who lends financial support to the Concessionaire with prior approval in writing from MRTA. 	
<ul style="list-style-type: none"> ● Insurance <ul style="list-style-type: none"> - The Concessionaire shall effect an insurance with insurance companies approved by MRTA. The Concessionaire shall solely pay a premium of the insurance and the Concessionaire shall arrange for an insurance endorsement specifying MRTA as sole beneficiary. Any damages or losses of any kind beyond the coverage under this insurance policy shall be solely responsible by the Concessionaire. The insurance policy shall be in effect throughout the contract period and shall cover the following events. <p><u>Work for Phase 1:</u> within 30 days from the date of signing the Contract, the Concessionaire shall arrange and effect insurance as follows.</p> <ol style="list-style-type: none"> (1) Insurance for Contractor All Risks & Strikes, Riots and Civil Commotion for assets, including equipment and tools of the Concessionaire related to the implementation of mass transit system, throughout the Works for Phase 1, which shall cover all damages incurred. (2) Insurance for Third Party Liability covers all risks of all kinds, which may arise from claims, demands and damages to properties, bodily injury or loss of life as well as any damages arising out of or as a result of the Works of the Concessionaire in Phase 1 in an amount of not less than 500 million baht per incident, with unlimited number of incidents. <p>In case of all risks not covered by the insurance and such risks are not force majeure, the Concessionaire shall be responsible for all damages incurred.</p> <p><u>Work for Phase 2:</u> The Concessionaire agrees to arrange for an insurance not less than 90 days prior to the commencement date of mass transit railway service as follows.</p> <ol style="list-style-type: none"> (1) Insurance against All Risks & Strikes, Riots and Civil Commotion on all assets throughout the period of mass transit railway service in Phase 2 of the entire mass transit system, which shall cover civil works, M&E equipment as well as all machineries and other tools of the Concessionaire related to the operations of mass transit system, which shall cover all damages incurred; and (2) Insurance against Public Liability covering all risks of all kinds that may arise from claims, demands and damages incurred to properties, bodily injury or loss of life as well as any damages arising out of or as a result of the Works of the Concessionaire in providing mass transit railway service in Phase 2 in an amount of not less than 500 million baht per incident with unlimited number of incidents; and (3) Business Interruption Insurance. 	
<ul style="list-style-type: none"> ● Termination of the Contract <ul style="list-style-type: none"> a) The causes of the termination of the Contract may arise as stipulated in the Mass Rapid Transit Authority of 	

The MRT Pink Line Project	The MRT Yellow Line Project
<p>Thailand Act BE 2543 (2000) and its amendments as may be introduced in the future, or as specified by other laws and by this Contract.</p> <p>b) This Contract shall expire by the end of its term.</p>	
<ul style="list-style-type: none"> ● Premature Termination of the Contract Period <ul style="list-style-type: none"> a) If the accumulated amount of Liquidated Damages during the period of Design and Build is more than 10 percent of the Contract Value of Phase 1; b) The Concessionaire does not pass the assessment of Performance of the Mass Transit Railway Services; c) Force majeure occurs to the extent that the performance of the Contract cannot be continued or both Parties agree to cancel the Contract; d) The Concessionaire fails to the Undertaking and Guarantee; e) Termination under Right to Terminate the Contract, MRTA has the right to terminate the Contract if the Concessionaire commits a breach of the Contract in the essential parts in performing its obligations under the Contract including the following cases: <ul style="list-style-type: none"> (1) The Concessionaire fails to achieve the Financial Close within a period of 120 days from the date of the signing of the Contract; or (2) The Concessionaire, within a period of 60 days from the date of the signing of the Contract, fails to sign the Contract with the Subcontractor/Supplier whose have been proposed by the Concessionaire during the submission of the tender. (Remark - Subcontractor/Supplier such as STEC, Bombardier Incorporation (Canada), Scomi Group Bhd. (Malaysia), CRRC Changchun Railway Vehicles Co., Ltd. (China), etc.) <p>During Phase 1:</p> <ul style="list-style-type: none"> (3) The Concessionaire does not perform Works seriously or suspends the Works, for a period of 60 days; or (4) The Concessionaire fails to complete the Works in Phase 1 and to provide the revenue service within 180 days from the date of the receipt of the Commissioning Certificate from MRTA; (5) The Concessionaire breaches the duties in the essential part in relation to Works and fails to proceed with proper steps to correct such breach within 60 days from the date of the receipt of MRTA's written notice. <p>During Phase 2</p> <ul style="list-style-type: none"> (6) The Concessionaire breaches the duties in the essential part with respect to the management of operations and maintenance of mass transit system and fails to proceed with proper steps to correct such breach within 60 days from the date of the receipt of MRTA's written notice; or (7) The Concessionaire abuses any of its obligations in significant part with respect to the management of operations and maintenance of mass transit system until MRTA perceives that possible serious danger may occur to health and safety of the public and the Concessionaire fails to take any remedial action against such abuse within 3 days from the date of the receipt of MRTA's written notice instructing remedy for the case. (8) MRTA has the right to terminate the Contract in case there is any incident as stipulated in the provisions in the Mass Rapid Transit Authority of Thailand Act, BE 2543 (2000), including non-compliance with other laws, causing delay in providing service to the public or damage to service to be provided to the public or causing troubles to people. (9) For the benefits of providing service to the public, national security, economic security or other benefits in the form of public affairs, MRTA shall have the right to terminate the Contract. 	
<ul style="list-style-type: none"> ● Consequences of Breach of the Contract by the Concessionaire. <p>During Works for Phase 1: MRTA has the right to forfeit the performance security of the Contract and claim damages from the Concessionaire calculated from the base of revenue of MRTA, which MRTA shall receive over the Contract Period.</p>	

The MRT Pink Line Project	The MRT Yellow Line Project
<p>During Works for Phase 2: MRTA has the right to forfeit the security for the management of the operation and maintenance of the mass transit system, and claim all other actual damages from the Concessionaire calculated from the base of revenue of MRTA, which MRTA shall receive over the Contract Period. The Concessionaire is required to return the subsidy, which MRTA has paid to the Concessionaire, with interest at the rate of FDR + 1%.</p> <p>The Concessionaire shall also demolish all the buildings of the Project, which have been constructed or installed or are under construction or installation, including all materials on the project area supplied under this Contract and MRTA considers that they are not useful or usable, and shall hand over to MRTA the project area, which belongs to or is supplied by MRTA, in the same original condition as it was supplied on the effective date of the Contract at the sole costs of the Concessionaire. MRTA has the right to purchase the buildings and the mass transit railway system (if any) of the Project that MRTA considers useful and usable whether in part or in whole at the price which is not higher than the Book Value as stated in the financial statements of latest year of the Concessionaire, calculated from the costs less the depreciation over the lifetime in accordance with the accounting standards acceptable to MRTA, or at a lower price as may be agreed by both Parties and free from liens or obligations of any kinds. After MRTA's consideration of such compensation, the amount of payment shall not exceed the amount of Subsidy from Cabinet Resolution on 29 March 2016.</p>	

Status of the concession contract for the MRT Pink Line Project

At present, BSR Joint Venture is in the process of negotiating the draft concession contract, as set out in the Terms of Reference, for the MRT Pink Line Project with the MRTA (the "Draft Concession Contract for the MRT Pink Line Project"). The material issues are, among others, the following: (1) variation or change of works by the MRTA and (2) delay in the provision of land by the MRTA (these two issues may have an impact on the investment cost and the implementation of the works under the concession contract as well as the ability of the JV Company to perform its obligations under the concession contract and to collect revenues in the future), and (3) right of the MRTA to purchase the buildings and the mass transit railway system after the termination of the concession contract (which may have an impact on the investment of the JV Company and the overall performance of the Company). Therefore, the terms and conditions of the executed version of the concession contract for the MRT Pink Line Project may differ from the Draft Concession Contract for the MRT Pink Line Project. For this purpose, the Company will propose to its shareholders meeting to delegate the power to the Executive Committee, or any persons designated by the Executive Committee, to negotiate the concession contract for the MRT Pink Line Project and the extension of the MRT Pink Line Project, as well as to carry out any other acts necessary for or in relation thereto on behalf of the JV Company in order to successfully complete the Acquisition of the MRT Pink Line Project Concession, by taking into consideration the appropriateness, benefits and the impacts on the Company and its shareholders.

As BSR Joint Venture has submitted an additional proposal relating to the extension of the MRT Pink Line Project together with the main proposal for the investment in the MRT Pink Line Project to the MRTA, the Company anticipates that the terms and conditions of the extension of the MRT Pink Line Project will be included in the concession contract for the MRT Pink Line Project. However, if the negotiations for the extension of the MRT Pink Line Project are delayed, the Company may decide to enter into the concession

contract for the MRT Pink Line Project with the MRTA first, without the details relating to the extension of the MRT Pink Line Project, if such action would be more beneficial to the Company.

Status of the concession contract for the MRT Yellow Line Project

At present, BSR Joint Venture is in the process of negotiating the draft concession contract, as set out in the Terms of Reference, for the MRT Yellow Line Project with the MRTA (the "Draft Concession Contract for the MRT Yellow Line Project"). The material issues are, among others, the following: (1) variation or change of works by the MRTA and (2) delay in the provision of land by the MRTA (these two issues may have an impact on the investment cost and the implementation of the works under the concession contract as well as the ability of the JV Company to perform its obligations under the concession contract and to collect revenues in the future), and (3) right of the MRTA to purchase the buildings and the mass transit railway system after the termination of the concession contract (which may have an impact on the investment of the JV Company and the overall performance of the Company). Therefore, the terms and conditions of the executed version of the concession contract for the MRT Yellow Line Project may differ from the Draft Concession Contract for the MRT Yellow Line Project. For this purpose, the Company will propose to its shareholders meeting to delegate the power the Executive Committee, or any persons designated by the Executive Committee, to negotiate the concession contract for the MRT Yellow Line Project and the extension of the MRT Yellow Line Project, as well as to carry out any other acts necessary for or in relation thereto on behalf of the JV Company in order to successfully complete the Acquisition of the MRT Yellow Line Project Concession, by taking into consideration the appropriateness, benefits and the impacts on the Company and its shareholders.

As BSR Joint Venture has submitted an additional proposal relating to the extension of the MRT Yellow Line Project together with the main proposal for the investment in the MRT Yellow Line Project to the MRTA, the Company anticipates that the terms and conditions of the extension of the MRT Yellow Line Project will be included in the concession contract for the MRT Yellow Line Project. However, if the negotiations for the extension of the MRT Yellow Line Project are delayed, the Company may decide to enter into the concession contract for the MRT Yellow Line Project with the MRTA first, without the details relating to the extension of the MRT Yellow Line Project, if such action would be more beneficial to the Company.

Summary of Joint Venture Agreement

- BTS, STEC and RATCH (collectively the "Parties" or "BSR JV Parties") have indicated their interest in joint participation, under the name "BSR Joint Venture" in the bidding and the re-bidding (if the original bidding is postponed/delayed) of Rail Mass Transit Pink Line Project and Rail Mass Transit Yellow Line Project ("Projects") as approved by the Cabinet on 29 March 2016 in accordance with the Request for Proposal of the Project ("RFP") issued by MRTA and, if awarded, cooperation, development and performance of the Projects in form of a joint venture.
- BTS, STEC and RATCH have entered in to Memorandum of Understanding ("MOU") dated 30 September 2016 (1 contract for Pink Line and 1 contract for Yellow Line).

- On the signing date of this contract, BTS, STEC and RATCH have entered into the JV agreement in the form required as specified by MRTA, 1 contract for Pink Line and 1 contract for Yellow Line.
- Shareholding percentage of each of the Parties in the BSR JV Parties and BSR Joint Venture company ("JV Co.") form to sign the Concession Contract of Projects after the BSR JV Parties is announced as winner of the Bid:

BTS	75%
STEC	15%
RATCH	10%
- As soon as possible after the BSR JV Parties is announced as winner of the Bid but before the end of the period required under RFP, the BSR JV Parties shall promptly form a joint venture company to sign the Concession Contracts. (Remark – The 2 new companies to sign the Concession Contracts with MRTA will be formed after the Extraordinary General Meeting of the Shareholders No. 1/2017.)
- Operation and management of the JV Companies shall be undertaken through the supervision of the Board of Directors and/or the Project Committee consisting of representatives of each Party in proportion to its shareholding proportion. For the purpose of the Bid and, if awarded, operation of the Projects:
 - BTS shall be exclusively engaged for O&M and E&M works of Projects.
 - STEC shall be exclusively engaged for Civil works of the Projects.
 - RATCH shall provide advice, expertise and experience relating to power supply for the Projects.
- In addition to the equity injection, the JV Co. shall be primarily responsible for financing itself non-recourse to the BSR JV Parties. Should the JV Co. be unable to finance itself or unable to pay its obligations, each Party shall provide financial assistance to the JV Co. proportion to the shareholding proportions.
- Each Party agrees to be jointly and severally liable to MRTA for the obligations of the BSR JV Parties or of JV Co. provided however that Parties agree to share such liabilities among themselves each in proportion to its shareholding proportion only. In the event that MRTA claims from any Party and such Party is liable to such claim more than its liability proportion, the other Parties shall indemnify such Party from and against such excess of its liability proportion.
- This contract shall terminate: -
 - If the Project is awarded to any third party, after the expiry of 7 days from the date of finalization of the settlement of Bidding Costs between the Parties;
 - If the Project is awarded to BSR JV Parties, on the expiry of 7 days from the completion, expiry or termination of the Concession and finalization of all accounts and settlement of all monies between BSR JV Parties; or
 - On the date that all Parties mutually agree to terminate.

Remark:

As mentioned in item 1.2 Transaction Date, BSR has financial conditions which shall be done before the signing of the concession contracts and the implementation of the contracts in Phase 1 and 2 for each concession contract, as details below.

(1) BSR shall register the establishment of a new Thai juristic entity. At least 1 member of the newly established firm shall be Thai juristic person with a shareholding of not less than 35% and the total shareholding of Thai juristic members in the new firm shall be not less than 51% of paid-up capital.

(2) The newly established Thai entity shall have a paid-up registered capital of not less than 3,500 million baht on the contract signing date and shall increase the paid-up registered capital to not less than 14,000 million baht before the start date of the train operation services. The paid-up registered capital is required to maintain Debt to Equity ratio at 2.5. Change of the members of the juristic entity and their shareholding stakes during the concession period shall be made upon approval of the MRTA only.

According to the plans of the Company, two JV companies has each paid-up capital of at least 3,500 million baht before signing each concession contract with the MRTA. Each JV has 3 Thai members, which are the Company (holding 75%), STEC (holding 15%), and RATCH (holding 10%), and the first Joint Venture Company will increase its paid-up capital to about 14,000-17,423 million baht to carry out the MRT Pink Line Project (including extension) and the second Joint Venture Company will increase its paid-up capital to about 14,000 to 16,013 million baht to carry out the MRT Yellow Line Project (including extension) before the start of the train operation services.

Part 2. Details of the Company

2.1 The Company Information

As attached in Enclosure 3 of the Invitation letter of shareholders' meeting.

2.2 BSR Information

As details on the Summary of Joint Venture Agreement, in item 1.7 The summary of key terms of agreements.

2.3 Summary of Industry Overview

The Company's businesses consist of 4 main businesses, namely mass transit business, media business, property business and services business, which all of 4 business support each other. Moreover, the source of income from various types of businesses, enabling the Company to diversify the business risk.

Mass transit business - Revenues from mass transit business (revenue from the service operations in Silom and Sukhumvit Line Extension, Bus Rapid Transit (BRT) and profit sharing from the investment in BTSGIF), in 2015 – 2017, was 24.3%, 32.0%, and 39.7% of total revenues from operations, respectively, while the nine-month period of 2017 (as at 31 December 2016) accounted for 39.1%.

Media business - Revenues from media business (revenue from rent and media services on the BTS Skytrain modern trade, office buildings, and so on), in 2015 – 2017, was 36.6%, 41.2%, and 33.7% of total revenues from operations, respectively, while the nine-month period of 2017 (as at 31 December 2016) accounted for 36.4%.

Property business - Revenues from property business (revenue sales of property, rental income and golf services) accounted for 34.4%, 19.1%, 14.6%, and 8.3% of total revenues from operations, respectively, and

Services business - Revenues from services business accounted for 4.7%, 7.7%, 12.1%, and 16.1% of total revenues from operations, respectively.

Type	For the year ending at 31 March						9-Month/2017 (31 December 2016)	
	2014		2015		2016		Million baht	%
	Million baht	%	Million baht	%	Million baht	%		
Mass Transit	2,077	24.3%	2,274	32.0%	2,441	39.7%	2,040	39.1%
Media	3,121	36.6%	2,926	41.2%	2,069	33.7%	1,899	36.4%
Property	2,934	34.4%	1,355	19.1%	897	14.6%	431	8.3%
Services	399	4.7%	548	7.7%	741	12.1%	841	16.1%
Total Revenue from Operation	8,531	100.0%	7,102	100.0%	6,148	100.0%	5,211	100.0%

Source: BTS

The industry related to the Company's businesses are summarized as following:

2.3.1 The Mass Transit Industry

For the overview, the mass transit industry in the metropolitan, currently there are three major operators include BTSC (a subsidiary in which the Company holds 97.46 percent), BEM, and State Railway of Thailand (SRT) as the details below:

- BTSC (operator of BTS skytrain)

The BTS SkyTrain is Thailand's first rail mass transit system constructed above central Bangkok's major public roadways. It is operated by BTSC and opened for service on 5 December 1999. Currently, it comprises of 34 stations across 2 separate lines with a combined track length of 36.3km which are;

- The Sukhumvit Line, or the Dark Green Line, currently consists of 22 stations and runs northwards and eastwards from central Bangkok, connecting Mo Chit and Bearing, with track length of 22.3 km.
- The Silom Line, or the Light Green Line, currently consists of 13 stations and runs southwards and westwards through one of Bangkok's central business districts, connecting National Stadium and Bang Wa, with track length of 14 km.

- BEM (operator of MRT)

The MRT Subway is Bangkok's first underground mass transit railway system in Thailand (Chaloem Ratchamongkhon) and commenced operation on 3 July 2004. Currently, there are 34 stations which connected to the BTS SkyTrain at three stations: Sala Daeng, Asok and Mo Chit station which separated into 2 directions, total distance is 43 kilometers which are;

- Blue Line, through 18 stations, runs 20 km. from Hua Lamphong to Bang Sue.
- Purple Line, through 16 stations, runs 23 km. from Khlong Bang Pai to Tao Poon.

- State Railway of Thailand (Operator of Airport Rail Link)

The Suvarnabhumi Airport Rail Link (SARL) is a rapid transit line that connects Suvarnabhumi Airport to Phaya Thai station in central Bangkok. The line is 28.5km long and is elevated, running above the existing eastern railway, with an underground terminal at the Suvarnabhumi Airport. It is owned and operated by State Railway of Thailand (SRT). The SARL commenced its operations on 23 August 2010.

Current Routes Network

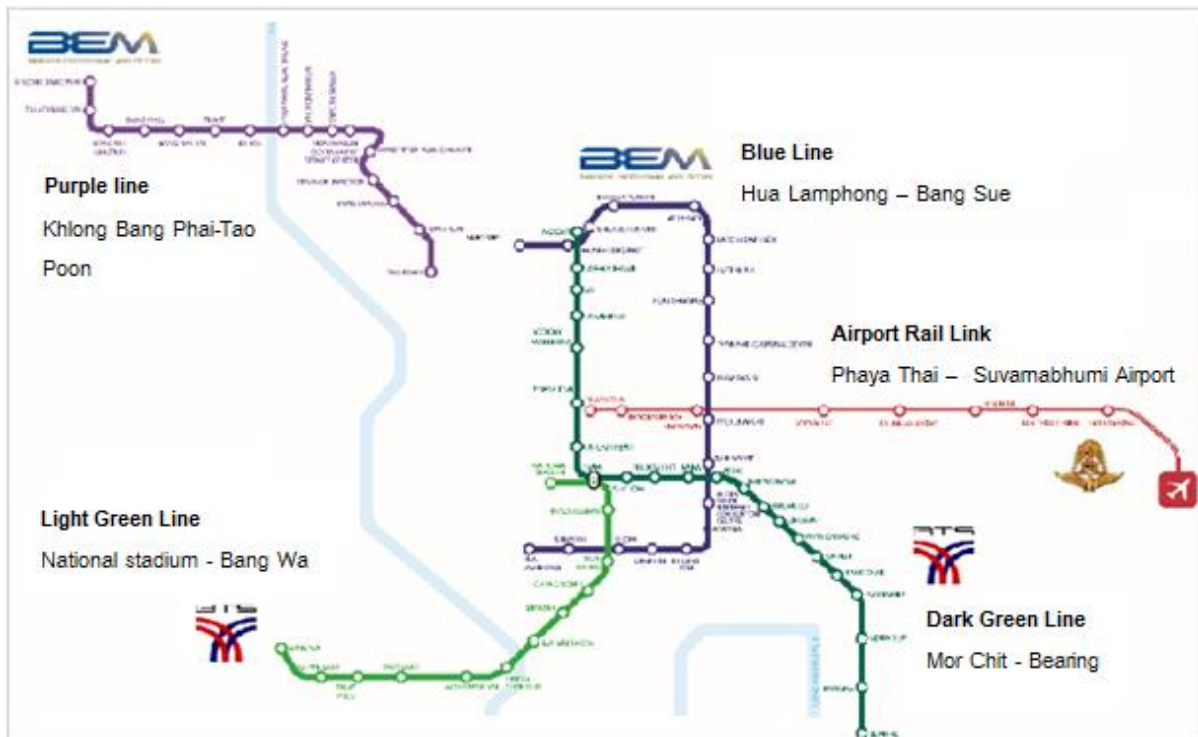
Each Operator has the routes of service as follows:

Project	Owner	Operator	Distance (Km)	Details
Dark Green Line (Sukhumvit)	BMA	BTSC	22.3	<ul style="list-style-type: none"> ■ 17 April 2013, BTSC sold the net farebox revenues of Sukhumvit Line and Silom Line, in total of 23.5 km to BTSGIF. The concession contract expires on 4 December 2029.
<ul style="list-style-type: none"> ■ Main Line: Mor Chit - On Nut 			17	
<ul style="list-style-type: none"> ■ Extension: On Nut - Bearing 			5.3	
Light Green Line (Silom)	BMA	BTSC	14	<ul style="list-style-type: none"> ■ The extension of Sukhumvit Line and Silom Line,
<ul style="list-style-type: none"> ■ Main Line: National stadium 			6.5	

– Saphan Taksin ■ Extention: Saphan Taksin- Bang Wa			7.5	BTSC signed a 30-year O&M contract under BMA supervision ending May 2042 covering the operations and maintenance system for the main line after expiry of the concession period in December 2029.
Blue Line ■ Hua Lamphong – Bang Sue	MRTA	BEM	20	■ BEM was awarded the concession to operate the Blue Line from MRTA for the period of 25 years from 2 July 2004 to 1 July 2029.
Purple Line ■ Khlong Bang Phai-Tao Poon	MRTA	BEM	23	■ BEM was awarded the concession to operation and maintenance the Purple Line from MRTA for the period of 30 years from 4 September 2013 to 3 September 2043.
Airport Rail Link ■ Phaya Thai – Suvarnabhumi Airport	SRT	SRT	28.5	■ SRT is the owner and operator of Airport Rail Link Red Line which commenced its operations on 23 August 2010.
Total			107.8	

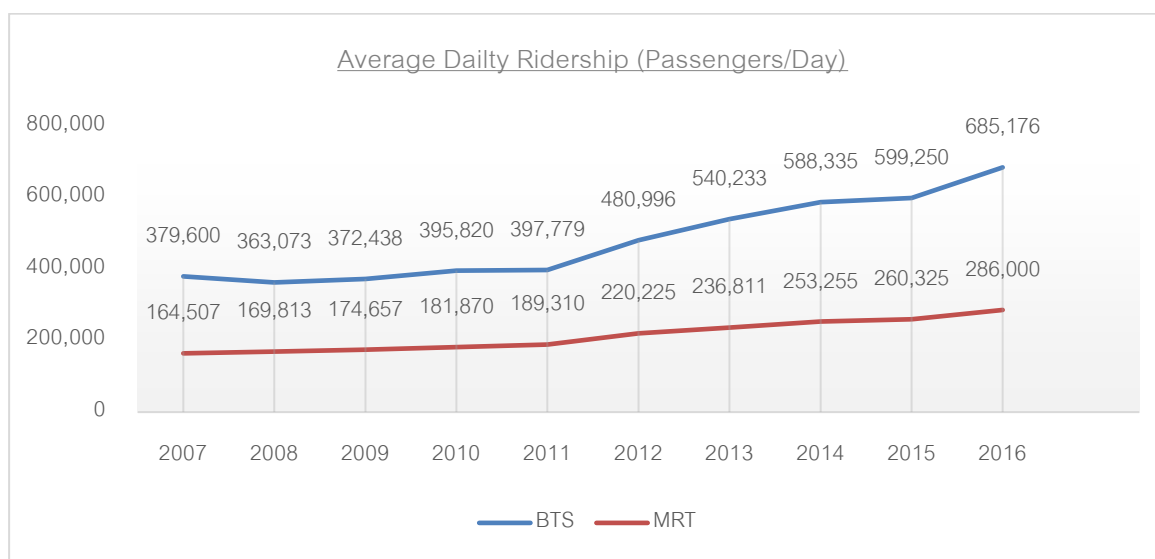
Source: Information collected from OTP, MRTA, SRT, BMA (Bangkok Metropolitan Authority), BTS, BEM

Map of Current Network



Source: BTS

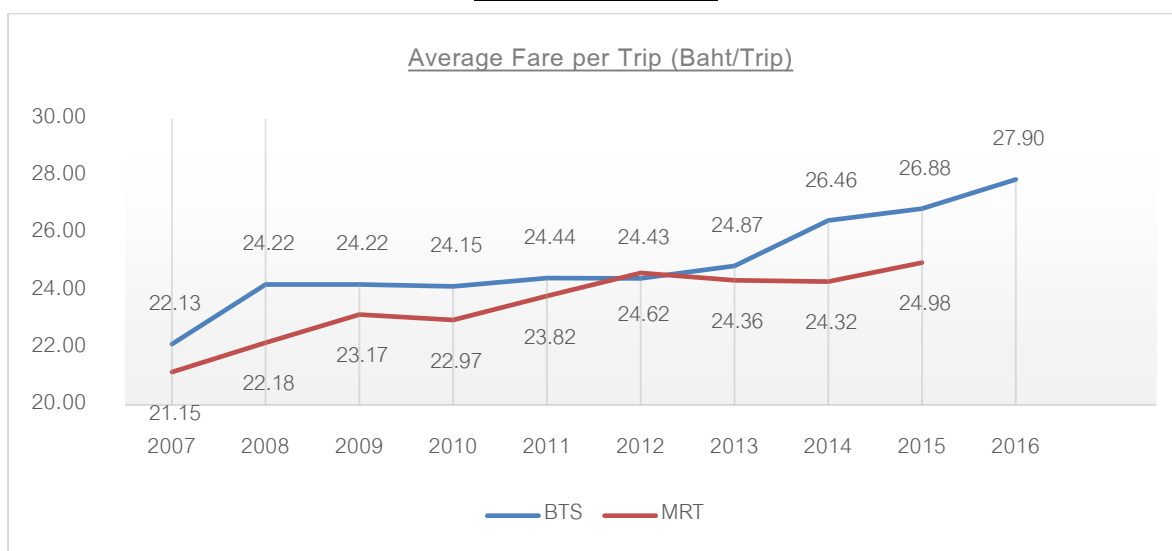
Average Daily Ridership (Passengers/Day) of BTS Skytrain (Core Network) and MRT Subway



Remark: 2007-2016 BTS: Financial Statements of BTS for the year ending at 31 March, information of 2017 means as at 31 Dec 2016
 2007-2015 MRT: Financial Statements of BEM for the year ending 31 December, Information of 2016 means as at 31 Aug 2016
 Source: BTS, BEM

Average daily ridership of BTS and MRT have increased continuously with a Compound Annual Growth Rate ("CAGR") during 2007-2016 of approximately 5.9% (as of 31 March 2016, BTS had average daily ridership of 637,087 trips). In 2017 (as at 31 December 2016), BTS has average daily ridership at 641,382 trips, while the average daily ridership of MRT during 2007-2015 grew with CAGR of 5.9%, an average daily ridership about 286,000 trips (as of 31 August 2016).

Average Fare per Trip



Remark: 2007-2016 BTS: Financial Statements of BTS for the year ending at 31 March, information of 2017 means as at 31 Dec 2016
 2007-2015 MRT: Financial Statements of BEM for the year ending 31 December, Information of 2016 means as at 31 Aug 2016
 Source: BTS, BEM

Average fare of both BTS and MRT have increased continuously. In 2016, BTS fares was on an average of 27.9 baht per trip (as at 31 December 2016), the CAGR during 2007-2016 is about 2.5%, while the MRT fares grew with CAGR of 2.1% during 2007-2015.

The plan to expand Mass Transit System in Bangkok and its vicinity

The Office of Transport and Traffic Policy and Planning (OTP) under the Ministry of Transport, The State Railway of Thailand (SRT), Mass Rapid Transit Authority of Thailand (MRTA.) and Bangkok Metropolitan Authority (BMA) have plans to expand mass transit railway system in Bangkok and its vicinity in within 2019 summarized as follows.

Project	Authorities	Distance (Km)	Progress
Dark Red Line (Thammasat - Mahachai)	SRT	80.5	<u>Thammasat - Rang Sit - Bang Sue</u> , length of 36 km. As of March 2016, Construction progress is 41.2% <u>Bang Sue - Hua Lam Phong</u> , length of 6.5 km and under the additional 10-year plan (start to operate within 2019) <u>Hua Lam Phong - Bang Bon - Mahachai</u> , length of 38 km and under the additional 20-year plan (start to operate within 2029)
Light Red Line (Sirirat- Sala Ya- Taling Chan - Hua Mak)	SRT	54	<u>Bang Sue - Taling Chan</u> , length of 15 km, currently operating <u>Sala Ya - Taling Chan</u> , length of 14 km. and under the additional 10-year plan (start to operate within 2019) <u>Taling Chan - Sirirat</u> , length of 6 km. and under the additional 20-year plan (start to operate within 2029) <u>Bang Sue - Phaya Thai - Makkasan</u> , length of 9 km. and under the additional 10-year plan (start to operate within 2019) <u>Makkasan - Hua Mak</u> , length of 10 km. and under the additional 10-year plan (start to operate within 2019)
Airport Rail Link (Don Muang- Bang Sue- Phaya Thai - Suvarnabhumi Airport)	SRT	50.3	<u>Phaya Thai - Suvarnabhumi Airport</u> , length of 28.5 km, currently operating <u>Don Muang – Bang Sue – Phaya Thai</u> , length of 21.8 km, Conducting an auction for contractors in 2016.
Dark Green Line (Sukhumvit) (Bang Poo- Lam Luk Ka)	MRTA. (Civil works) Bangkok (Operation)	31.2	<u>Bearing - Samut Prakarn</u> , length of 12.8 km, in March 2016, MRTA entrusted to BMA to manage the operation. As at December 2016, the construction process is 100%. <u>Mor Chit – Sapan Mai- Ku Kot</u> , length of 18.4 km, in March 2016, MRTA entrusted to BMA to manage the operation. As at December 2016, the construction process is 19.49% as details below: - Contract 1 Mo Chit - Saphan Mai, Italian-Thai

Project	Authorities	Distance (Km)	Progress
			<p>Development Public Company Limited, amounting to 15,000 million baht, Construction progress is 19.99%</p> <p>- Contract 2 Saphan Mai – Ku Kot, the Joint Venture of UN-SH-CH (Unique Engineering and Construction Public Company Limited, Sinohydro Corporation Limited and China Harbour Engineering Company Limited) amounting to 6,600 million baht, Construction progress is 18.1%</p> <p>- Contract 3 Construction of the depot and Parking Building, the Joint Venture of STEC-AS (STEC and A.S.Associated Engineering (1964) Company Limited) amounting to 4,000 million baht, Construction progress is 16.3%.</p> <p>- Contract 4 Design and construction of rail systems, Joint ventures of STEC-AS, amounting to 2,800 million baht, Construction progress is 24.59%.</p> <p>Expected to be completed in 2019 and is open year 2020.</p> <p><u>Lamlukka- Ku Kot and Samut Prakan- Bang Pu</u> are under the additional 20-year plan (start to operate within 2029).</p>
<p>Light Green Line (Silom) (Yot Sae – Thaling Chan)</p>	<p>BMA</p>	<p>8.5</p>	<p><u>Bang Wa- Thaling Chan and National Stadium - Yot Sae</u> In March 2016, The Commission for the Management of Land Traffic approved to contain in the master plan of Phase 2 and the advisor has prepared a report on the feasibility study of the project submitted to the National Environment Board to consider the environmental impact assessment (EIA).</p>
<p>Blue Line (Bang Sue- Hua Lam Phong – Tha Phra- Phutthamonthon Sai 4)</p>	<p>MRTA</p>	<p>55</p>	<p><u>Bang Sue- Hua Lam Phong</u>, length of 20 km, currently operating <u>Hua Lam Phong – Bang Kae</u>, length of 14 km, in March 2016, construction process is 77.3% <u>Bang Sue – Tha Phra</u>, length of 13 km, in March 2016, construction process is 77.3% <u>Bang Kae – Phutthamonthon Sai 4</u>, length of 13 km, on the study process.</p>
<p>Purple Line (Bang Yai- Ratburana)</p>	<p>MRTA</p>	<p>23.6</p>	<p><u>Tao Poon – Ratburana</u>, length of 23.6 km and under the additional 10-year plan (start to operate within 2020)</p>
<p>Orange Line (Thaling Chan – Min Buri)</p>	<p>MRTA</p>	<p>37.5</p>	<p><u>Thailand cultural center – Min Buri</u>, length of 20 km and MRTA has entered to civil works agreement as follows: - Contract 1: Underground work in the area of Thailand Cultural Center – Soi Ramhamhang 12, CKST Joint - Venture - Contract 2: Underground work in the area of Soi</p>

Project	Authorities	Distance (Km)	Progress
			<p>Ramhamhang 12 – Hua Mak, CKST Joint - Venture</p> <ul style="list-style-type: none"> - Contract 3: Underground work in the area of Hua Mak-Khlong Ban Ma, Italian-Thai Development Public Company Limited - Contract 4: The construction of elevated way in the area of Ban Ma intersection – Suwintawong, Unique Engineering and Construction Public Company Limited - Contract 5: Construction of the depot and Parking Building- during the consideration - Contract 6: Network Rail System of the MRT Orange Line Project, Unique Engineering and Construction Public Company Limited <p>Expected to operate in 2022</p> <p><u>Thaling Chan – Thailand Cultural Center</u>, length of 17.5 km, on the study process.</p>
Pink Line (Kae Rai – Min Buri)	MRTA	34.5	<p>In December 2016, MRTA considered Envelope 1 (Qualifications and Technical Proposal) and Envelope 2 (Financial Proposals), the BSR joint venture is a private sector that proposed the best offers. Currently, Envelope 3 is on the process, which is expected to open in 2020.</p>
Yellow Line (Lad Phrao – Sam Rong)	MRTA	30	
Gray Line (Watcharapon – Thong Lor – Rama 9 Bridge)	BMA	26	<p>On the study process by the OTP.</p>
Light Blue Line Din Daeng – Sa Thorn	BMA	9.5	
Brown Line Nonthaburi Government Center - Sammakorn	MRTA	21	<p>On the study process by the OTP.</p>

Source: Information collected from OTP, MRTA, SRT, BMA (Bangkok Metropolitan Authority), BTS, BEM

Map of Network in the future



Source: BTS

2.3.2 Media

Media industry in 2016 has been impacted due to lower consumer spending. The market capitalization of the media fell by 11% from last year which was due mainly to a drop in television advertising media, especially TV analog value dropped to about 10,291 million baht due to some popular media advertising digital TV. The number of digital television channels received good ratings but advertising rates lower than the average of analog TV. Moreover, digital TV are also specific to group of the target audience, as well as in the internet began to play an important role in everyday life. In 2016, advertising on internet has highest growth rate of approximately 63.6%, followed by outdoor media growth rate of 35.2%, and advertising on mass transit growth rate of 18.4%.

Thailand Media Industry Spend (unit: million baht)

Type	2013	2014	2015	2016	
				Value	Growth
Analog TV	69,249	63,776	57,412	47,121	(17.9%)
Digital TV	-	-	20,931	20,393	(2.6%)
Cable TV	-	-	6,055	3,495	(42.3%)
Radio	6,320	5,625	5,675	5,262	(7.3%)

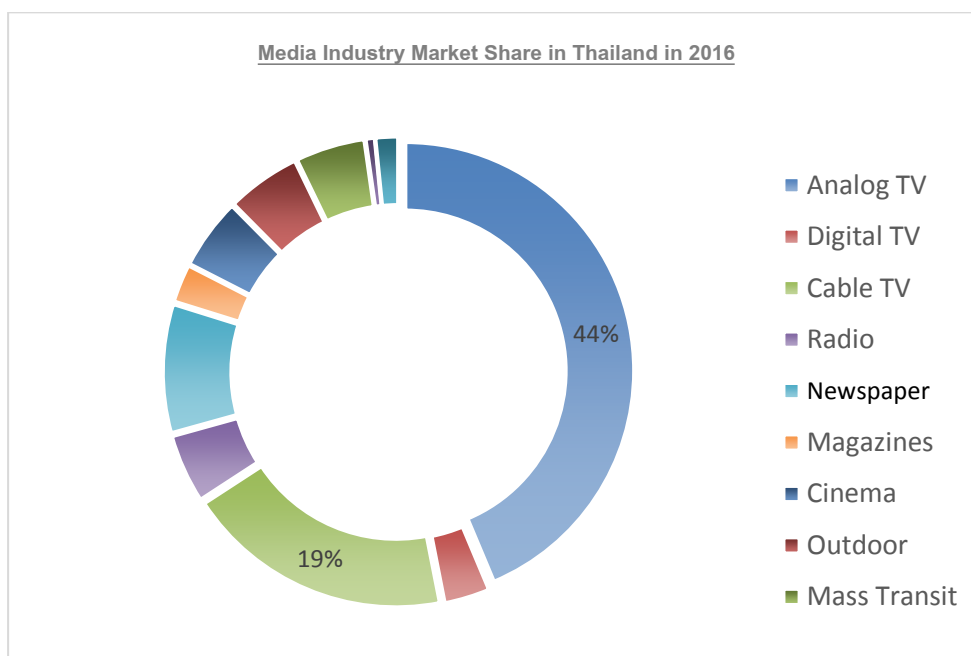
Type	2013	2014	2015	2016	
				Value	Growth
Newspaper	15,256	13,166	12,323	9,843	(20.1%)
Magazines	5,674	4,721	4,268	2,929	(31.4%)
Cinema	5,368	4,351	5,133	5,445	6.1%
Outdoor	4,167	3,990	4,190	5,665	35.2%
Mass Transit	3,530	3,806	4,486	5,311	18.4%
In-store	2,655	1,963	645	700	8.5%
Internet	877	950	1,058	1,731	63.6%
Total	113,097	102,346	122,175	107,896	
Growth Rate (%)		(9.5%)	19.4%	(11.7%)	

Source: The Advertising Association of Thailand

Transition to Digital Media

A remarkable change in the media landscape is the increasing proliferation of digital media. The market share of digital advertisement spending out of total advertisement spending has increased significantly. Recent development in digital media is posing a major threat to traditional media, particularly for newspapers as is evident from the decline of advertisement spending. The growth of digital media is supported by its flexibility and scalability for advertisers to deliver messages to a target audience. Through its flexibility, advertisers can easily and more quickly deploy marketing campaigns, which reach a broader scope of audience compared to static media. Hence, digital media is becoming more time and cost-effective than other traditional media, which is one of the most critical components to keep up with the trend in the media industry going forward. Digital media allows advertisers to deliver dynamic images which is a powerful tool that can more easily capture attention from the audience as well as evoke a sense of interaction. At the consumer-end, the ever increasing demand for instant information gives digital media the ability to keep consumers informed responsively and interactively. Hence, media owners who are able to offer advertisers media that are increasingly interactive and provide better engagement with consumers would have a competitive advantage.

Media Industry Market Share in Thailand in 2016



2.3.3 Property

In 2016, every business, residential real estate in Bangkok is considered to be a challenging year as a result of the economic downturn. Revenues decreased and the household debt burden is increasing. Because the rate of lending is limited. These factors resulted in lower demand in the property market.

According to, the Bank of Thailand as of October 2016 given that the real estate market in the 3rd quarter / year in 2016 slowed down in all regions by the end of the real estate stimulus by the government in April 2016, while consumers are still experiencing problems, household debt levels are high, the pass criteria. The loan portfolio of commercial banks, especially the low income group the operator also has a supply of foreclosed homes is part thus delaying the launch of new projects. Especially housing prices, however customers are middle income and purchasing power on the demand and robust. As a result, operators continue to invest in condominiums along the train continued, especially the Green Line Bearing - Samut Prakan and Pink Line BTS across Minburi and Khae Rai Projects including residential real estate, hotels and serviced apartments in the province in the east, this has been driven by investment in the infrastructure sector.

In 2017, Thailand by Kasikorn Research Center predicted that the slowdown in the housing market in 2016, as a result, the operator of the leading real estate development projects, residential open to new markets. Meanwhile it delayed the launch of the new housing launches. Such situations will result in an adjustment to the balance between the number and demand for residential real estate development enterprises, however, still need to maintain the rate of revenue growth continued in the future. Thus, property developers, it still plans to launch new housing. Contributes to the recognition of revenues continues in the next phase. Research Institute of Thailand said the new housing launches in Bangkok. Metropolitan in 2017, including 107,000 to 109,000 units compared with 5-7 percent growth in 2016.

This year 2017 is the year that the property developers also face challenges in selling residential projects. The interest rate in 2017 is forecast to be increasing. It also reflects the limited ability to access housing loans. The interest expense increase of buyers of residential housing loans are installment. Moreover, property developers have to consider the form of new promotions, originally from the popular collaborated with financial institutions offering promotional interest rates, low Interest rates or zero percent for a limited time. Such situations are the pressure to buy housing in 2017, which is expected to result in a number of residential outstanding at year-end 2017 growth at 4-8 percent, compared with the end of 2016.

By the year 2017, the trend in the housing market competition is very intense. In the absence of a challenge from the purchasing power of buyers, the housing may be unable to recover it. As a result, major property developers and high capital investors use their advantage to expand to other businesses, such as management of residential projects, development of Mixed-use Projects to diversify their revenues into other forms such as management service fee, rental fee, etc. Property developers in middle size can increase competitiveness by set up joint venture with foreign partners. (Source: Business Report. Bank of Thailand as of October 2016 and Thailand Kasikorn Research Center).

2.3.4 Services

- **E-money**

Thailand has a current consumption of more than one trillion baht in cash, most people continue to withdraw money from an ATM or debit card used to pay. From a government policy to support cashless society (Cashless Society), currently private business organizations to operate as E-money providers who are non-financial corporations increased. It can be seen that the rate of growth of E-money has grown quite high, both in terms of number of cards/accounts and spending amount, and there are still likely to rise significantly. This is due to the support from the government in terms of monetary policy coming out continuously and changes in technology that people turn to use technology in making financial transactions in order to increase convenience and faster.

- **Foods**

The restaurant business may be affected by short-term economic slowdown and tend to be steady. The market is similar to the year 2016, that the price factor and valuable will play a key role in the decision to buy of consumer. Operators need to focus on the issue of food quality more than ever, as well as focus on the creation or differentiation in presentation of food, the attention to detail, new options for eating, variety of services and convenience to consumers. In general, the restaurant business can grow and do the marketing.

Part 3. Appropriateness and Advantages of the Transaction

3.1 The Objective of the Transaction

According to the master plan, rail transit in Bangkok and its suburbs from the study of the Office of Transport and Traffic Policy and Planning ("OTP"), the MRT Pink Line Project. (Khae Rai - Min Buri), a distance of 34.5 kilometers and the MRT Yellow Line Project (Lad Phrao – Sam Rong), a distance of about 30 km of secondary mass transit system monorail (Straddle Monorail) in order to distribute density and transport of the urban population to suburban areas. According to the cabinet meeting held on 29 March 2016, the resolution was an approval the MRT Pink Line Project and the MRT Yellow Line Project, with the total investment value of 105,300 million baht, which consists of the MRT Pink Line Project of 53,490 million baht and the MRT Yellow Line Project of 51,810 million baht. Moreover, the public sector (the government) also provides the subsidies of not exceeding 20,135 million for the MRT Pink Line Project and not exceeding 22,354 million baht for the MRT Yellow Line Project, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%), the term of investment is about 33 years 3 months (3 years 3 months of the construction period and 30 years of the operation period), and the investment type is Private Partnership Net Cost ("PPP Net Cost"). The public sector is responsible for the acquisition of land to private sector and the private sector is responsible for investment, the design, civil works, mechanical and electrical systems and rolling stock, the collection of revenues, which comprises fare-box revenues, parking fees, commercial development revenues, the government has scheduled the auction to be completed by the year 2016 and begin construction by the year 2017.

The diagram shows main line and the secondary line routes.



The Company, as a leader in the rail transport system in Bangkok, has established BSR (with STEC and RATCH) to join the bidding and won the bidding, which BSR was the bidder who had proposed the best offer. The main factors determining are the value of investments of civil works of the bidders, the subsidies the bidders proposed to receive from the government, and the return on the projects the bidders proposed to the government during the period of operation.

BSR will proceed to establish 2 JV Companies and invest in each project. It is expected that the investment will benefit from the increased opportunities for business expansion and competitiveness of the Company from the core business of public transportation and other related businesses of the Company including advertising in the BTS system, real estate, creating value added to the group of the Company and beneficial to the shareholders of the Company.

3.2 The Advantages of Entering into the Transaction

(1) The MRT Pink Line Project and the MRT Yellow Line Project are a feeder system to core system; as a result, the revenue from this segment will increase as the number of passengers increase.

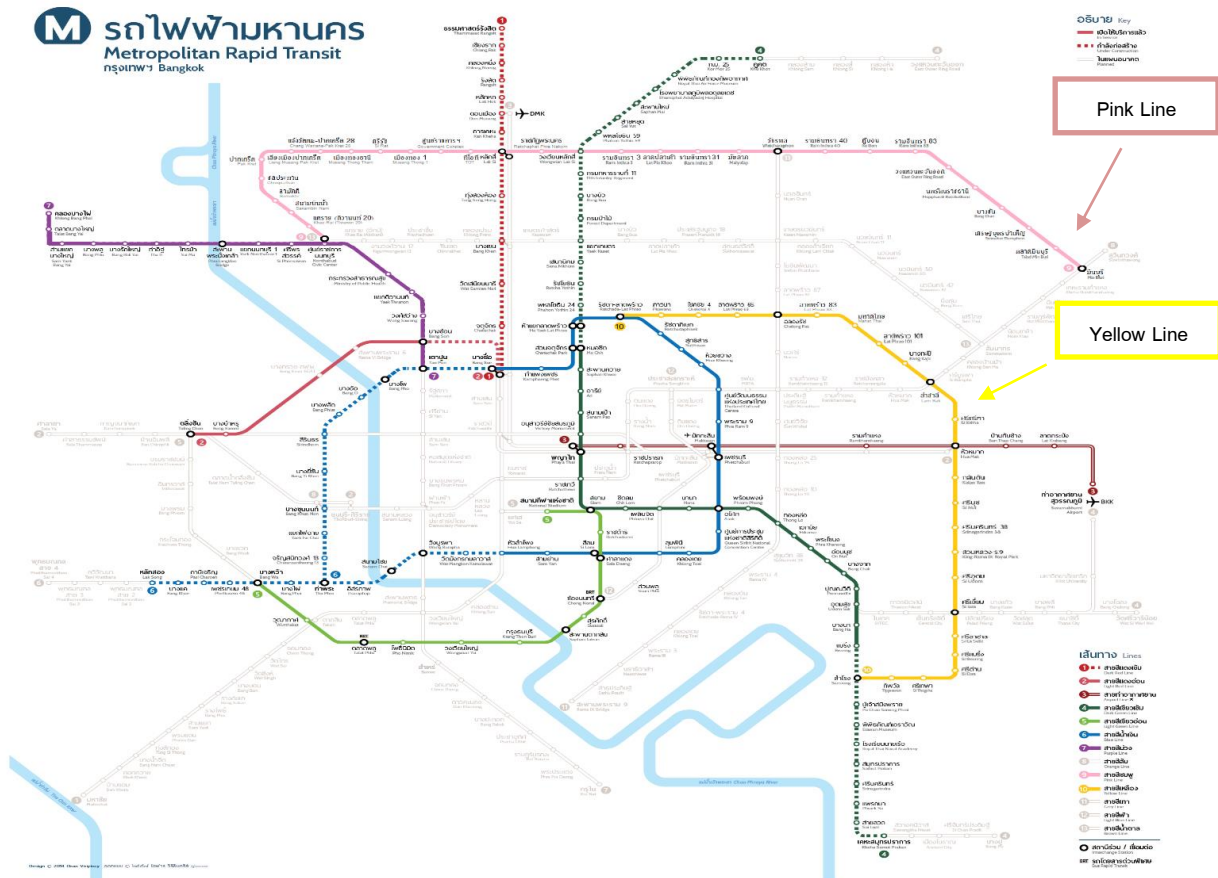
Currently, the right to receive fare revenue of main line, including dark green line (Sukhumvit Line: Mo Chit - On Nut) with a distance of 17 kilometers and Light Green Line (Silom Line: National Stadium - Saphan Taksin) with a distance of 6.5 km belongs to BTSGIF, which the Company holds 33.33% of its paid up capital. The Pink Line Project has a connecting point with the extension of dark green line at Anusawari Lak Si Circle (under construction, expected to be completed in 2020). While the Yellow Line has a connection point with the extension of the Dark Green Line at Samrong (under construction and expected to be completed and begin operation in March 2017).

Project	Owner	Operator	Risk of the no. of passengers	Distance (Km)	Details
Dark Green Line (Sukhumvit) ■ Main Line: Mor Chit –On Nut ■ Extension: On Nut – Bearing	Bangkok			22.3	■ 17 April 2013, BTSC sold net fares of Sukhumvit Line and Silom Line, in total of 23.5 km to BTSGIF, the expiration of concession contract is 4 December 2029. ■ The extension of Sukhumvit Line and Silom Line, Bangkok makes agreement to BTSC to operate and do long term maintenance for 30 years which expires in March 2042 covers the operations and maintenance system for the main line after expiry of the concession period in December 2029.
		BTSC	BTSGIF	17	
		BTSC	BMA	5.3	
Light Green Line (Silom) ■ Main Line: National stadium – Saphan Taksin ■ Extension: Saphan Taksin- Bang Wa	Bangkok			14	
		BTSC	BTSGIF	6.5	
		BTSC	BMA	7.5	

Source: BTS

Moreover, the MRT Yellow Line Project also has a connecting point with the Blue Line (BEM is the operator and maintenance service provider) at Lad Phrao station, which is the Loop Line (under construction at Bang Sue – Hua Lam Phong (West)), to transport passengers to the area of the inner city to the other lines. At present, it has dark green line and light green line as the main route which covers key areas in both inner-city and outside.

The diagram shows the current services and the projects under construction.



Source: MRTA, SRT and data collected by FA

With the connecting points mentioned above, IFA expected that after the construction of the MRT Pink Line Project and the MRT Yellow Line Project and other related lines, the total number of passengers of rail transport system will increase and benefit to the MRT Pink Line Project and the MRT Yellow Line Project that the Company will invest through JV Companies and will benefit the Core System; Dark Green Line (Sukhumvit Line: Mo Chit - On Nut) and the Light Green Line (Silom Line: National Stadium - Saphan Taksin), which the Company holds 33.33% in BTSGIF.

(2) Support the growth of other businesses in the Company's group, including, property, and advertising in the BTS area.

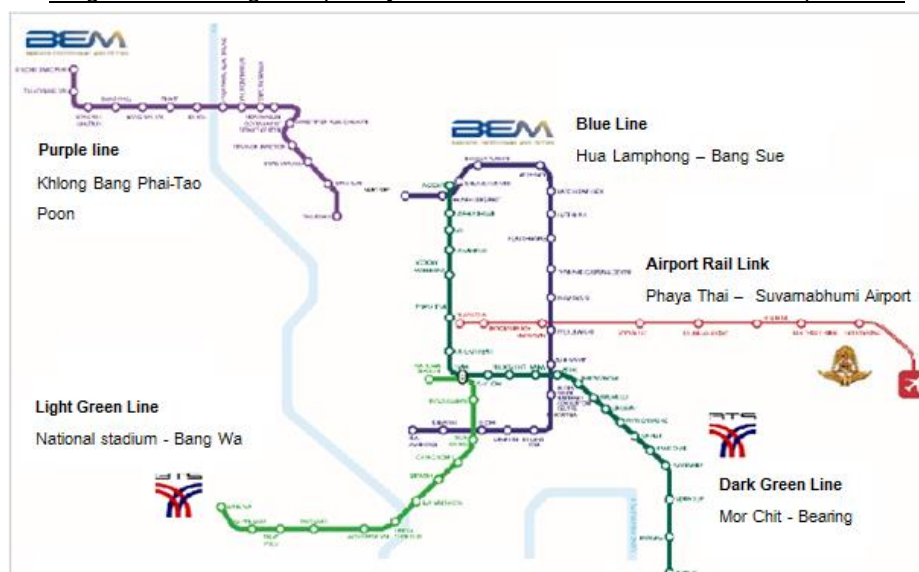
In addition to the mass transit, the Company also has subsidiaries operating business of media business, property development for sale (details of the Group's business as attachment 3 in the invitation letter of shareholders), the MRT Pink Line Project and the MRT Yellow Line Project will help replenish the metro network and other business sectors will rapidly develop such as advertising, real estate, etc. The Company has subsidiaries operating in the media business in mass transit and expect to have an opportunity to expand business from the increasing number of media advertising both on the train and train stations. The number of stations is expected to increase by approximately 57 stations from the MRT Pink Line Project and the MRT Yellow Line Project (currently, the Dark Green and Light Green lines have the station of 34 stations in services)

Besides, these two projects are expected to stimulate to demand of residents along the train routes. The Company has established a new joint venture with one public company to develop real estate for sales in the form of condominiums along the train route. So, it is likely to bring existing land or new land purchased to develop to be a condominium and can increase sales volumes and price. Moreover, it is likely to develop more horizontal real estate if there is the connection to the suburban train system. Currently, the Company has developed 8 projects, totaling about 30,000 million baht and the investment budget for new projects in the year of 2017 is about 30,000 million baht (Source: Prachachat on 19 December 2016).

(3) Increase competitiveness of the Company in terms of distance and number of passengers.

Currently, the mass transit services industry in the metropolitan has three major operators; the Company (Dark Green Line and Light Green Line), BEM (Blue Line: Hua Lam Phong – Mo Chit) and Purple Line: Tao Poon – Khlong Bang Pai-Tao Poon), and State Railway of Thailand (SRT) (Red Line: Phaya Thai - Suvarnabhumi Airport), the total distance is 107.8 kilometers and can service passenger to approximately 1,032,676 people per day. Diagrams and tables can be summarized as follows.

Diagram of existing transport system of mass transit service of each providers



Source: The Company

Operator	Distance (Kilometers)	Average Daily Passengers (Trip/Day)	Market Share of Passengers (%)
The Company	36.3	685,176	66
BEM	43.0	286,000	28
SRT	28.5	61,500	6
Total	107.8	1,032,676	100

Source: BTS BEM as of August 2016, SRT as of October 2016

From the above table, it has found that the Company has the market share of passengers per day, up about 66%, which the acquisition of the concession of the MRT Pink Line Project and the MRT Yellow Line Project providing increased distance of approximately 69.9 kilometers and also resulted in the increase of number of passengers from residential suburbs to the main line of the Company. If the MRT Pink Line Project and the MRT Yellow Line Project start operating in 2021 as planned by the study of MVA (2016) and the advisors in accordance with Private Investments in State Undertakings Act B.E. 2556 (2013)³, which analyzed the characteristics and population density areas along 2 lines, the MRT Pink Line is expected to have passengers about 200,000-210,000 trips per day and the MRT Yellow Line Project is expected to have passengers around 180,000-190,000 trips per day, representing the number of subscribers increased by approx. 380,000-400,000 trips per day. In its first year of operation, all these factors will make the Company has more distance for services and the increase of passengers of mass transit systems.

(4) The receiving of this concession will reduce the risk of postponing the bidding of other projects that still in consideration of MRTA.

The biddings of projects in the past were postponed since there were issues regarding the design, investment budget, and others such as the postpone of bidding of Purple Line and the Blue Line during the years of 2006-2008, the postpone of bidding of Dark Green Line (Mo Chit – Saphanmai- Ku Kot) during 2014, the postpone of bidding of Orange Line (Thailand Cultural Center – Min Buri), Pink Line (Kae Rai- Min Buri), Yellow Line (Lad Phrao – Sam Rong), and Purple Line (Tao Poon- Ratburana) during 2015. Therefore, the concession the MRT Pink Line Project and the MRT Yellow Line Project would help to diminish the risk of the postponement of the bidding of other projects that may affect the continuity of the revenue from the mass transit system, the core business of the Company.

(5) The Company has partners with key expertise for the projects

Investment in the project of 2 lines is the first project that the government has a concession in the type of PPP Net Cost, saying that the government was responsible for the acquisition of land and private sector (investors) are responsible for civil works and train passengers including the risk of the number of

³ Team Consulting Engineering and Management Co. Ltd, Team Logistics and Transport Co., Ltd, and SEA Consult Engineering Co., Ltd., New Model Engineering Consultant Co., Ltd. and Tonichi Engineering Consultants, Inc.

passengers. This differs from the traditional practice which the government is responsible for the supply of land and do the auction for selecting contractors and operators (the private sector may be responsible as services provider or responsible as operator and taking risk of the number of passengers). In addition, the biddings of the two lines also have qualifications and experience, divided into three major categories: 1) civil construction management system 2) mass transit procurement/manufacturing management system 3) operating system, repair and maintenance of electric systems by setting the preferences, experience and value of each sub-segment of the system.

Therefore, that the Company has partners is essential to BSR to meet the criteria and could reduce the risk of the working section that the Company is not expertise. In addition, STEC is responsible for the civil construction, RATCH will advise on the power supply. While the Company is responsible for the train operation and maintenance and other related electric train system, a major part of the Company's expertise.

(6) Increase the chance of getting the extension project or new project in the future.

Considering for selection of the contractors and/or the service providers of mass transit of extension of any projects. In general, the government tend to give the same concessions to existing concessionaire due to its speed and lower cost of operations, such as the extension of the Dark Green Line (On Nut - Bearing) and Light Green Line (Saphan Taksin - Bang Wa), the Company has been awarded a contract to operate and also the extension of the Blue Line (Sue - Tao Poon), which BEM has been awarded a contract to operate. Therefore, the concession of the MRT Pink Line Project and the MRT Yellow Line Project will increase the likelihood that the Company could get the extension work on the two foresaid projects.

3.3 Disadvantages and Risk of Entering into the Transaction

(1) Large-scale projects. The Company has to manage liquidity well.

The total net investment value of the MRT Pink Line Project and the MRT Yellow Line Project is approximately 94,218 million baht (excluding the cost of land, responsible by the government), which use the equity financing of approximately 25,077 million baht and a guarantee in proportion to shareholding of 75% in two JV Companies of 49,805 million baht, which will be gradually invested in about 3 years and 3 months during the civil works. Although the government will have subsidies for civil works for the MRT Pink Line Project and the MRT Yellow Line Project of approximately 42,489 million baht, divided into the MRT Pink Line Project of not exceeding 20,135 million baht and for the MRT Yellow Line Project of not exceeding 22,354 million baht, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%). However, the subsidies would be paid to each JV Company following the commercial operation and gradually pay within the period of not less than 10 years so that the Company needs to manage liquidity during such period.

The Company expects to invest using the financing from cash flow from operations and loans from financial institutions or money from the Bond, according to the financial statement of Q3/2017 (as of 31 December 2016), the Company had cash and cash equivalents and short-term investments and long-term after deducting the amount that the subsidiary will be used to invest in mass transit and invest in the

extension Green Line Project, about 13,700 million baht and expected that after the borrowing for investment of two projects, the interest bearing debt on the equity will increase from about 0.77 to about 1.02 times as much as IFA considered which is not that high rate and no significant risk to the Company. Moreover, the business nature of the Company has stable cash flow so it could help liquidity and lighten the burden of the loan. (More details in section 1.6 Source of Fund).

(2) The risk that other partners do not provide financial support on the MRT Pink Line Project and the MRT Yellow Line Project.

According to the JV agreement, BTS, STEC, RATCH will hold shares in 2 new JV Companies with the holding of 75%, 15% and 10%, respectively. The 1st JV Company will engage in the MRT Pink Line (including extension) and the 2nd JV Company will engage in the MRT Yellow Line (including extension). In the event that the 2 JV Companies themselves cannot source loans from financial institution(s) or cannot repay loans, BTS, STEC and RATCH will have to proportionately provide financial support to the 2 JV Companies (based on % holding).

Based on the IFA's projection, the 2 JV Companies will have paid up capital of at least 3,500 million baht each prior to the signing day with MRTA. Each company will have 3 Thai private entities as its shareholders; the Company (with 75% holding), STEC (with 15% holding) and RATCH (with 10% holding). The 1st JV Company will increase its paid up to around 17,423 million baht and have loan of around 32,918 million baht to construct and operate the MRT Pink Line (including extension) and the 2nd JV Company will increase its paid up to around 16,013 million baht and have loan of around 33,489 million baht to construct and operate the MRT Yellow Line (including extension) as follows.

The MRT Pink Line Project (unit: million baht)	BTS	STEC	RATCH	Total
Source of funds				
Part 1: main concession				
Equity	12,750	2,550	1,700	17,000
Debt	24,001	4,800	3,200	32,002
Total	36,751	7,350	4,900	49,002
Part 2: Extension				
Equity	317	63	42	423
Debt	687	137	92	916
The subsidies from private sector	938	188	125	1,250
Total	1,942	388	259	2,589
Total 2 parts				
Equity	13,067	2,613	1,742	17,423
Debt	24,689	4,938	3,292	32,918
The subsidies from private sector	938	188	125	1,250
Total	38,693	7,739	5,159	51,592

The MRT Yellow Line Project (unit: million baht)	BTS	STEC	RATCH	Total
Source of funds				
Part 1: main concession				
Equity	11,250	2,250	1,500	15,000
Debt	23,466	4,693	3,129	31,288
Total	34,716	6,943	4,629	46,288
Part 2: Extension				
Equity	760	152	101	1,013
Debt	1,651	330	220	2,201
Total	2,411	482	321	3,214
Total 2 parts				
Equity	12,010	2,402	1,601	16,013
Debt	25,117	5,023	3,349	33,489
Total	37,127	7,425	4,950	49,502

* Rounding figures in the table

From the table above, the equity from the Company and other investors will have to increase proportionately. In case, any investor declines to provide financial support with any reason, the projects may delay or may have insufficient funds to operate. STEC and RATCH will have to increase capital (equity) at the maximum of around 5,015 and 3,343 million baht, respectively.

However, each investor is professional and has been doing business for a long time and has customers in public sector. Each also has a solid financial status and liquidity. According to the annual financial statements 2016, as of 31 December 2016, STEC has Interest bearing debt to equity of approximately 0.07 and EBITDA of 2,200 million baht. RATCH, from the trailing 12 months of financial statement, has interest bearing debt to equity of around 0.40 time EBITDA of around 9,000 million baht. Therefore, STEC and RATCH still have abilities to source funding and IFA considers that the risk of this topic is unlikely to have a significant impact. In addition, in the event of force majeure, the Company, as a major shareholder (75%) of the joint venture, may consider to arrange capital increase instead, which IFA has an option that the Company would be capable of doing so.

The loans from financial institutions, the investment in the MRT Pink Line Project and the MRT Yellow Line Project have been preliminarily considered feasibility by a financial institution. BSR has received loan offering letter from a financial institution with a minimum amount of 32,900 million baht for the MRT Pink Line Project and 33,500 million baht for the MRT Yellow Line Project, totaling 66,400 million baht. Therefore, IFA estimates that probability of insufficient funding is limited.

(3) Risks resulting from the operation of project does not meet expectations.

The MRT Pink Line Project and the MRT Yellow Line Project is secondary line, mainly through suburb area. Therefore, the number of passengers may be less than expected. Moreover, in case other mass transit lines that are connected to the two projects cannot be opened as scheduled, the number of

passengers of the MRT Pink Line Project and the MRT Yellow Line Project may be less than expected and may result in net loss with an impact on the financial statements of the Company.

However, IFA has an opinion that although the two projects are the main line through the suburb, It has a route through residential communities in suburban areas, such as, the MRT Pink Line Project through Kae Rai, Maung Thong Thani, Anusawari Lak Si Circle, and Watcharapon, Yellow Line through Ladprao Chokchai 4, Lamsali, Pattanakarn, Sam Rong as well as a connection point to the main lines, which are under construction and/or completed project. The MRT Pink Line has the connection with 3 main lines, including Purple Line (Nonthaburi Civic Center), Dark Red Line (Lak Si), Dark Green Line (Anusawari Lak Si Circle) while the Yellow Line has connection points to 3 main lines, including Blue Line (Lad Phrao), Red Line (Pattanakarn) and Green Line (Samrong).

In addition, the study of MVA (2016) and the document attachment of MRTA's proposal (2016), reviewed and analyzed the characteristics and population density areas along the 2 lines. It was expected that the MRT Pink Line would have passengers about 200,000-210,000 trips per day and the MRT Yellow Line Project would have passengers around 180,000-190,000 trips per day, representing the total number of passengers by approximately 380,000-400,000 trips per day in its first year of operations. All these factors would reduce the risk of the number of passengers and provide more accurate forecasted return.

(4) The risk of loan incurred, in case the projects do not go as planned.

The projects of MRT Pink and Yellow Lines (with extension) are forecasted to have the loan maximum of around 32,918 million baht and 33,489 million baht, respectively, totaling of around 66,407 million baht. The Company has risk of proportionately repaying loan for the 2 JV Companies. The Company will hold 75% in the 2 JV Companies; therefore, the loan for the MRT Pink Line would be 24,689 million baht and 25,116 million baht, totaling 49,805 million baht (details in 1.6 Source of Funds). In the event that the 2 projects cannot operate as planned and the JV Companies have liquidity issue and cannot repay the loan, the Company may have to proportionately repay such loan and interest for the JV Companies. Based on 5% interest rate, the interest expense per annum would be around 2,490 million baht. However, from the analysis of the financial status of the Company, it was found that the Company has low interest bearing debt to equity of around 0.77 time (the interest-bearing debt of 36,007 million baht and the equity of 46,673 million baht, as of the 3rd quarter/2017 ended 31 December 2016).

In case, the Company uses loan to increase equity in the 2 JV Companies (for investment in the 2 lines and extension), the total loan would be 25,077 million baht. From the latest financial statement, the Company has cash and cash equivalent of around 21,000 million baht, short term investment of around 1,900 million baht, long term investment of around 12,800 million baht, totaling 35,700 million baht, deducted by 22,000 million baht to be used for BTS green line. Therefore, the available liquidity is around 13,700 million baht and the Company may have to take an additional loan of around 11,377 million baht, resulting in an increase of interest bearing debt to equity to 1.02 times. With the assumed interest rate of 5% per annum, the interest expense is estimated to be 1,254 million baht per annum. When compared to current EBITDA of around 2,500 million baht per year, such interest expense is payable. However, if the JV Companies are default on loan, the Company must bear the liability with the amount of 49,805 million baht in proportion to

their shareholding. The company would have a total interest bearing debt to equity shareholders increased to 2.08 times and bear the number of outstanding interest as well. If this occurs, the Company may require additional capital in the future to reduce the risks that may arise in this case.

(5) The risk of delays caused by the late delivery of the land by MRTA and the amendment by MRTA's order or other factors

According to the details appear in the concession contract, MRTA will allocate land for the MRT Pink Line Project and Yellow Line Project for the JV Companies. If the MRTA cannot carry out the expropriation, this may affect the delay of the concession contract and may result in the higher investment costs of MRT Pink Line Project and Yellow Line Project. Similarly, for the extension, if MRTA and BLAND and cannot deliver land on time, it could affect the cost as well. If the JV Companies are not able to deliver in any part of the work process or provide any correction. The JV Companies may be fined 10 million baht per day per project, according to the draft concession contract. The effect is estimated from the financial cost of the highest possible loan amount, as follows.

(Unit: million baht)	Main Concession Agreement	Main Concession Agreement and the Extension
Pink Line Project		
Interest expense*		
Estimated the highest loan amount	32,002	32,918
Estimated interest expense per month	133	137
Fines		
Fine per day	10	10
Fine per month (30 day per month)	300	300
The cost of delay per month	433	437
Yellow Line Project		
Interest expense*		
Estimated the highest loan amount	31,289	33,489
Estimated interest expense per month	130	140
Fines		
Fine per day	10	10
Fine per month (30 day per month)	300	300
The cost of delay per month	430	440
Total	864	877

Remark: Rounding figures in the table

Interest per month is based on the estimated maximum loan for the project. The interest rate of 5.0% per year as IFA's projection

However, in practice, MRTA may need to carry out the expropriation of land as much as possible before the beginning of the construction by the JV Companies, to make the project a success in accordance with the Cabinet's target. For the extension, it should be the same, thus reducing the risk of financial costs mentioned above. Also, STEC is responsible for the civil construction of the 2 projects. STEC has a long

experience, through the construction of large projects. It also has never experienced being canceled by customers. Currently, STEC has coordinated in several metro line projects, including, (1) Red Line Project (Bang-Sue – Rangsit) 26 kilometers, worth around 77,000 million baht (2) Blue Line Project (Bang-Sue – Thaphra and Hualampong – Bangkhae 27 kilometers, worth around 80,000 million (3) Dark Green Line Project (Bearing-Samutprakarn and Morchit – Khookot) 31.2 kilometers, worth around 85,000 million and also has solid liquidity as mentioned previously. RATCH is Thailand’s largest IPP manufacturer, with Electricity Generating Authority of Thailand (EGAT) a major shareholder with 45% holding. RATCH's core business is power generation and related businesses with the capacity of 6,980 MW (6,442 MW has begun commercial operation and 538 MW is under development). RATCH has operated in five countries, including Thailand (4,949 MW) in Lao PDR. (1,122 MW), Australia (653 MW), Japan (20 MW) and China (236 MW). RATCH have registered and paid up capital of 14,500 million baht and total revenues of around 50,000 million baht, net profit of around 6,000 million baht and the total assets of 96,000 million baht. This would help reduce the risk mentioned above.

(6) The risk of high construction costs during the construction period

If construction costs related to civil works and electrical system during the construction period are higher than projected, the return on investment of the project may not meet the expectations. IFA has prepared financial projections of the two line projects (as detailed in Section 4.2) for the case of the main concession contract and the main concession contract and extension. It was found that if the costs are higher than expected. Each project is not worth the investment (negative NPV). The summary is as follows.

Case	% Increase in Construction Costs That Result in Negative NPV.
Pink Line Project with	
(1) Main concession contract	12%
(2) Main concession contract and extension	10%
Yellow Line Project With	
(1) Main concession contract	10%
(2) Main concession contract and extension	7%

STEC is responsible for the civil construction of the 2 projects. STEC has a long experience, through the construction of large projects. It also has never experienced being canceled with customers. Currently, STEC has coordinated in several metro line projects, including, (1) Red Line Project (Bang-Sue – Rangsit) 26 kilometers, worth around 77,000 million baht (2) Blue Line Project (Bang-Sue – Thaphra and Hualampong – Bangkhae 27 kilometers, worth around 80,000 million (3) Dark Green Line Project (Bearing-Samutprakarn and Morchit – Khookot) 31.2 kilometers, worth around 85,000 million. In general for large construction projects, STEC has set materials quotation with pre-determined price and period range with suppliers. This would help reduce the risk. Moreover, RATCH is Thailand’s largest IPP manufacturer, with Electricity Generating Authority of Thailand (EGAT) a major shareholder with 45% holding. RATCH's core

business is power generation and related businesses with the capacity of 6,980 MW (6,442 MW has begun commercial operation) and has many projects under development. With the experience and expertise, material prices should be arranged and controlled at some point.

The price index of construction materials in the years 2000 - 2016 (17 years) from Bureau of Trade and Economic Indices, Ministry of Commerce is shown in the following table.

Year	2000	2001	2002	2003	2004	2005	2006
Cements	96.80	101.6	91.3	107	102.6	96.0	100.4
Concrete Products	88.00	93.0	93.6	94.1	95.3	97.6	101.2
Steel products	55.10	58.0	62.1	70.4	93.0	90.2	88.9
Coating products	76.00	79.7	82.6	83.5	85.3	87.9	90.5
Electrical and plumbing	85.10	85.6	84.2	84.4	88.4	90.6	99.5
Other construction materials	67.40	69.0	70.9	75.5	77.0	81.4	88.6

Year	2007	2008	2009	2010	2011	2012	2013
Cements	102.4	109.6	108.3	100	110.5	108.6	115.9
Concrete Products	102.6	107.1	101.3	100	104.3	121	127
Steel products	98.1	135.7	93.4	100	111.5	110.2	104.9
Coating products	89.8	93.0	99.5	100	102.5	105	106.5
Electrical and plumbing	103.2	103.9	98.0	100	102.9	104.1	102.2
Other construction materials	89.8	96.3	97.1	100	105.7	115.6	118.5

Year	2014	2015	2016	CAGR
Cements	116.8	112.2	106.50	0.60%
Concrete Products	131.6	130.2	128.10	2.37%
Steel products	103.6	87.8	86.33	2.85%
Coating products	106.3	106.3	106.90	2.16%
Electrical and plumbing	100.7	95.6	94.00	0.62%
Other construction materials	122.4	120.6	112.90	3.28%

Source: <http://www.price.moc.go.th/default5.aspx>

From the above table, the major materials group consist of cement, concrete products, coating materials, steel products, electrical and plumbing and other construction materials. By comparison, the compound annual growth rate (CAGR) of the construction price index was quite stable in the range of 0.60% to 3.28%, and not higher than % increase in construction costs that make negative NPV (the table in (6)). Coupled with the knowledge and experience of the partners (co-investors) in construction and pricing of key materials suppliers. The risk of higher construction costs would be limited.

(7) Since both projects are large-scale projects, it could cause the Company's liquidity and may affect the ability to bid for other lines projects in the future.

As the Company invests in the MRT Pink Line Project and the MRT Yellow Line Project, with the total net investment amount of around 94,218 million baht, the Company may have limited funding to attend the auction of other line projects in the future, such as, Light Blue Line and Gray Line.

In addition, all major projects are under construction and/or the completed projects. The Company also has a chance as a service and maintenance provider to some mass transit lines, including Light Red Line (Bang Son – Thaling Chan), which already completed but looking for an operator and maintenance service provider and Orange Line (Thailand Cultural Center - Min Buri), which is under construction. While Light Blue Line and Gray Line are a long-term plan and are on studying process by the government. However, Gray Line and Light Blue Line have a short distance; therefore, it is expected that the anticipated value of the projects would not be high. IFA has seen that the Company's ability to bid in the future is unlikely to be affected, considering the rate of interest-bearing debts to shareholders' equity of approximately 1.02 times following the investment of the MRT Pink Line Project and the MRT Yellow Line Project, and the alternative forms of investment in a joint venture that could set the stake in a joint venture, as appropriate during that time. Therefore, the Company still has a chance to award more concessions in the future.

(8) The risk of breaching conditions in the concession contract.

The concession contract has identified the fines against the concessionaire during the first phase. MRTA has the right to take the collateral (2,500 million baht), fine and ask compensation from the concessionaire, which calculate from the revenue base that MRTA will receive over the term of the contract (in addition to the expenses stated in (5) the risk of delays caused by the late delivery of the land of the MRTA and the amendment by order of the MRTA or other factors).

Moreover, during the second phase, MRTA has the right to take collateral for operation and maintenance management from each line at the amount of 750 million baht as well as all other actual compensation from the concessionaire. The compensation is to be calculated based on the income MRTA will receive over the term of the concession contract. The concessionaire will have to return subsidies to MRTA with interest rates equal to FDR + 1%.

The concessionaire will have to demolish all the buildings/construction that MRTA considers not useful or not functional. The concessionaire will hand over land that belongs to MRTA or was sourced by MRTA under the concession contract in very close to original condition. The concessionaire will be responsible for related expense. MRTA has the right to purchase the buildings/construction and trains (if any) of the project free of liens or obligations of any kind. After the MRTA considers compensation, such compensation payments will not exceed the amount supported by the cabinet on 29 March 2016. The risk on this topic could be reduced by a partnership between MRTA and JV Companies to achieve the target.

(9) The risk from the time of subsidies by MRTA do not meet expectations

According to the terms of the concession of Pink Line and Yellow Line, MRTA has the amount of subsidies for the civil works of the Pink Line not exceeding to 20,135 million baht and for the civil works of

the Yellow Line not exceeding 22,354 million at their present value as agreed in the concession contract (the discount rate is the interest rate FDR + 1 percent). The subsidies are to be gradually paid to the concessionaire by not less than 10 years. The subsidy structure has never been done before in Thailand. It could be at risk in terms of time that the subsidies will be paid for more than 10 years. However, from the information received from the management as at 14 February 2017, MRTA had no issues regarding the terms of any related subsidies for the two projects and items and conditions contained in the bidding documents with MRTA. In addition, the projects are the important projects for the mass transit system in Thailand and the previous and current cabinet have been supporting. Therefore, it was expected that MRTA would make the projects happen as planned and not delay and subsidies payment. The conditions in consideration of IFA in base case forecast are Pink Line Project was to be subsidized civil works with the amount of around 22,500 million baht and Yellow Line Project was to be subsidized civil works with the amount of around 25,050 million, divided evenly for the period of 10 years after commercial operations. However, if the payment of subsidies from MRTA is delayed, the 2 projects may have liquidity issue.

IFA has prepared financial projection of the 2 projects, (as detailed in Section 4.2). If pursuant to the main concession contract, and the main concession contract and extension. It was found that If the number of subsidies payment period is longer than 10 years, the 2 projects would have liquidity and working capital issues as follows.

Cases	No. of Subsidies Payment (years) That Would Have Liquidity Issue For The Projects*
Pink Line Project With	
(1) Main concession contract	12 years
(2) Main concession contract and extension	11 years
Yellow Line Project With	
(1) Main concession contract	14 years
(2) Main concession contract and extension	14 years

Remark. * Negative cash in 2021

Although there are risks associated with the timing of subsidies payment, mass transit is necessary for the public and previous and current government has been supporting. It can also be seen from the terms of the subsidies for civil works that have never happened before, but there are with these 2 projects. This implies that the government has all support for the projects to occur. In addition, the conditions and bidding documents were considered prior to the winning of BSR and the current status of negotiations between BSR with MRTA has no issue about subsidies (based on the information received from the Company).

Part 4. The Reasonableness of the Price

IFA has conducted feasibility analysis of the MRT Pink Line Project and the MRT Yellow Line Project, IFA considers and studies information received from the Company such as the audited financial statements of the Company which have been prepared and certified by a Certified Public Accountant, Performance of Mass Transit Year 2013- 3rd quarter/2016 (as of December 2016), Joint Venture Agreement, and a letter of financial supporting issued by a financial institution. The key assumptions of the financial projections, business practices Information, passenger train and average rates, etc., as well as interviews with officials and executives of the Company and related Company, and also the information contained in the public such as invitation for private participation in state affairs. (the MRT Pink Line Project and the MRT Yellow Line Project) as well as industry information and other documents available in public. All data is used as a base to analyze and comment on the value of the MRT Pink Line Project and the MRT Yellow Line Project.

However, the analysis and opinion of IFA is under the assumption that all information above is complete and accurate. All the assumptions found in this report were based on the possibility of occurrence during the time this report was prepared. If such information and other external factors changes such as details and conditions of the concession contract, it could significantly impact on the business and might cause the estimated fair value of the MRT Pink Line Project and the MRT Yellow Line Project to change significantly.

There are two approaches to evaluate the reasonable of the MRT Pink Line Project and the MRT Yellow Line Project which will be acquired, which are

- (1) Comparable Approach - compare the value of construction projects in other lines in Thailand
- (2) Feasibility Approach of the MRT Pink Line Project and the MRT Yellow Line Project
 - (2.1) Operation of main concession contract and extension
 - (2.2) Operation of main concession contract

According to the information from executives of the Company at 14 February 2017, the condition of the benefit to be paid to MRTA and related conditions about the investment value of the main concession contract of MRT Pink Line Project and the MRT Yellow Line Project, which proposed by BSR, are not the key topic in negotiation with MRTA. Moreover, other related conditions are in the bidding documents set, proposed to MRTA, prior to the announcement of the bidding winner. The only topic in the negotiation process with MRTA is the land of the extension for both projects. The main negotiation point of both projects can be summarized as follows;

The extension of Pink Line Project, the investment value of the JV Company will not exceed 2,500 million baht. BLAND and MRTA are responsible for acquiring the land. The other condition will refer to the main concession without any additional benefit to be paid to MRTA. If the negotiation fails, the extension may not occur.

The extension of Yellow Line Project, the investment value of the JV Company will not exceed 3,000 million baht. MRTA is responsible for acquiring the land. The other condition will refer to the main concession without any additional benefit to be paid to MRTA. If the negotiation fails, the extension may not

occur. However, BSR is negotiating with MRTA that BTS Group will purchase the land in the area to be used for the maintenance and repair depot of the main concession contract for the MRT Yellow Line and allow MRTA to use the land. That is whether the extension occurs or not, MRTA is responsible for acquiring the land. The proposal to purchase the land by the Company, instead of MRTA, is because the Company planned to invest and develop the land (including the surrounding area) to be a mega commercial real estate project that is separate from the MRT Yellow Line Project. If the Company has a conclusion of real estate project, the Company will arrange necessary process in complying with the related law and regulation including the Notification of the Capital Market Supervisory Board Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets. However, the approval of extension concession contract of Yellow Line Project do not commit with the purchase the land by BTS Group.

Therefore in order to get a clear picture, IFA will separate into the main line and extension line, the approaches to evaluate the reasonable value of the MRT Pink Line Project and the MRT Yellow Line Project with the extension. The details are as follows.

4.1 Comparable Approach - compare the value of construction projects in other lines in Thailand

In this approach, the valuation of the MRT Pink Line Project and the MRT Yellow Line Project, IFA has compared the value of concession contract the MRT Pink Line Project and the MRT Yellow Line Project, which BSR win the bidding, with the value of other projects in Thailand, both main line and extension line. IFA considered the other projects with bidding held during the period of approximately seven years ago (year 2011-2016) because the time is not too long and there had been several projects occurred. The comparable projects include the projects that are under construction or in operation. The comparison is in a value investment per kilometer (excluding subsidies from the government) with the MRT Pink Line Project and the MRT Yellow Line Project. IFA did not bring the project under study into consideration. Since it does not have finite value and has time uncertainty. The comparison of the investment costs of the other lines, is detailed below.

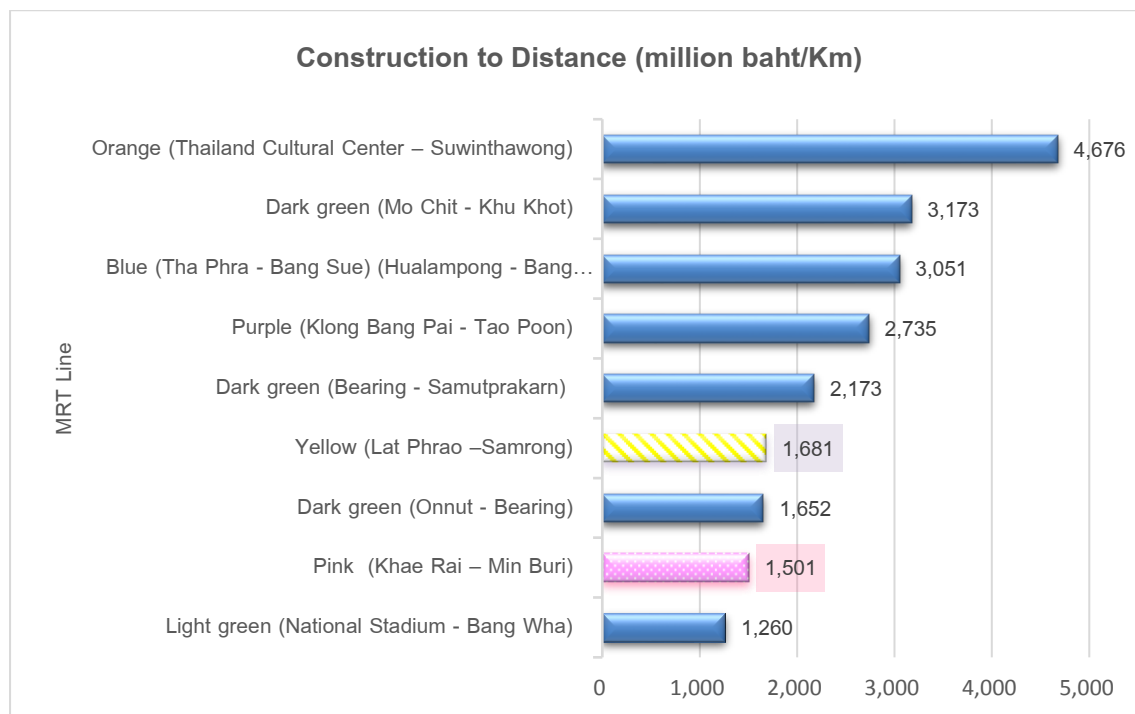
The MRT Pink Line Project has the investment value of 55,990 million baht, about 37.3 kilometers (main concession worth 53,490 million baht with the route of 34.5 kilometers and the extension worth 2,500 million baht with the route of about 2.8 kilometers) and the MRT Yellow Line Project has the investment value of 54,810 million baht (main concession 51,810 million baht with the route of 30 kilometers and the extension 3,000 million baht with the route of about 2.6 kilometers). The investment values are not deducted by the land value and the subsidies from the government in order to compare with other projects. In this regard, the MRT Pink Line Project is approximately 1,501 million baht per kilometer and the MRT Yellow Line Project is approximately 1,681 million baht per kilometer, IFA has brought the investment value per distance of the other lines projects compared with the investment value per distance of the MRT Pink Line Project and the MRT Yellow Line Project, during 2001-2016 as follows:

MRT Line	Year of Auction/ Beginning of Operation	Station	Type	Distance (km)	Investment Value (million baht)	Total Investment per Distance (million baht/km)	Status
Pink (Khae Rai- Min Buri)	2016	32	Elevated structure - Monorail	37.3	55,990	1,501	Waiting for Signing Contract
Yellow (Lad Phrao-Sam Rong)	2016	25	Elevated structure - Monorail	32.6	54,810	1,681	Waiting for Signing Contract
Orange (Thailand Cultural Centre Station - Suwinthawong)	2016	17	Elevated structure and underground - double tracks.	23.0	107,541	4,676	Under construction
Purple (Khlong Bang Phai-Tao Poon)	2016	16	Elevated structure - double tracks	23.0	62,903	2,735	Operating
Dark Green (Mor Chit- Ku Kod)	2015	16	Elevated structure - double tracks	18.4	58,384	3,173	Under construction
Dark Green (Bearing-Samut Prakarn)	2015	9	Elevated structure - double tracks	12.8	27,819	2,173	Under construction
Light Green (Thailand National Stadium-Bang Wa)	2013	7	Elevated structure - double tracks	7.5	9,448	1,260	Operating
Blue (Tha- Pra -Bang Sue) (Hua Lamphong-Bang Kae)	2011	10	Elevated structure and underground - double tracks	27.0	82,369	3,051	Under construction
Dark Green (On Nut- Bearing)	2554	5	Elevated structure - double tracks	5.3	8,755	1,652	Operating

Source: <https://www.mrta.co.th/th/MRTAproject/orangeLine.php>, <https://www.mrta.co.th/th/MRTAproject/purpleLine.php>,
<https://www.mrta.co.th/th/MRTAproject/blueLine.php>, <https://www.mrta.co.th/th/MRTAproject/greenLine.php>,
http://www.prachachat.net/news_detail.php?newsid=1447671692 and the data collected by IFA

From the table above, the investment value of the project is between 1,260-4,676 million baht per kilometer. The investment value of the MRT Pink Line Project and extension is approximately 1,501 million baht per kilometer which falls into the range. The investment value is higher than the minimum value by around 241 million baht per kilometer or equivalent to around 19% and less than the maximum value by around 3,175 million baht per kilometer or equivalent to around 68%.

The investment value of MRT Yellow Line Project and the extension is approximately 1,681 million baht per kilometer, which falls into the range as well. The investment value is higher than the minimum by around 421 million baht per kilometer or equivalent to around 33% and less than the maximum value by approximately around 2,995 million baht per kilometer or equivalent to 64%.



Moreover, IFA compared the investment value of the two projects with the cost of monorail in many countries. The details are as follows,

Country	City	Distance (Kilometer)	Cost per kilometer	
			million USD	million baht
Malaysia	Kuala Lumpur	8.6	36	1,273
USA (New Jersey)	New Arc	4.8	139	4,917
USA (Florida)	Jackson wail	7	50	1,769
USA (Nevada)	Las Vegas	6.3	104	3,679
Japan	Kita Kiosho	8.8	127	4,492
Japan	Shiba	15.5	80	2,830
Japan (Okinawa)	Naha	12.8	65	2,299
UAE	Dubai	5.5	71	2,511

Source: Research paper: An efficient cost analysis of monorail in the Middle East using statistics of existing monorail and metro models.

<https://www.witpress.com/Secure/elibrary/papers/UT12/UT12022FU1.pdf>

Note: Exchange rate as of 31 January 2017 from BOT.

<https://www.bot.or.th/thai/statistics/financialmarkets/exchangerate/ layouts/application/exchangerate/exchangerate.aspx>

From the above table, there are many difference in construction costs that arise from different fundamental factors, such as, geographic, demographic, cost of land, construction material, type of concession and related laws.

However, IFA has opinion that the valuations in this approach can compare the investment value of the projects in big picture only and may not be appropriate to use as a reasonable estimated value of the projects, as there are issues needed to be considered and limitations which are:

(a) The types of construction and the types of each mass transit projects are different such as, an underground system metro, which generally have higher investment cost per kilometer than sky train system. The frequency and nature of the terminals depending on the area and individual routes, etc. In addition, the MRT Pink Line Project and the MRT Yellow Line Project are also the first project that used monorail system (Straddle Monorail). Monorail system has a lower construction cost than an electric double-track (Heavy Rail). In addition, its train and rail construction details are unlike other mass transit projects, which are the double track system, so it could be affect the accuracy for the consideration of the appropriateness of the investment value.

(b) The form and conditions of the concession agreement is different since form of projects in the past, the government will hire one party as contractors and another one for operation. The public or private sector is responsible for the operation of transportation which may be responsible for the risk of number of passengers. However, the MRT Pink Line Project and the MRT Yellow Line Project is the first project that takes the form of a joint venture between the government and the private sector in PPP Net Cost, hiring a private sector for the construction, operating, and taking risks of the number of passengers. That could lead to returns of each part is different. As a result, the investment value may be different.

(c) The investment project is the policy of the government that could have a different budget for different projects (routes) in different periods of time and economic circumstances. Thus, the comparison of past and current projects is quite difficult.

(d) Does not take into account the business factors, return on investment, and the ability to manage each of the bidders and also did not take into account the subsidies from the government, and the benefits of the subsidies to be paid to the government, which varies in each project. That may result in different view of the bidders for the investment value of the projects.

4.2 Feasibility Approach of the MRT Pink Line Project and the MRT Yellow Line Project

To evaluate the return on investment, IFA prepared Free Cash Flow to Firm; ("FCFF") and use various tools to measure the feasibility of the projects and estimate the return on investment from the Project as follows:

- Net Present Value : "NPV" by using Weighted Average Cost of Capital: "WACC" as a Discount rate
- Internal Rate of Return : "IRR" of the Projects
- Payback Period of the Projects

For this approach of valuation, IFA considers the projections of the MRT Pink Line Project and the MRT Yellow Line Project with major assumptions prepared by the management, including the data and the mass transit business in the past, and study the feasibility of the MRT Pink Line Project and the MRT Yellow Line Project which prepared by ("MVA"), a consultant who specializes in transport services and as a consultant for the Company to estimate the number of passengers of the MRT Pink Line Project and the MRT Yellow Line Project, IFA uses such information as a basis for analysis and opinion on the fair value of the MRT Pink Line Project and the MRT Yellow Line Project. IFA has adjusted some assumptions to reflect market conditions and competition in the industry, including general economic conditions in conservative basis

Moreover, IFA analyzes the feasibility of the project of MRT Pink Line Project with extension and MRT Yellow Line Project with extension. The projections are separated into 2 cases, totaling 4 cases as follows:

- Case 1: 4.2.1(a) Pink Line Project: Main and extension line
- Case 2: 4.2.1(b) Pink Line Project: Main line (excluding extension)
- Case 3: 4.2.2(a) Yellow Line Project: Main and extension line
- Case 4: 4.2.2(b) Yellow Line Project: Main line (excluding extension)

The reason that IFA does not separately analyze the feasibility of the extension because, in practical, the extension line is the addition part that rely on the main line and it has only two stations. Moreover, the only two stations of extension cannot be operated without the main line.

The approval of MRTA may occur in many cases. It may occur only 1 case (4.2.1(a) or 4.2.1(b)) for Pink Line Project. For Yellow Line Project, it may occur only 1 case, also (4.2.2(a) or 4.2.2(b)). The MRT Pink Line Project and the MRT Yellow Line Project occur independently of each other.

The preparation of financial projections to calculate the NPV, IRR, and Payback Period is based on financial assumptions as follows:

4.2.1 The MRT Pink Line Project

4.2.1(a) Pink Line Project: Main and extension line

- Consideration approach and Projection Period

The MRT Pink Line project has the concession period of 33 years and 3 months (3 years 3 months construction period and operation period of 30 years) from the date of issuance of the Commissioning Certificate.

However, regarding to conditions and figures of the main concession contracts of both lines, IFA has to assume the most updated figure as a base case. IFA considers the conditions and figures that refer from the proposal BSR proposed to MRTA before the announcement of the bidding winner, the management interview, industry specialists. Moreover, IFA assumes that the government will support the projects for public benefits. However, BSR and MRTA are on the negotiation process about the extension and the land for the extension as mentioned previously. In conclusion, the investment value of JV Company will not exceed 2,500 million baht. BLAND and MRTA are responsible for acquiring the land. Other conditions will be referred from the main concession contract and without an additional benefit to be paid to MRTA. If the negotiation fails, the extension may not happen. According to the information received from the Company, it was expected that the negotiations will be completed and presented for approval to the Office of the Attorney General and the Cabinet within June 2017, and signed a contract and delivering secured to the MRTA and preparing the financing for the project within no more than 120 days.

In the preparation of financial model, IFA has assumed that the civil works of the MRT Pink Line Project is expected to start the construction in October 2017 and expected to be completed the construction and test run in December 2020 (3 years and 3 months of construction period). Next, the commercial operation is from 1 January 2021 – 31 December 2050 (30 years, operation of 365 days/year). There will be no terminal value for the project after the expiration of concession contract.

- Fare Revenue

Revenue of fare of each year will depend on the number of passengers (Ridership) and average fare price per trip).

IFA assumed and estimated the number of passengers based on the feasibility study (Feasibility Study Review and Update, December 2016) prepared by MVA, a consultant to the Company for making projections to support a bid for the concession of the MRT Pink Line Project. MVA is specialized in consulting with various transport providers both in Thai and abroad, with branches in 17 countries worldwide. In Thailand, MVA has given consultant services regarding the estimation of the transportation system in Bangkok Expressway and rail transport. The main customers included the government and renowned organizations such as the MRTA, Don Muang Tollway Public Company Limited, Bangkok Expressway Company Limited (currently BEM), etc. Overall, the study of MVA has analyzed the density of population along the route of the train, the connections to other transport such as main roads, expressways and rail lines, as well as other areas such as environment, traffic and community centers, and also other economic

conditions such as the country's GDP growth rate, inflation, and the rate of population growth. IFA believes that it can be used as reference for the valuation.

Moreover, MVA verified the forecast model with the actual data in 2015 as follows:

(a) Dark green line (Mo Chit - Bearing): Ridership forecasted by MVA model was less than actual data about 0.6 percent.

(b) Light green line (National Stadium - Bang Wha): Ridership forecasted by MVA model was less than actual data about 2.1 percent.

(c) Blue line (Bang Sue - Hualampong): Ridership forecasted by MVA model was less than actual data 5.9 percent.

(d) Ridership travelling through 8 important area along the Pink line route, such as Pak Kret, Muang Thong Thani, Lak Si, Ramindra km. 4-8, Fashion island and Min Buri,. Ridership forecasted by MVA model was less than actual data about 2.5 percent.

IFA found that the above tests of MVA forecast model are not significantly different from the actual data. Therefore, IFA confidences that the experience, specialization and the testing model of MVA able to use and refer in this forecast.

- Ridership of the main line

The passengers can be divided into two types of passengers; boarding and transfer. The estimated number of passengers, MVA expected that in the year 2021, the number of boarding passengers is amount to approximately 0.17 million trips per day and the number of transfer passengers is on an average of 0.03 million passenger trips per day, representing a total of 0.20 million trips per day.

In the year 2022, the number of passengers is expected to increase to 0.20 million trips per day since the start of changing travelling patterns from other transportation to electric train, which is convenient and punctual transport than other transportation and the number of transfer passengers will rise to 0.04 million trips per day, representing a total of 0.24 million trips per day. It is expected that the number of passengers of Boarding and Transfer will be a lot at Wat Mahathat Station (PK16) (Area of Anusawari Lak Si Circle) and Lak Si station (PK14), which is a residential community and has several government buildings, and also are the connection to the Green Line (Extension) and Red Line. The Green Line (extension) and the Red Line have been under construction which is expected to open in 2020-2021, resulting in the high growth rate in the first year of the projection, equal to 21%.

Moreover, there are also other stations, including stations Bangkok Government Complex (PK12) S Khan Na Yao (PK25) and Min Buri Station (PK30), which are near the workplace, shopping center point and the connection to the MRT Orange Line, expected to open in 2022.

- Ridership of extension line

In addition to the main concession above, BSR has submitted a proposal on the extension of the MRT Pink Line Project to MRTA, which proposed to build the extension to connect and provide services between Si Rat (PK10) of the MRT Pink Line Project to the Center of Muang Thong Thani, a distance of about 2.8 kilometers, which consisting of two stations, the first station being located at Impact Challenger Hall and the second station being located at the lake area in Muang Thong Thani, which has a total of one

hundred thousand people who live in this area. There are also a lot of traffic in and out from the participants of the Expo or festival performances, which are available throughout the year. IFA estimates and has the assumptions that passengers who use the services of the extension line from the proposal of the MRT Pink Line Project which BSR submitted to the MRTA, the number of passengers from extension line is expected to be at the average about 5% of the total number of passengers the main path.

However, average number of passenger for each year (2021-2050) are as follows:

The MRT Pink Line Project	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Average Number of Boarding Passengers per Day (million trips/day)	0.17	0.20	0.22	0.23	0.24	0.26	0.27	0.29	0.31	0.32
<i>Growth Rate of Number of Boarding Passengers</i>	-	19%	7%	6%	6%	6%	6%	6%	6%	5%
Average Number of Transfer Passengers per Day (million trips/day)	0.03	0.04	0.05	0.05	0.06	0.06	0.07	0.08	0.08	0.09
<i>Growth Rate of Number of Transfer Passengers</i>	-	31%	15%	13%	11%	10%	9%	9%	8%	7%
Average Number of Passengers in Main Line (million trips/day)	0.20	0.24	0.26	0.28	0.30	0.32	0.34	0.37	0.39	0.41
<i>Growth Rate of Number of Main Line Passengers</i>	-	21%	8%	7%	7%	7%	7%	7%	6%	6%
Average Number of Extension Line per Day (million trips/day)	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
<i>Growth Rate of Number of Extension Line Passengers</i>	-	30%	12%	1%	1%	2%	2%	2%	2%	2%
Total Passengers per day (million trips/day)	0.21	0.26	0.28	0.30	0.32	0.34	0.36	0.38	0.41	0.43
<i>Growth Rate of Total Number Passengers</i>	-	21%	8%	7%	7%	6%	7%	6%	6%	6%
Number of Working Day (Day)	365	365	365	365	365	365	365	365	365	365
Total Number of Passengers per Year	77.52	94.13	101.99	109.21	116.43	123.73	132.09	140.46	148.82	157.18

Note: The fraction is rounded

The MRT Pink Line Project	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Average Number of Boarding Passengers per Day (million trips/day)	0.34	0.36	0.38	0.40	0.42	0.43	0.45	0.47	0.49	0.51
<i>Growth Rate of Number of Boarding Passengers</i>	5%	6%	5%	5%	5%	5%	4%	4%	4%	4%
Average Number of Transfer Passenger per Day (million trips/day)	0.09	0.10	0.11	0.11	0.12	0.12	0.13	0.13	0.14	0.14
<i>Growth Rate of Number of Transfer Passengers</i>	7%	6%	5%	5%	5%	5%	4%	4%	3%	3%
Average Number of Passenger in Main Line (million trips/day)	0.43	0.46	0.48	0.51	0.53	0.56	0.58	0.60	0.63	0.65
<i>Growth Rate of Number of Main Line Passengers</i>	5%	6%	5%	5%	5%	5%	4%	4%	4%	4%
Average Number of Extension Line per Day (million trips/day)	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.03	0.03	0.03
<i>Growth Rate of Number of Extension Line Passengers</i>	2%	2%	2%	2%	2%	3%	5%	5%	5%	5%
Total Passengers per day (million trips/day)	0.45	0.48	0.50	0.53	0.56	0.58	0.60	0.63	0.65	0.68
<i>Growth Rate of Total Number of Passengers</i>	5%	6%	5%	5%	5%	5%	4%	4%	4%	4%
Number of Working Day (Day)	365	365	365	365	365	365	365	365	365	365
Total Number of Passengers per Year	165.58	174.83	184.09	193.35	202.62	211.91	220.76	229.62	238.49	247.36

The MRT Pink Line Project	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Average Number of Boarding Passengers per Day (million trip/day)	0.53	0.55	0.56	0.58	0.60	0.62	0.64	0.66	0.68	0.69
<i>Growth Rate of Number of Boarding Passengers</i>	4%	4%	3%	3%	3%	3%	3%	3%	3%	3%
Average Number of Transfer Passengers per Day (million trip/day)	0.15	0.15	0.15	0.16	0.16	0.17	0.17	0.18	0.18	0.19
<i>Growth Rate of Number of Transfer Passengers</i>	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Average Number of Passengers in Main Line (million trip/day)	0.67	0.70	0.72	0.74	0.76	0.79	0.81	0.83	0.86	0.88
<i>Growth Rate of Number of Main Line Passengers</i>	4%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Average Number of Extension Line per Day (million trip/day)	0.03	0.03	0.03	0.03	0.04	0.04	0.04	0.04	0.04	0.04
<i>Growth Rate of Number of Extension Line Passengers</i>	5%	5%	5%	4%	4%	5%	4%	4%	4%	4%
Total Passengers per day (million trip/day)	0.70	0.73	0.75	0.78	0.80	0.82	0.85	0.87	0.90	0.92
<i>Growth Rate of Total Number Passengers</i>	4%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Number of Working Day (Day)	365	365	365	365	365	365	365	365	365	365
Total Number of Passengers per Year	256.28	265.22	274.16	283.12	292.08	301.10	310.13	319.18	328.23	337.30

Source: Feasibility Study Review and Update by MVA, December 2016 and the Proposal for Extension Line, BSR proposed to MRTA.

Note: The fraction is rounded.

The above table shows that, overall of the projection, the number of passengers of the MRT Pink Line Project increased from 0.21 million a day (77.52 million trips per year) to 0.92 million trips per day (337.30 million trips per year), or equivalent to CAGR of about 5.2% per year. The number of passengers will be at the high growth in the first phase and the growth rate will decline later. IFA has seen this possible, since in the first phase, there will be people moving to stay in the area along the line with the development of real estates. Moreover, CAGR of 5.2% of the passengers, using the service of the MRT Pink Line Project throughout the forecast (2021-2050), was lower than the CAGR of the main line service (Dark Green and Light Green) in the last 10 years (2007-2016 years), which is about 5.9%. IFA has an opinion that this is on a conservative basis.

- Average fare price per trip

IFA has assumptions about the average fare per trip based on schedules of fares from the following data

1. The actual average fare per trip of BTSGIF as of 31 December 2016, (Dark Green and Light Green Line) as the basis for the calculation of which is equal to 27.90 baht per trip (This rate is in the range of fare as defined by MRTA that starting at 14 baht to 42 baht as the maximum). Moreover, the adjustment of fare in the first time shall not be less than 24 months after the service begins to generate revenue and the next time of the price adjustment will be each 24 months, calculation is based on the basis of the actual basis of the Consumer Price Index (Base Consumer Price Index).

2. The study of MVA found that an average trip length was about 7 kilometer per trip (The study were based on the field research in community area and connected station to study the density of population, ridership behavior etc.). Moreover, in 2016, the fare for 7 kilometer trip was about 28.70 baht (assumptions were based on the field research in community area and connected station to study the density of population, ridership behavior etc.)

The comparable of estimated fare of 1. and 2. are as follows:

Average fare (Baht per trip)	2016	Estimated fare per trip (Adjust with the Consumer Price Index = 2.7%)				
		2017	2018	2019	2020	2021
The actual average fare per trip of BTSGIF with growth rate as defined by MRTA	27.90	28.65	29.43	30.22	31.04	31.88
The study of MVA	28.70	29.47	30.27	31.09	31.93	32.79

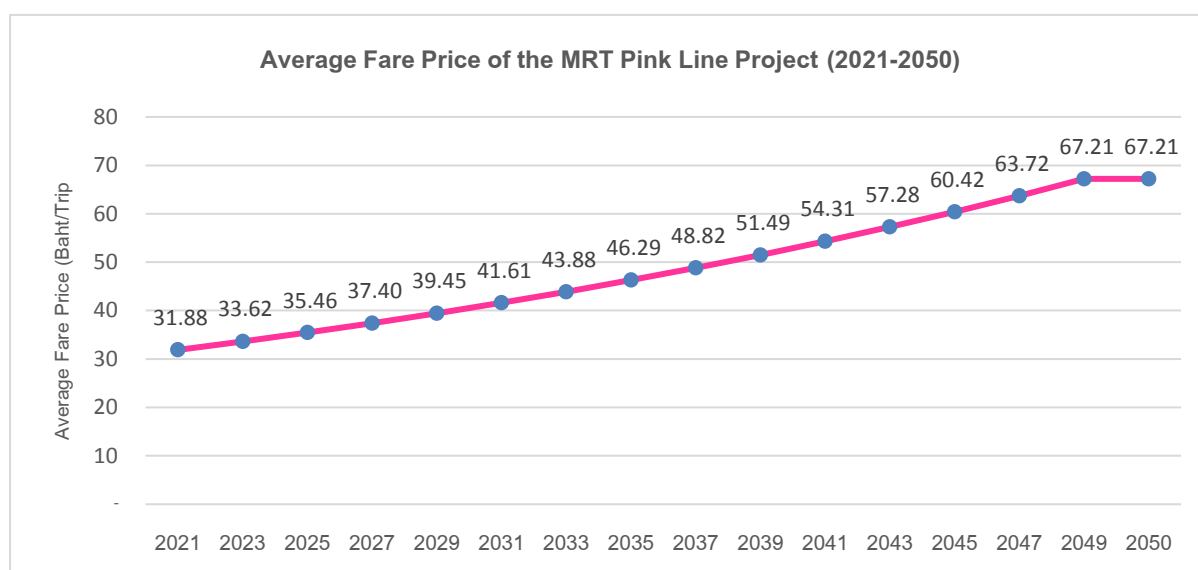
Note: The fraction is rounded

IFA has seen that the actual average fare is more clearly reflect picture of mass transit business as it is the most concrete figure and comply with fare adjustment as defined by MRTA. Despite there are the different between existing line of BTSGIF and this project, such as, mass transit system, route and ridership behavior. However, this assumption based on conservative basis.

Therefore, IFA assumes the actual average fare of BTSGIF to be the base of calculation which was 27.90 baht per trip. The adjustment of fare is based on the 30 years historical Consumer Price Index (1987-2016) from the Bank of Thailand, about 2.7% year (Enclosure 2). Therefore, the average fare for the first year of projection (2021) is 31.88 baht per trip. Despite there are different between mass transit system, route and ridership behavior, this assumption is the most concrete available and lower than the estimated fare price from the study of MVA (conservative basis).

However, after the operation of the MRT Pink Line, IFA assumes that the average fare adjustment occurs every 24 months in accordance with the requirements of MRTA, representing an increase rate of 5.5% for 24 months (a growth rate of 2.72%²).

According to above assumption, the forecasted of average fare per trip for each year are as follows:



■ Commercial Revenue

IFA has assumptions on commercial revenues based on the revenue of existing operators (Green Line and Blue Line), it was found that the main revenue of commercial revenue comes from the parking fee, renting space, ATM in the area of the train station and revenue from advertising in train stations and on the ticket. It was found that commercial revenue of BTS (Dark green and light green line) and Subway (Blue line) is around 10%-15% of total fare revenue, from financial statement of BTSC and BMCL (before BMCL merge with BECL). However, in order to estimate on conservative basis, IFA has assumed commercial revenues accounted for 10% of total fare revenue throughout the 30 years of the projection period (2021-2050).

From the assumption of revenues from fares and commercial as above, it can be summarized the revenue from Service of the MRT Pink Line Project as follows:

The MRT Pink Line Project	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue from Fare (Boarding) (million baht)	1,969	2,345	2,640	2,806	3,135	3,311	3,716	3,941	4,393	4,630
Revenue from Fare (Transfer) (million baht)	360	470	569	643	756	834	963	1,046	1,191	1,278
Revenue from Fare (Extension) (million baht)	142	185	220	222	237	243	261	266	287	292
Total Revenue from Fare (million baht)	2,471	3,000	3,429	3,672	4,129	4,388	4,940	5,253	5,871	6,201
Commercial Revenue (million baht)	247	300	343	367	413	439	494	525	587	620
Total revenue from services (million baht)	2,718	3,300	3,772	4,039	4,541	4,826	5,434	5,778	6,458	6,821

The MRT Pink Line Project	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Revenue from Fare (Boarding) (million baht)	5,133	5,427	6,035	6,345	7,019	7,346	8,079	8,409	9,217	9,566
Revenue from Fare (Transfer) (million baht)	1,440	1,524	1,695	1,783	1,973	2,065	2,260	2,341	2,554	2,640
Revenue from Fare (Extension) (million baht)	315	323	349	358	386	397	439	460	508	531
Total Revenue from Fare (million baht)	6,889	7,274	8,079	8,485	9,378	9,808	10,777	11,210	12,280	12,737
Commercial Revenue (million baht)	688	727	807	848	937	980	1,077	1,120	1,227	1,273
Total revenue from services (million baht)	7,578	8,001	8,886	9,333	10,315	10,788	11,854	12,330	13,507	14,009

The MRT Pink Line Project	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Revenue from Fare (Boarding) (million baht)	10,457	10,824	11,804	12,192	13,268	13,676	14,856	15,287	16,578	17,033
Revenue from Fare (Transfer) (million baht)	2,875	2,965	3,222	3,318	3,599	3,700	4,008	4,114	4,451	4,563
Revenue from Fare (Extension) (million baht)	587	614	678	708	779	815	898	937	1,031	1,074
Total Revenue from Fare (million baht)	13,918	14,403	15,704	16,217	17,646	18,191	19,762	20,338	22,060	22,670
Commercial Revenue (million baht)	1,390	1,439	1,569	1,620	1,763	1,817	1,974	2,032	2,204	2,265
Total revenue from services (million baht)	15,309	15,842	17,273	17,837	19,409	20,008	21,736	22,370	24,264	24,935

Note: The fraction is rounded

■ The subsidies for Civil Work from MRTA (for main line only)

According to the Cabinet meeting held on 29 March 2016 and the announcement of the invite of private sector to invest in the project of the MRT Pink Line Project, it was found that, the subsidies from public sector for civil works is not exceeding 20,135 million baht, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%), gradually pay after the commercial operation and will be made on annual basis within a period of not less than 10 years.

According to the guidance from the tender documents, IFA found that the FDR referred Fixed Deposit Interest Rate - 6 month for personal of 4 main commercial banks (FDR)+1% as at 31 December 2016, equal to approximately 1.225% so the discount rate applied to the amount of support civil works is about 2.225% per year.

Based on the information received from the Company, it was found that that amount of investment for civil works for 3 years and 3 months during 2017 (Oct-Dec) – 2020 and the subsidies for civil works which is expected to be received from MRTA after starting the operation are as follows:

The MRT Pink Line Project (Unit: million baht)	Total	2017	2018	2019	2020	2021	2022	2023	2024	2025
The Subsidies for Civil Works Expected to receive from MRTA*	22,500	-	-	-	-	2,250	2,250	2,250	2,250	2,250
Present Value of the Subsidies for Civil Works Expected to receive from MRTA*	18,699	-	-	-	-	2,060	2,016	1,972	1,929	1,887
		2026	2027	2028	2029	2030				
The Subsidies for Civil Works Expected to receive from MRTA*		2,250	2,250	2,250	2,250	2,250				
Present Value of the Subsidies for Civil Works Expected to receive from MRTA*		1,846	1,806	1,766	1,728	1,690				

Note: *Under the negotiation process with MRTA.

The fraction is rounded.

The reason that IFA use above figure for estimation because all these figure are in the bidding document set, proposed by BSR before the announcement the winner of the bidding and data provided from executives of the Company. Currently, all these figures are not the key point of negotiation between BSR and MRTA. Moreover, this is the first sky train project that have the subsidy from the government, MRTA. Since the payment will be made on an annual basis within a period of not less than 10 years and this project is essential public transportation project that benefit to the public, IFA believes that MRTA may pay such subsidies based on the above table. However, if there are change on the condition of the subsidies, the Company may have to comply with the related laws and regulation and restart the process again.

From the above table, it was found that the net present value of the subsidies for civil construction is 18,699 million baht at a discount rate of 2.225%, IFA has an opinion that it is relevant to MRTA conditions since the amount of subsidies is up to 20,135 million baht at the determined discount rate and the period of payment is pay not less than 10 years after the operation of train service.

According to the information from executives of the Company at 14 February 2017, the subsidies for Civil Work from MRTA may be accepted by MRTA. However, BSR and MRTA are on the negotiation process that the condition of the subsidies may be changed. IFA analyzed this situation in the disadvantages and risk of entering into the transaction, part 3.3 (9).

- The subsidies from private sector for the extension line

BSR has proposed to construct the extension of the MRT Pink Line Project split from the main line (Spur-Line) to connect and provide service between the station of the MRT Pink Line Project to the center of Muang Thong Thani, with a length of approximately 2.8 kilometers. The extension includes two stations, the first station being located at Impact Challenger Hall and the second station being located at the lake area in Muang Thong Thani, The total investment is 2,500 million baht, BSR will receive the subsidies from BLAND for civil works and electric train system in the amount of 1,250 million baht during the construction period (Approximately 2017-2020), referred to the proposal of extension line which BSR proposed to MRTA, MOA between the Company and BLAND on 7 November 2016 and information memorandum of BLAND , disclosed to the Stock Exchange on 3 November 2016.

The MRT Pink Line Project	2017	2018	2019	2020	Total
The subsidies for the extension line from private sector (million baht)	188	493	410	160	1,250

Note: The fraction is rounded.

In addition to above subsidies, BSR also has an agreement with BLAND to receive the subsidies for operating 10 million baht per year during the operating the MRT Pink Line Project (approximately 2021-2050).

- Operating and Maintenance Expenses

IFA assumes operation expenses and maintenance cost based on plans and estimation of maintenance which includes the Bills of Quantity of Civil Works and M&E system for train operation and maintenance to comply with the plan proposed by the JV Companies for concessions and the extension which BSR has proposed to the MRTA that mainly originated from industry specialist and MRTA. The expenses are as follows:

- Phase 1

According to the plan, it has prepared before the starting of Phase 2 to support the operation of Phase 2, which is the cost associated with the trail run of the electric train. IFA assumes that the expenses in 2020 is approximately 300 million baht, based on the information BSR proposed to MRTA. IFA considers that the figure is reasonable as specialist of the Company and MRTA already considered and reviewed.

- Phase 2 Operating and Maintenance Expenses are as follows: (Inflation as Enclosure 2)

Personnel Expense includes salaries, bonuses, travel expenses and welfare of employees, which is expected to employ more than 1,200 positions. In the projection, IFA assumes that the personnel expenses for the first year of operation (2021) is about 872 million baht, based on the information BSR proposed to

MRTA. While personnel expenses in the 2022- 2050, IFA assumes that it has the growth rate of 5% per year over the projection period which is the salary adjustment policy of the Company.

Utilities Expenses include electricity to control the train, power systems, water supply, and communication systems to provide the infrastructure needed to meet the operational requirements of the project. IFA assumes that utilities expenses for the first year of operation (2021) is about 283 million baht which considered by company specialist and MRTA. While Utilities expenses in the 2022- 2050, IFA assumes that it has the growth rate of 2.7% per year over the projection period which referred to historical 30-year inflation (1987 – 2016) from Bank of Thailand as the changes of utilities expenses normally rely on the inflation.

Civil and M&E Maintenance Cost includes the provision of maintenance and improvement of equipment and materials, the entire civil works, and Park & Ride service. IFA assumes the Civil and M&E Maintenance Cost for the first year of operation (2021) is about 542 million baht which considered by company specialist and MRTA. While Civil and M&E Maintenance Cost in the 2022- 2050, IFA assumes that it has the growth rate of 2.7% per year over the projection period which referred to historical 30-year inflation (1987 – 2016) from Bank of Thailand as major parts of this expense are directly linked with the inflation.

Overhaul, Refurbishment, Asset Replacement Expense is a maintenance of machine to return into its good original condition. IFA assumes the expenses is starting to occur from the fifth year of operation (2025) onwards and will have a big maintenance in every 6-7 years until the end of concession period which considered by company specialist and MRTA. The average of the overhaul, refurbishment, and asset replacement is 490 million baht per year.

Office Equipment Expense includes administration computer expense, the consumable, the repair and maintenance of offices, etc. IFA assumes the Office Equipment expenses for the first year of operation (2021) is about 167 million baht which considered by company specialist and MRTA. While Office Equipment expenses in the 2022- 2050, IFA assumes that it has the growth rate of 2.7% per year over the projection period which referred to historical 30-year inflation (1987 – 2016) from Bank of Thailand. IFA considers that the growth rate is reasonable as most of these expense are normally fixed expense

Cash Handling Expense is the process of collecting the money from station to the bank. IFA assumes for the first year of operation (2021) is about 51 million baht which considered by company specialist and MRTA. While Cash Handling Expense in the 2022- 2050, IFA assumes that the expense has the growth rate of 2.7% per year over the projection period which referred to historical 30-year inflation (1987 – 2016) from Bank of Thailand. IFA considers that the growth rate is reasonable as the cash collection from station to the bank are normally outsourced to a subcontractor and the growth of cash handling expense is quite insignificant.

Other Expense is insurance, security services, cleaning service, the miscellaneous. IFA assumes for the first year of operation (2021) is about 281 million baht, based on the plans of the company and the BSR has proposed to the MRTA. While Other Expense in the 2022- 2050, IFA assumes that this expense has the growth rate of 2.7% per year over the projection period which referred to historical 30-year inflation (1987 – 2016) from Bank of Thailand as this expense is normally outsourced to the external party and the growth of expense is quite insignificant.

From above details, operating and maintenance expenses are as follows:

The MRT Pink Line Project (Unit: million baht)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Personnel Expense	872	915	961	1,009	1,059	1,112	1,168	1,226	1,288	1,352
Utilities Expense	283	291	299	307	315	323	332	341	350	360
Civil and M&E Maintenance Cost	542	556	571	587	602	619	635	653	670	688
Office Equipment Expense	167	171	176	180	185	190	196	201	206	212
Overhaul, Refurbishment, Asset Replacement Expense	-	-	-	-	-	263	280	281	88	171
Cash Handling Expense	51	53	54	56	57	59	60	62	63	65
Other Expense	281	289	296	304	313	321	330	339	348	357
Total Operating Expenses	2,195	2,274	2,357	2,443	2,532	2,887	3,001	3,102	3,014	3,205

Note: The fraction is rounded

The MRT Pink Line Project (Unit: million baht)	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Personnel Expense	1,420	1,491	1,565	1,644	1,726	1,812	1,903	1,998	2,098	2,202
Utilities Expense	369	379	390	400	411	422	434	445	457	470
Civil and M&E Maintenance Cost	707	726	746	766	786	808	829	852	875	898
Office Equipment Expense	217	223	229	236	242	248	255	262	269	276
Overhaul, Refurbishment, Asset Replacement Expense	357	654	512	451	127	303	317	1,529	1,490	1,423
Cash Handling Expense	67	69	71	72	74	76	79	81	83	85
Other Expense	367	377	387	397	408	419	430	442	454	466
Total Operating Expenses	3,504	3,919	3,899	3,966	3,774	4,089	4,246	5,608	5,725	5,821

Note: The fraction is rounded

The MRT Pink Line Project (Unit: million baht)	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Personnel Expense	2,313	2,428	2,550	2,677	2,811	2,952	3,099	3,254	3,417	3,588
Utilities Expense	482	495	509	522	536	551	566	581	597	613
Civil and M&E Maintenance Cost	923	948	973	999	1,026	1,054	1,083	1,112	1,142	1,173
Office Equipment Expense	284	292	299	308	316	324	333	342	351	361
Overhaul, Refurbishment, Asset Replacement Expense	353	137	115	775	689	451	207	182	660	529
Cash Handling Expense	87	90	92	95	97	100	102	105	108	111
Other Expense	479	492	505	518	532	547	562	577	592	608
Total Operating Expenses	4,920	4,881	5,043	5,894	6,008	5,979	5,952	6,153	6,867	6,982

Note: The fraction is rounded.

Moreover, IFA also reviews the validity of the assumption by considering EBITDA margin of the project and the historical EBITDA margin of the similar kind of business of the Company. The result shows that EBITDA Margin of this estimation less than the historical EBITDA margin of the Company. Therefore, IFA considers that this expenses assumption is reasonable even though there are the difference of type of operation, electricity system and other condition. However, IFA has seen that the similarly ratio of EBITDA margin can be used to analyze and compare for this estimation.

■ Revenue shares to MRTA

According to the documents proposed to MRTA, BSR proposes Revenue shares to MRTA about 250 million baht (Fixed Rate Amount). BSR will gradually pay to MRTA for 20 years since 2031-2050. The details of revenue shares to MRTA that provided by the Company are as follows:

The MRT Pink Line Project (Unit: million baht)	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Revenue shares to MRTA	5	5	5	5	5	10	10	10	10	10
	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Revenue shares to MRTA	15	15	15	15	15	20	20	20	20	20

The details of above table are in the bidding document set, proposed by BSR to MRTA. The revenue shares to MRTA is the important factor that used to consider the proposal of bidder. As BSR is the winner of the bidding, that means BSR was the bidder who proposed the best offer. Moreover, based on the information received from the management, the benefit to be paid to MRTA as shown in table is not concerned in the negotiation process.

■ Capital Expenditure; (“CAPEX”)

IFA assumes CAPEX based on the action plan and investment plan which the Company proposed to the MRTA which have been considered in the process of the 1st tender envelopes. Moreover, the Company and specialist of industry is classified as the expert in the Mass transit system in Thailand for 18 years since 1999 – 2017. In addition, STEC and RATCH are the partner and the cooperation of the project. IFA has seen that the estimation of capital expenditure that provided from all these parties can be used as the assumption. The features and techniques, which divided into 2 phases according to the scope of work of MRTA. However, CAPEX excludes the cost of land acquisition, as the MRTA is responsible for this.

- Phase 1

The design and civil works for 3 years and 3 months (October 2017 – December 2020), divide into 2 types; civil works and the electric train system.

(1) Civil Works is the design and construction of civil works facilities, depot and stabling yard, Park and Ride building, other buildings, the rehabilitation and/or reconstruction of infrastructure related to projects worth about 22,000 million baht, which meets the requirements of the investment. The public sector will give the subsidies for civil works of the MRT Pink Line Project of not exceeding 20,135 million baht, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%) (As mentioned in the topic of “The subsidies for Civil Work from MRTA”).

For the Civil Works of the extension worth about 1,800 million baht. Although the concession contract of extension is on negotiation process, the executives of the Company confident that Civil Works of the extension are not concerned in the negotiation process. The key concern of negotiation is the responsibility of acquiring the land. If the negotiation fails, the extension may not happen.

(2) Electric Train System includes manufacture, supply, and installation of the mechanical and electrical equipment, monorail rolling stock, and other associated systems and computer programs for overall management and administration, including conducting system individual testing, integrated systems testing, and trial runs, totaling 23,764 million baht.

For the Electric Train System of the extension worth about 700 million baht. Although the concession contract of extension is on negotiation process, the Electric Train System of the extension are not concerned in the negotiation process, based on the information received from the management. The key concern of negotiation is the responsibility of acquiring the land. If the negotiation fails, the extension may not happen.

According to the assumption above, a summary of the capital expenditure for each year is estimated as follows.

Details	2017(3M)	2018	2019	2020	Total
(Unit: million baht)					
Main concession contract					
Elevated Structure	595	1,786	1,191	397	3,969
Station Structure	1,778	5,334	3,556	1,185	11,853
Depot and Park & Ride structure	310	930	620	207	2,067
Others	617	1,850	1,233	411	4,111
Civil work	3,300	9,900	6,600	2,200	22,000
Rolling Stocks	1,386	2,310	3,696	1,848	9,240
Signaling System	246	410	656	328	1,640
Guide way Beam	500	833	1,333	666	3,332
Others	1,433	2,388	3,821	1,911	9,552
Electric Train System	3,565	5,941	9,506	4,753	23,764
Total Main Concession Contract	6,865	15,841	16,106	6,953	45,764
Extension					
Civil work	270	810	540	180	1,800
Rolling Stocks	30	50	80	40	200
Others	75	125	200	100	500
Electric Train System	105	175	280	140	700
Total Extension	375	985	820	320	2,500
Grand Total	7,240	16,826	16,926	7,273	48,264

Note: The fraction is rounded.

- Phase 2

The electric train service and maintenance during the concession period of 30 years (2021-2050) has cost investment which is the investment for rolling stocks. In order to have sufficient rolling stocks during the peak hour of ridership. The specialists and engineers of the Company, who expertise in mass transit industry, forecasted that the initial lots of rolling stocks can carry the ridership in the peak hour at some point

of time. If the demand during the peak hour exceeds the capacity of rolling stocks, BSR has to invest more in order to provide sufficient rolling stocks during the concession period as follows:

The main concession: In 2032 (the 12th year of operation) of 4,854 million baht and in 2037 (the 17th year of operation) of 1,088 million baht.

The extension: In 2037 (the 17th year of operation) of 130 million baht

The assets of investment in Phase 1 will be transferred to MRTA before start the operation service. The transfer of ownership is expected to occur in late of 2020, while assets of investment in Phase 2 will be transferred to the ownership of the MRTA immediately.

■ Working Capital

IFA assumes that there will be no trade receivable since the nature of the business is charged for cash or credit card immediately so that the value of trade receivables is likely to be zero. Moreover, service users generally have to pay the fare in advance, such as prepaid tickets and monthly tickets therefore providers get a cash in advance. Each year, IFA assumes the average trade creditors, representing 3% percent of the revenue from fares. According to comparable data of the Company, trade receivable is approximately 3-5 percent of the fares revenue.

■ Debt from Financial Institution

IFA assumes the MRT Pink Line Project has a long-term loan of approximately 32,918 million baht, with a repayment period of 18 years at the interest rate of 5% to be based on a conservative basis, according to documents supporting loan from a financial institution with a minimum amount of 32,900 million baht and conditions are during the negotiation process between BSR financial institutions. The expected interest rates will be in the range of 4%-5%. For information, the interest rate of loans from financial institutions and bonds in last years is on the average of around 3%-5%.

■ Discount Rate

In order to calculate present value, the IFA utilized a discount rate as the Weighted Average Cost of Capital ("WACC") based on the capital structure of the Company, which is from the weighted average of Kd and Ke of the Company. IFA has considered the appropriate of the value of investment in the Project in conservative basis.

$$WACC = [Ke * E / (D + E) + Kd * (1 - T) * D / (D + E)]$$

Where

Ke = Cost of equity or shareholders' required rate of return

Kd = Average cost of debt or loan interest rate (5% per year)

T = Corporate tax rate (20%), BSR has been promoted to Investment (BOI) has been exempted from corporate income tax. And import duties on equipment for a period of 8 years.

E = Total shareholders' equity

D = Interest bearing debt (interest bearing debt to equity ratio during the construction is about 2 times)

IFA determined the cost of equity (Ke) by adopting the Capital Asset Pricing Model (CAPM) theory

$$K_e = R_f + \beta(R_m - R_f)$$

Where

Risk Free Rate (Rf) : Based on the rate of return of a 34-year government bond (The period coincided with the age projections), the rate was 3.54% per year as of 31 January 2017 (data from Thai Bond Market Association).

Beta (β): 0.71 time, referred to historical beta of the Company from 1 February 2014 – 31 January 2017 that is 3 years beta (close to the construction period). The reason that IFA uses beta of the Company because the business of this project is similar to the existing business of the Company. Although there are the different of characteristic of operation and condition, it is the same business, mass transit business. Debt to Equity ratio (D/E) of the project tends to decrease after the beginning of operation. The average D/E during the project is about 0.63 time that is not significantly different from the D/E of the Company, 0.77 time, as of 31 December 2016. Therefore, the beta of the Company could reflect the project.

Rm: The approximately 34-year average rate of return on the investment in the Stock Exchange of Thailand (SET) (The period coincided with the age projections) during 1997 – 31 January 2017, equals to 17.92% per year (source: the Stock Exchange of Thailand).

Ke = 3.54% + 0.71 X (17.92% - 3.54 %)
= 13.75%

Therefore, WACC = [13.75% X 33.3% + 5.00% X (1-20%) X 66.7%]
= 7.3%

■ Terminal Value

No terminal value after the end of projection

Based on data and assumptions given above, the Free Cash Flow to Firm; "FCFF" are expected to occur in the MRT Pink Line Project as follows.

The MRT Pink Line Project (Unit: Million Baht)	2017 (3M)*	2018*	2019*	2020*	2021	2022	2023	2024	2025	2026
Total Revenue	-	-	-	-	2,728	3,310	3,782	4,049	4,551	4,836
Total Expenses	-	-	-	300	2,195	2,274	2,357	2,443	2,532	2,887
EBIT	-	-	-	(300)	533	1,036	1,425	1,606	2,020	1,949
EBT	-	-	-	(300)	533	1,036	1,425	1,606	2,020	1,949
(-) investment	(7,067)	(16,780)	(17,581)	(8,614)	2,250	2,250	2,250	2,250	2,250	2,250
(+) working capital	-	-	-	-	74	16	13	7	14	8
Free Cash Flow of Project	(7,067)	(16,780)	(17,581)	(8,914)	2,857	3,302	3,688	3,864	4,284	4,207
Acc. Free Cash Flow of Project	(7,067)	(23,847)	(41,427)	(50,341)	(47,484)	(44,182)	(40,494)	(36,630)	(32,347)	(28,140)
Discount Factor	1.0000	0.9324	0.8694	0.8106	0.7558	0.7047	0.6571	0.6127	0.5713	0.5326
Present Value of Project	(7,067)	(15,645)	(15,284)	(7,226)	2,160	2,327	2,423	2,367	2,447	2,241
Sum of Present Value of Project	4,000									

Note: * 2017-2020 Phase 1 has record the revenue of civil works and cost of construction but it is non-cash because MRTA is gradually pay the subsidies since there is operation period.

The fraction is rounded.

The MRT Pink Line Project (Unit: Million Baht)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Revenue	5,444	5,788	6,468	6,831	7,583	8,006	8,891	9,338	10,320	10,788
Total Expenses	3,001	3,102	3,014	3,205	3,504	3,919	3,899	3,966	3,774	4,089
EBIT	2,444	2,686	3,454	3,625	4,078	4,087	4,992	5,372	6,546	6,700
EBT	2,444	2,686	2,763	2,900	3,263	3,270	3,993	4,298	5,237	5,360
(-) investment	2,250	2,250	2,250	2,250	-	(4,854)	-	-	-	-
(+) working capital	17	9	19	10	21	12	24	12	27	13
Free Cash Flow of Project	4,710	4,946	5,032	5,160	3,283	(1,573)	4,018	4,310	5,264	5,373
Acc. Free Cash Flow of Project	(23,430)	(18,484)	(13,453)	(8,292)	(5,009)	(6,582)	(2,564)	1,746	7,010	12,382
Discount Factor	0.4966	0.4631	0.4318	0.4026	0.3754	0.3500	0.3263	0.3043	0.2837	0.2645
Present Value of Project	2,339	2,290	2,173	2,077	1,232	(550)	1,311	1,311	1,493	1,421

Note: The fraction is rounded

The MRT Pink Line Project (Unit: Million Baht)	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Total Revenue	11,854	12,330	13,507	14,009	15,304	15,837	17,268	17,832	19,404	19,998
Total Expenses	4,246	5,608	5,725	5,821	4,920	4,881	5,043	5,894	6,008	5,979
EBIT	7,607	6,721	7,781	8,188	10,383	10,956	12,225	11,938	13,396	14,020
EBT	6,086	5,377	6,225	6,551	8,307	8,765	9,780	9,550	10,717	11,216
(-) investment	(1,218)	-	-	-	-	-	-	-	-	-
(+) working capital	29	13	32	14	35	15	39	15	43	16
Free Cash Flow of Project	4,897	5,390	6,257	6,564	8,342	8,780	9,819	9,566	10,760	11,232
Acc. Free Cash Flow of Project	17,279	22,669	28,926	35,491	43,833	52,613	62,432	71,997	82,757	93,989
Discount Factor	0.2466	0.2300	0.2144	0.1999	0.1864	0.1738	0.1621	0.1511	0.1409	0.1314
Present Value of Project	1,208	1,240	1,342	1,312	1,555	1,526	1,591	1,445	1,516	1,476

Note: The fraction is rounded

The MRT Pink Line Project (Unit: Million Baht)	2047	2048	2049	2050
Total Revenue	21,726	22,360	24,254	24,925
Total Expenses	5,952	6,153	6,867	6,982
EBIT	15,775	16,207	17,387	17,943
EBT	12,620	12,966	13,910	14,354
(-) investment	-	-	-	-
(+) working capital	47	17	52	18
Free Cash Flow of Project	12,667	12,983	13,961	14,372
Acc. Free Cash Flow of Project	106,656	119,639	133,600	147,973
Discount Factor	0.1225	0.1142	0.1065	0.0993
Present Value of Project	1,552	1,483	1,487	1,427

Note: The fraction is rounded

Estimated Cash flow and the sufficiency of source of fund in case of 4.2.1(a) Pink Line Project: Main and extension line

The MRT Pink Line Project (Unit: Million Baht)	2017 (3M)	2018	2019	2020	2021	2022	2023	2024	2025	2026
Net CFO	-	-	-	(300)	(1,020)	(522)	(84)	173	703	736
Net CFI	(7,067)	(16,780)	(17,581)	(8,614)	2,250	2,250	2,250	2,250	2,250	2,250
Net CFF	7,067	16,780	17,581	8,914	(1,054)	(1,054)	(1,054)	(2,195)	(2,195)	(2,195)
- Debt	2,367	13,111	11,653	5,788	(1,054)	(1,054)	(1,054)	(2,195)	(2,195)	(2,195)
- Equity	4,700	3,669	5,928	3,126	-	-	-	-	-	-
Net Cash	-	-	-	-	176	674	1,112	229	758	791
Beginning cash	-	-	-	-	-	176	850	1,962	2,191	2,949
Ending cash	-	-	-	-	176	850	1,962	2,191	2,949	3,740

The MRT Pink Line Project (Unit: Million Baht)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Net CFO	1,349	1,694	2,067	2,283	2,744	2,830	3,654	4,034	5,075	5,251
Net CFI	2,250	2,250	2,250	2,250	-	(4,854)	-	-	-	-
Net CFF	(2,195)	(2,195)	(2,195)	(2,195)	(2,195)	(2,195)	(2,195)	(2,195)	(2,195)	(1,141)
- Debt	(2,195)	(2,195)	(2,195)	(2,195)	(2,195)	(2,195)	(2,195)	(2,195)	(2,195)	(1,141)
- Equity	-	-	-	-	-	-	-	-	-	-
Net Cash	1,404	1,750	2,122	2,338	549	(4,219)	1,459	1,839	2,881	4,111
Beginning cash	3,740	5,144	6,894	9,016	11,354	11,904	7,685	9,144	10,983	13,864
Ending cash	5,144	6,894	9,016	11,354	11,904	7,685	9,144	10,983	13,864	17,975

The MRT Pink Line Project (Unit: Million Baht)	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Net CFO	6,039	5,360	6,250	6,557	8,335	8,772	9,812	9,558	10,752	11,224
Net CFI	(1,218)	-	-	-	-	-	-	-	-	-
Net CFF	(1,141)	(1,141)	-	-	-	-	-	-	-	-
- Debt	(1,141)	(1,141)	-	-	-	-	-	-	-	-
- Equity	-	-	-	-	-	-	-	-	-	-
Net Cash	3,680	4,219	6,250	6,557	8,335	8,772	9,812	9,558	10,752	11,224
Beginning cash	17,975	21,655	25,874	32,124	38,681	47,015	55,787	65,599	75,157	85,909
Ending cash	21,655	25,874	32,124	38,681	47,015	55,787	65,599	75,157	85,909	97,133

The MRT Pink Line Project (Unit: Million Baht)	2047	2048	2049	2050
Net CFO	12,659	12,976	13,954	14,365
Net CFI	-	-	-	-
Net CFF	-	-	-	-
- Debt	-	-	-	-
- Equity	-	-	-	-
Net Cash	12,659	12,976	13,954	14,365
Beginning cash	97,133	109,793	122,768	136,722
Ending cash	109,793	122,768	136,722	151,087

Note: The fraction is rounded

Summarized evaluation of the return on investment the case of 4.2.1(a) Pink Line Project: Main and extension line

Based on the Assumption of the above financial projections to estimate future cash flows which is expected to be received in future from the investment in the Pink Line Project: Main and extension line, the expected returns can be summarized to be as follows.

- Net Present Value; NPV = 4,000 million baht
- Internal Rate of Return; IRR = 7.8 % per year
- Payback Period = 16.8 years (including construction period of 3 years and 3 months)

From the above returns show that the project is feasible which gives the IRR about 7.8% per year, higher than WACC of 7.3% per year and it is expected to have a payback period of 16.8 years (including construction period of 3 years and 3 months) under the financial assumptions as identified above.

4.2.1(b) Pink Line Project: Main line (excluding extension)

In case of MRTA do not agree with the extension proposal, such as, construction cost, negotiation of responsible for acquiring the land of the extension of Pink Line Project. Currently, BSR is the process of negotiation with MRTA about the responsibility for acquiring the land. Therefore, IFA estimates the case that the main line is operated without the extension line to be the information for investors. In this case, ridership, operation and maintenance expense will decrease. The estimated cash flow can be summarized as follows:

The MRT Pink Line Project (Unit: Million Baht)	2017 (3M)*	2018*	2019*	2020*	2021	2022	2023	2024	2025	2026
Total Revenue	-	-	-	-	2,562	3,097	3,530	3,794	4,281	4,559
Total Expenses	-	-	-	300	2,055	2,129	2,206	2,287	2,370	2,720
EBIT	-	-	-	(300)	507	967	1,324	1,508	1,910	1,839
EBT	-	-	-	(300)	507	967	1,324	1,508	1,910	1,839
(-) investment	(6,879)	(16,272)	(17,139)	(8,412)	2,250	2,250	2,250	2,250	2,250	2,250
(+) working capital	-	-	-	-	70	15	12	7	13	8
Free Cash Flow of Project	(6,879)	(16,272)	(17,139)	(8,712)	2,826	3,232	3,586	3,765	4,174	4,097
Acc. Free Cash Flow of Project	(6,879)	(23,151)	(40,290)	(49,002)	(46,175)	(42,943)	(39,358)	(35,593)	(31,419)	(27,322)
Discount Factor	1.0000	0.9324	0.8694	0.8106	0.7558	0.7047	0.6571	0.6127	0.5713	0.5326
Present Value of Project	(6,879)	(15,172)	(14,901)	(7,062)	2,136	2,278	2,356	2,307	2,384	2,182
Sum of Present Value of Project	3,651									

Note: * 2017-2020 Phase 1 has record the revenue of civil works and cost of construction but it is non-cash because MRTA is gradually pay the subsidies since there is operation period.

The fraction is rounded.

The MRT Pink Line Project (Unit: Million Baht)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Revenue	5,147	5,485	6,142	6,499	7,226	7,641	8,497	8,935	9,886	10,342
Total Expenses	2,827	2,922	2,827	3,012	3,303	3,711	3,683	3,741	3,542	3,847
EBIT	2,320	2,563	3,315	3,488	3,922	3,930	4,814	5,193	6,344	6,495
EBT	2,320	2,563	2,652	2,790	3,138	3,144	3,851	4,155	5,075	5,196
(-) investment	2,250	2,250	2,250	2,250	-	(4,854)	-	-	-	-
(+) working capital	16	9	18	10	20	11	23	12	26	13
Free Cash Flow of Project	4,586	4,822	4,920	5,050	3,158	(1,699)	3,874	4,166	5,101	5,208
Acc. Free Cash Flow of Project	(22,737)	(17,914)	(12,994)	(7,944)	(4,786)	(6,485)	(2,611)	1,555	6,657	11,865
Discount Factor	0.4966	0.4631	0.4318	0.4026	0.3754	0.3500	0.3263	0.3043	0.2837	0.2645
Present Value of Project	2,277	2,233	2,124	2,033	1,185	(595)	1,264	1,268	1,447	1,378

The MRT Pink Line Project (Unit: Million Baht)	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Total Revenue	11,361	11,814	12,938	13,415	14,648	15,151	16,513	17,043	18,537	19,092
Total Expenses	3,996	5,348	5,455	5,540	4,629	4,578	4,729	5,568	5,669	5,626
EBIT	7,365	6,465	7,483	7,875	10,019	10,573	11,784	11,476	12,868	13,466
EBT	5,892	5,172	5,986	6,300	8,015	8,458	9,427	9,180	10,295	10,773
(-) investment	(1,088)	-	-	-	-	-	-	-	-	-
(+) working capital	28	12	31	13	34	14	37	14	41	15
Free Cash Flow of Project	4,832	5,185	6,017	6,313	8,049	8,472	9,464	9,195	10,335	10,788
Acc. Free Cash Flow of Project	16,697	21,881	27,898	34,211	42,260	50,732	60,197	69,392	79,727	90,515
Discount Factor	0.2466	0.2300	0.2144	0.1999	0.1864	0.1738	0.1621	0.1511	0.1409	0.1314
Present Value of Project	1,192	1,192	1,290	1,262	1,500	1,473	1,534	1,389	1,456	1,417

Note: The fraction is rounded

The MRT Pink Line Project (Unit: Million Baht)	2047	2048	2049	2050
Total Revenue	20,729	21,319	23,110	23,733
Total Expenses	5,585	5,772	6,471	6,571
EBIT	15,143	15,547	16,639	17,162
EBT	12,115	12,438	13,311	13,730
(-) investment	-	-	-	-
(+) working capital	45	16	49	17
Free Cash Flow of Project	12,159	12,454	13,360	13,747
Acc. Free Cash Flow of Project	102,674	115,128	128,488	142,234
Discount Factor	0.1225	0.1142	0.1065	0.0993
Present Value of Project	1,489	1,422	1,423	1,365

Note: The fraction is rounded

Summarized evaluation of the return on investment the case of 4.2.1(b) Pink Line Project: Main line (excluding extension)

Based on the Assumption of the above financial projections to estimate future cash flows which is expected to be received in future from the investment in the Pink Line Project: Main line (excluding extension), the expected returns can be summarized to be as follows.

- Net Present Value; NPV = 3,651 million baht
- Internal Rate of Return; IRR = 7.8 % per year
- Payback Period= 16.9 years (including construction period of 3 years and 3 months)

From the above returns show that the project is feasible which gives the IRR about 7.8% per year, higher than WACC of 7.3% per year and it is expected to have a payback period of 16.8 years (including construction period of 3 years and 3 months) under the financial assumptions as identified above.

Sensitivity Analysis of Pink Line Project

Moreover, IFA also prepares the Sensitivity Analysis of 4.2.1(a) and 4.2.1(b) by changing the assumption to have significant change to the return on the Project which are

- Growth rate of average ridership (daily) per year, during the concession period (2021-2050), increases and decreases by 5% from existing assumptions while all other assumptions remain constant. IFA has seen that the growth rate of average ridership per trip is the main factor for this business. The above projection has assumption of CAGR of the average growth rate of passengers (daily), over the period of projection (2021 – 2050) of approximately 5.2% while the CAGR of the main line service (Dark Green and Light Green) in the last 10 years (2007-2016 years), which was about 5.9%. Therefore, IFA assumed the growth rate to be decreased and increased by 5% per year. The sensitivity range is appropriate in IFA's point of view.
- WACC increases and decreases by 0.5% from previous WACC while all other assumptions remain constant. Since the interest rate on loans has been in the negotiation process between BSR and financial institution, which is still uncertain. In addition, current interest rate is relatively low and is likely to increase in the future. If the interest rate deviates by 1%, WACC will fluctuate around 0.5% so IFA analyzes the sensitivity analysis by increasing and decreasing by 0.5% from the original WACC. The sensitivity range is appropriate in IFA's point of view.

Case	Change	NPV (million baht)	IRR* (%)	Payback Period (years)**
4.2.1(a): Pink Line Project: Main and extension line	Base case	4,000	7.8	16.8
1. Growth rate of average ridership	+/- 5 %	560 – 7,441	7.3 – 8.3	16.1 – 17.6
2. WACC	+/- 0.5 %	612 – 7,802	7.8*	16.8*
4.2.1(b): Pink Line Project: Main line (excluding extension)	Base case	3,651	7.8	16.9
3. Growth rate of average ridership	+/- 5 %	375 – 6,928	7.3 – 8.3	16.1 – 17.6
4. WACC	+/- 0.5 %	385 – 7,315	7.8*	16.9*

Note: *IRR and Payback Period WACC calculating by considering the expected cash flows expected to be derived from the project, not calculate by using WACC. Therefore, IRR and Payback Period do not fluctuate due to changes in WACC.

** Payback Period includes the construction period of 3 years and 3 months

The above table can be summarized as follows:

1. The investment in the MRT Pink Line Project (including the extension), which investment cost about 47,564 million baht, in Base Case basis has Net Present Value (“NPV”) approximately of 4,000 million baht, Internal Rate of Return (“IRR”) about 7.8% per year and Payback Period is about 16.8 years (including the construction period of 3 years 3 months).

2. The investment in the MRT Pink Line Project (excluding extension) which investment cost about 46,314 million baht, in Base Case basis has Net Present Value (“NPV”) approximately of 3,651 million baht, Internal Rate of Return (“IRR”) about 7.8% per year and Payback Period is about 16.9 years (including the construction period of 3 years 3 months).

However, BSR and MRTA are in the negotiation process about the extension. According to the information received from the management on 14 February 2017, the only topic in the negotiation process with MRTA was the land of the extension. Therefore, the extension may not happen. In this case, the extension is included in the shareholder meeting to consider and approve the transaction as the timeframe constraint as defined by MRTA. However, the consideration of the main concession is also reasonable transaction and the shareholders should vote to approve the Transaction.

4.2.2 The MRT Yellow Line Project

4.2.2(a) Yellow Line Project: Main and extension line

■ Consideration approach and Projection Period

The MRT Yellow Line project has the concession period of 33 years and 3 months (3 years 3 months construction period and operation period of 30 years) from the date of issuance of the Commissioning Certificate. However, regarding to conditions and figures of the main concession contracts of both lines, IFA has to assume the most updated figure as a base case. IFA considers the conditions and figures that refer from the proposal BSR proposed to MRTA before the announcement of the bidding winner, the management interview, industry specialists. Moreover, IFA assumes that the government will support the projects for public benefits. However, BSR and MRTA are on the negotiation process about the extension and the land for the extension as mentioned previously. In conclusion, the investment value of JV Company will not exceed 3,000 million baht and MRTA are responsible for acquiring the land. Other conditions will be referred from the main concession contract and without an additional benefit to be paid to MRTA. If the negotiation fails, the extension may not happen.

In addition, BTS Group has propose to purchase land (the budget was included in the cost of the main line) for MRTA and the JV Company will construct a multi-purpose building, comprising (1) a repair and maintenance depot, whereby BSR Joint Venture or JV Company will grant the MRTA the right to use this area; and (2) a commercial area, which BSR Joint Venture or JV Company is entitled to develop and utilize for all commercial purposes (including the area around the repair and maintenance depot). The approval of MRTA for the extension of MRT Yellow Line Concession is not binding with the proposal to purchase of land.

However, if BTS group purchases this certain land for the depot and the area around the depot, BTS group shall comply with the related law and regulation.

From the information received from the Company, it was expected that the negotiations will be completed and presented for approval to the Office of the Attorney General and the Cabinet within June 2017, signed a contract and delivering secured to the MRTA and preparing the financing for the project, which is not more than 120 days.

In the preparation of financial model, IFA has assumed that the civil works of the MRT Yellow Line Project is expected to start the construction in October 2017 and expected to be completed the construction and test run in December 2020 (3 years and 3 months of construction period). Next, the commercial operation is from 1 January 2021 – 31 December 2050 (30 years, operation of 365 days/year). There will be no terminal value for the project after the expiration of concession contract.

■ Fare Revenue

Revenue of fare of each year will depend on the number of passengers (Ridership) and average fare price per trip).

- Ridership

IFA assumed and estimated the number of passengers based on the feasibility study (Feasibility Study Review and Update, December 2016) prepared by MVA, a consultant to the Company for making projections to support a bid for the concession of the MRT Yellow Line Project. MVA is specialized in consulting with various transport providers both in Thai and abroad, with branches in 17 countries worldwide. In Thailand, MVA has given consultant services regarding the estimation of the transportation system in Bangkok Expressway and rail transport. The main customers included the government and renowned organizations such as the MRTA, Don Muang Tollway Public Company Limited, Bangkok Expressway Company Limited (currently BEM), etc. Overall, the study of MVA has analyzed the density of population along the route of the train, the connections to other transport such as main roads, expressways and rail lines, as well as other areas such as environment, traffic and community centers, and also other economic conditions such as the country's GDP growth rate, inflation, and the rate of population growth. Moreover, MVA test the forecast model with the actual data in 2015 as follows:

(a) Dark green line (Mo Chit - Bearing): Ridership of MVA forecast model less than actual data about 0.6 percent.

(b) Light green line (National Stadium - Bang Wha): Ridership of MVA forecast model less than actual data about 2.1 percent.

(c) Blue line (Bang Sue - Hualamphong): Ridership of MVA forecast model less than actual data about 5.9 percent.

(d) Ridership that travel along the Yellow line route, such as Tepharak Road, Srinagarindra Road, Onnut Road, Ramkamhaeng Road, Serithai Road, Lad Phao Road, Ratchadapisek Road, Praditmanutham Road and etc., ridership of MVA forecast model less than actual data about 4.6 percent.

IFA find that the above tests of MVA forecast model are not significantly different from the actual data. Therefore, IFA confidences that the experience, specialization and the testing model of MVA able to use and refer in this estimation.

- Ridership of main line

IFA assumed and estimated the number of passengers based on the feasibility study prepared by MVA. MVA expected that in the year 2021, the number of boarding passengers is amount to approximately 0.15 million trips per day and the number of transfer passengers is on an average of 0.04 million passenger trips per day, representing a total of 0.19 million trips per day.

In the year 2022, the number of passengers is expected to increase to 0.17 million trips per day since the start of changing travelling patterns from other transportation to electric train, which is convenient and punctual transport than other transportation and the number of transfer passengers will rise to 0.05 million trips per day, representing a total of 0.22 million trips per day or increase by 18%. It is expected that the number of passengers of Boarding and Transfer will be a lot at Ratchada Station (YL01), which is the connecting point with Lad Phrao Station of Blue Line, Lam Sali Interjection (YL09), which is the connecting point with Orange Line, which is under construction and expected to be opened in 2022, Phatthanakan (interchange with Airport Rail Link) (YL11), which is the connecting point with Airport Link, Ramkamhaeng Station, and Sam Rong Station (YL23), is the connecting point with Green Line, which is expected to be opened in 2017.

Moreover, Phawana (YL02), Chok Chai 4 (YL03) and Lad Phrao 101 (YL07), are residential community and connected to number of the Government office, workplace the connecting point to other public transport while Rama. 9 Park (YL15) is located close to landmarks such as The Mall Bangkok, Seacon Square and Paradise Park, Bang Kapi (YL08) is a transfer point from Ramkamhaeng, Sae Ri Thai and Nawamin road.

- Ridership of extension line

In addition to the main concession above, BSR has submitted a proposal on the extension of the MRT Yellow Line Project to MRTA, which proposed to build the extension to connect and provide services to the north, with a length of 2.6 kilometers, to connect with the MRT Green Line Extension (Mo Chit – Sapan Mai – Khu Khot) which is currently under construction. The extension includes two stations, the first station being located in the middle of the extended route and the second station being located before approaching Ratchayothin Intersection. At Present, BSR is in the process of negotiating the conditions with MRTA and Ratchayothin area has lots of people, malls, office buildings, universities and government offices. IFA estimates and has the assumptions that passengers, using the services of the extension line from the proposal of the MRT Yellow Line Project that BSR submitted to MRTA. The number of passengers from extension line is expected to be at the average about 10% of the total number of passengers the main path.

However, average number of passenger for each year (2021-2050) are as follows:

The MRT Yellow Line Project	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Average Number of Boarding Passengers per Day (million trips/day)	0.15	0.17	0.19	0.20	0.21	0.22	0.23	0.24	0.26	0.27
<i>Growth Rate of Number of Boarding Passengers</i>	-	18%	6%	6%	5%	5%	6%	6%	6%	5%
Average Number of Transfer Passengers per Day (million trips/day)	0.04	0.05	0.06	0.06	0.07	0.07	0.07	0.08	0.08	0.09
<i>Growth Rate of Number of Transfer Passengers</i>	-	23%	10%	9%	8%	8%	7%	6%	6%	6%
Average Number of Passenger in Main Line (million trips/day)	0.19	0.23	0.24	0.26	0.27	0.29	0.30	0.32	0.34	0.36
<i>Growth Rate of Number of Main Line Passengers</i>	-	19%	7%	6%	6%	6%	7%	6%	6%	5%
Average Number of Extension Line per Day (million trips/day)	0.02	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.04	0.04
<i>Growth Rate of Number of Extension Line Passengers</i>	-	21%	8%	7%	6%	6%	6%	5%	4%	4%
Total Passengers per day (million trips/day)	0.21	0.25	0.27	0.28	0.30	0.32	0.34	0.36	0.38	0.40
<i>Growth Rate of Total Number Passengers</i>	-	19%	7%	6%	6%	6%	6%	6%	6%	5%
Number of Working Day (Day)	365	365	365	365	365	365	365	365	365	365
Total Number of Passengers per Year	76.61	91.41	97.74	103.97	110.22	116.48	123.96	131.39	138.71	146.04

Note: The fraction is rounded

The MRT Yellow Line Project	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Average Number of Boarding Passenger per Day (million trip/day)	0.29	0.30	0.31	0.33	0.34	0.36	0.37	0.38	0.40	0.41
<i>Growth Rate of Number of Boarding Passengers</i>	5%	5%	5%	4%	4%	4%	4%	4%	4%	4%
Average Number of Transfer Passengers per Day (million trips/day)	0.09	0.10	0.10	0.10	0.11	0.11	0.11	0.11	0.11	0.11
<i>Growth Rate of Number of Transfer Passengers</i>	5%	3%	3%	3%	3%	3%	1%	1%	1%	1%
Average Number of Passengers in Main Line (million trips/day)	0.38	0.40	0.41	0.43	0.45	0.46	0.48	0.49	0.51	0.52
<i>Growth Rate of Number of Main Line Passengers</i>	5%	4%	4%	4%	4%	4%	3%	3%	3%	3%
Average Number of Extension Line per Day (million trips/day)	0.04	0.04	0.04	0.04	0.05	0.05	0.05	0.05	0.05	0.05
<i>Growth Rate of Number of Extension Line Passengers</i>	3%	3%	3%	3%	3%	3%	5%	3%	3%	3%
Total Passengers per day (million trips/day)	0.42	0.44	0.46	0.47	0.49	0.51	0.53	0.54	0.56	0.58
<i>Growth Rate of Total Number Passengers</i>	5%	4%	4%	4%	4%	4%	3%	3%	3%	3%
Number of Working Day (Day)	365	365	365	365	365	365	365	365	365	365
Total Number of Passengers per Year	153.32	159.89	166.48	173.07	179.66	186.27	192.59	198.59	204.59	210.59

Note: The fraction is rounded

The MRT Yellow Line Project	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Average Number of Boarding Passengers per Day (million trips/day)	0.43	0.44	0.45	0.47	0.48	0.50	0.51	0.52	0.54	0.55
<i>Growth Rate of Number of Boarding Passengers</i>	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Average Number of Transfer Passengers per Day (million trips/day)	0.11	0.11	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12
<i>Growth Rate of Number of Transfer Passengers</i>	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Average Number of Passenger in Main Line (million trips/day)	0.54	0.55	0.57	0.58	0.60	0.61	0.63	0.64	0.66	0.67
<i>Growth Rate of Number of Main Line Passengers</i>	3%	3%	3%	3%	3%	3%	2%	2%	2%	2%
Average Number of Extension Line per Day (million trips/day)	0.05	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.07	0.07
<i>Growth Rate of Number of Extension Line Passengers</i>	3%	3%	3%	2%	2%	2%	2%	2%	2%	2%
Total Passengers per day (million trips/day)	0.59	0.61	0.63	0.64	0.66	0.68	0.69	0.71	0.72	0.74
<i>Growth Rate of Total Number Passengers</i>	3%	3%	3%	3%	3%	2%	2%	2%	2%	2%
Number of Working Day (Day)	365	365	365	365	365	365	365	365	365	365
Total Number of Passengers per Year	216.59	222.59	228.59	234.58	240.58	246.57	252.57	258.56	264.55	270.54

Source: Feasibility Study Review and Update by MVA, December 2016 and the Proposal for Extension Line which BSR proposed to MRTA.

Note: The fraction is rounded

The above table shows that overall of the projection, the number of passengers of the MRT Yellow Line Project increased from 0.21 million a day (76.61 million trips per year) to 0.74 million trips per day (270.54 million trips per year), or equivalent to CAGR of about 4.5% per year, the number of passengers will be at the high growth in the first phase and the growth rate will decline later. Moreover, CAGR of 4.5% of the passengers using the service of the MRT Yellow Line Project throughout the forecast (2021-2050), was lower than the CAGR of the main line service (Dark Green and Light Green) in the last 10 years (2007-2016 years), which is about 5.9%. IFA has an opinion that this is on a conservative basis.

- Average fare price per trip
Same as the MRT Pink Line Project in 4.2.1(a)

- Commercial Revenue

IFA has assumptions on commercial revenues based on the revenue of existing operators (Green Line and Blue Line), it was found that the main revenue of commercial revenue comes from the parking fee, renting space, ATM in the area of the train station and revenue from advertising in train stations and on the ticket. It was found that commercial revenue of BTS (Dark green and light green line) and subway (Blue line) is around 10%-15% of total fare revenue, from financial statement of BTSC and BMCL (before BMCL merge

with BECL). However, in order to estimate on conservative basis, IFA has assumed commercial revenues accounted for 10% of total fare revenue throughout the 30 years of the projection period (2021-2050).

From the assumption of revenues from fares and commercial as above, it can be summarized the revenue from service of the MRT Yellow Line Project as follows:

The MRT Yellow Line Project	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue from Fare (Boarding) (million baht)	1,724	2,036	2,273	2,400	2,664	2,797	3,141	3,331	3,715	3,916
Revenue from Fare (Transfer) (million baht)	474	585	678	738	843	907	1,021	1,086	1,213	1,282
Revenue from Fare (Extension) (million baht)	243	293	335	357	401	426	474	497	544	564
Total Revenue from Fare (million baht)	2,442	2,914	3,286	3,496	3,908	4,130	4,636	4,914	5,472	5,761
Commercial Revenue (million baht)	244	291	329	350	391	413	464	491	547	576
Total revenue from services (million baht)	2,686	3,205	3,615	3,845	4,299	4,543	5,100	5,405	6,019	6,337

Note: The fraction is rounded

The MRT Yellow Line Project	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Revenue from Fare (Boarding) (million baht)	4,342	4,554	5,026	5,249	5,772	6,008	6,587	6,838	7,476	7,740
Revenue from Fare (Transfer) (million baht)	1,423	1,468	1,594	1,641	1,779	1,828	1,946	1,963	2,089	2,107
Revenue from Fare (Extension) (million baht)	614	632	685	705	764	785	869	894	969	996
Total Revenue from Fare (million baht)	6,379	6,653	7,306	7,595	8,316	8,621	9,402	9,695	10,535	10,843
Commercial Revenue (million baht)	637	665	730	759	831	861	939	968	1,052	1,083
Total revenue from services (million baht)	7,011	7,312	8,031	8,349	9,142	9,472	10,331	10,653	11,577	11,917

Note: The fraction is rounded

The MRT Yellow Line Project	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Revenue from Fare (Boarding) (million baht)	8,443	8,721	9,492	9,786	10,632	10,942	11,868	12,194	13,207	13,552
Revenue from Fare (Transfer) (million baht)	2,242	2,261	2,406	2,426	2,580	2,602	2,767	2,790	2,966	2,990
Revenue from Fare (Extension) (million baht)	1,078	1,106	1,196	1,225	1,322	1,353	1,459	1,492	1,607	1,641
Total Revenue from Fare (million baht)	11,763	12,088	13,094	13,437	14,535	14,897	16,094	16,476	17,780	18,183
Commercial Revenue (million baht)	1,175	1,207	1,308	1,342	1,452	1,488	1,607	1,646	1,776	1,816
Total revenue from services (million baht)	12,922	13,281	14,386	14,764	15,972	16,364	17,681	18,101	19,536	19,979

Note: The fraction is rounded

- The subsidies for Civil Work from MRTA (For main line only)

According to the Cabinet meeting held on 29 March 2016 and the announcement of the invite of private sector to invest in the project of the MRT Yellow Line Project, it was found that, the subsidies from public sector for civil works is not exceeding 22,354 million baht, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%), gradually pay after the commercial operation and will be made on annual basis within a period of not less than 10 years.

According to the guidance from the tender documents, IFA found that the FDR referred Fixed Deposit Interest Rate - 6 month for personal of 4 main commercial banks (FDR)+1% as at 31 December 2016, equal to approximately 1.225% so the discount rate applied to the amount of support civil works is about 2.225% per year.

Based on information received from the Company, it was found that that amount of investment for civil works for 3 years and 3 months during 2017 (Oct-Dec) – 2020 and the subsidies for civil works which is expected to be received from MRTA after starting the operation are as follows:

The MRT Yellow Line Project (Unit: million baht)	Total	2017	2018	2019	2020	2021	2022	2023	2024	2025
The Subsidies for Civil Works Expected to receive from MRTA*	25,050	-	-	-	-	2,505	2,505	2,505	2,505	2,505
Present Value of the Subsidies for Civil Works Expected to receive from MRTA*	20,818	-	-	-	-	2,294	2,244	2,195	2,147	2,101
		2026	2027	2028	2029	2030				
The Subsidies for Civil Works Expected to receive from MRTA*		2,505	2,505	2,505	2,505	2,505				
Present Value of the Subsidies for Civil Works Expected to receive from MRTA*		2,055	2,010	1,966	1,924	1,882				

Note: *Under the negotiation process with MRTA.

The fraction is rounded.

The reason that IFA use above figure for estimation because all these figures are in the bidding document set, proposed by BSR before the announcement the winner of the bidding and data provided from executives of the Company. Currently, all these figures are not the key point of negotiation between BSR and MRTA. Moreover, this is the first sky train project that have the subsidy from the government, MRTA. Since the payment will be made on an annual basis within a period of not less than 10 years and this project is essential public transportation project that benefit to the public, IFA believes that MRTA may pay such subsidies based on the above table. However, if there are change on the condition of the subsidies, the Company may have to comply with the related laws and regulation and restart the process again.

From the above table, it was found that the net present value of the subsidies for civil construction is 20,818 million baht at a discount rate of 2.225%, IFA conforms that it is relevant to MRTA conditions since the amount of subsidies is up to 22,354 million baht at the determined discount rate and the period of payment is pay not less than 10 years after the operation of train service.

According to the information from executives of the Company at 14 February 2017, the subsidies for Civil Works from MRTA may be accepted by MRTA. However, BSR and MRTA are on the negotiation process that the condition of the subsidies may be changed. IFA analyzed this situation in the disadvantages and risk of entering into the transaction, part 3.3 (9).

- **Operating and Maintenance Expenses**

IFA assumes operation expenses and maintenance cost based on plans and estimation of maintenance which includes the Bills of Quantity of Civil Works and M&E system for train operation and maintenance to comply with the plan proposed by the JV Companies for concessions and the extension which BSR has proposed to the MRTA that mainly originated from industry specialist and MRTA. The expenses are as follows:

- Phase 1

According to the plan, it has prepared before the starting of Phase 2 to support the operation of Phase 2, which is the cost associated with the trail run of the electric train. IFA assumes that the expenses in 2020 is approximately 300 million baht, based on the plans of the Company BSR proposed to MRTA. IFA

considers that the figure is reasonable as specialist of the Company and MRTA already considered and reviewed.

- Phase 2 Operating and Maintenance Expenses are as follows: (Inflation as Enclosure 2)

Personnel Expense includes salaries, bonuses, travel expenses and welfare of employees, which is expected to employ more than 1,000 positions. In the projection, IFA assumes that the personnel expenses for the first year of operation (2021) is about 752 million baht, based on the information BSR proposed to MRTA. While personnel expenses in the 2022- 2050, IFA assumes that it has the growth rate of 5% per year over the projection period which is the salary adjustment policy of the Company.

Utilities Expenses include electricity to control the train, power systems, water supply, and communication systems to provide the infrastructure needed to meet the operational requirements of the project. IFA assumes that utilities expenses for the first year of operation (2021) is about 211 million baht which considered by company specialists and MRTA. While Utilities expenses in the 2022- 2050, IFA assumes that it has the growth rate of 2.7% per year over the projection period which referred to historical 30-year inflation (1987 – 2016) from Bank of Thailand as the changes of utilities expenses normally rely on the inflation.

Civil and M&E Maintenance Cost includes the provision of maintenance and improvement of equipment and materials, the entire civil works, and Park & Ride service. IFA assumes the Civil and M&E Maintenance Cost for the first year of operation (2021) is about 399 million baht which considered by company specialist and MRTA. While Civil and M&E Maintenance Cost in the 2022- 2050, IFA assumes that it has the growth rate of 2.7% per year over the projection period which referred to historical 30-year inflation (1987 – 2016) from Bank of Thailand as Civil and M&E Maintenance Cost are directly linked with the inflation.

Overhaul, Refurbishment, Asset Replacement Expense is a maintenance of machine to return into its good original condition. IFA assumes the expenses is starting to occur from the fifth year of operation (2025) onwards and will have a big maintenance in every 6-7 years until the end of concession period which considered by company specialists and MRTA. The average of the overhaul, refurbishment, and asset replacement is 400 million baht per year.

Office Equipment Expense includes administration computer expense, the consumable, the repair and maintenance of offices, etc. IFA assumes the Office Equipment expenses for the first year of operation (2021) is about 134 million baht which considered by company specialists and MRTA. While Office Equipment expenses in the 2022- 2050, IFA assumes that it has the growth rate of 2.7% per year over the projection period which referred to historical 30-year inflation (1987 – 2016) from Bank of Thailand. IFA considers that the growth rate is reasonable as most of these expenses are normally fixed expense.

Cash Handling Expense is the process of collecting the money from station to the bank. IFA assumes for the first year of operation (2021) is about 39 million baht which considered by company specialist and MRTA. While Cash Handling Expense in the 2022- 2050, IFA assumes that it has the growth rate of 2.7% per year over the projection period which referred to historical 30-year inflation (1987 – 2016) from Bank of Thailand. IFA considers that the growth rate is reasonable as the cash collection from station to

the bank is normally outsourced to the subcontractor and the growth of cash handling expense is quite insignificant.

Other Expenses are insurance, security services, cleaning service, the miscellaneous. IFA assumes for the first year of operation (2021) is about 239 million baht, based on the plans of the company and the BSR has proposed to the MRTA. While Other Expense in the 2022- 2050, IFA assumes that it has the growth rate of 2.7% per year over the projection period which referred to historical 30-year inflation (1987 – 2016) from Bank of Thailand as these expenses are normally outsourced to the external party and the growth of expense is quite insignificant.

From above details, operating and maintenance expenses are as follows:

The MRT Yellow Line Project (Unit: million baht)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Personnel Expense	752	789	829	870	914	959	1,007	1,058	1,110	1,166
Utilities Expense	211	217	222	228	235	241	247	254	261	268
Civil and M&E Maintenance Cost	399	409	421	432	444	456	468	480	493	507
Office Equipment Expense	134	138	142	146	149	154	158	162	166	171
Overhaul, Refurbishment, Asset Replacement Expense	-	-	-	-	-	195	208	209	65	127
Cash Handling Expense	39	40	41	43	44	45	46	47	49	50
Other Expense	239	246	252	259	266	273	281	288	296	304
Total Operating Expenses	1,774	1,839	1,907	1,978	2,051	2,322	2,415	2,499	2,441	2,592

Note: The fraction is rounded

The MRT Yellow Line Project (Unit: million baht)	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Personnel Expense	1,224	1,285	1,350	1,417	1,488	1,562	1,641	1,723	1,809	1,899
Utilities Expense	275	283	290	298	306	314	323	332	341	350
Civil and M&E Maintenance Cost	520	534	549	564	579	595	611	627	644	661
Office Equipment Expense	175	180	185	190	195	200	206	211	217	223
Overhaul, Refurbishment, Asset Replacement Expense	140	306	288	288	83	346	478	888	1,056	1,145
Cash Handling Expense	51	53	54	56	57	59	60	62	64	65
Other Expense	312	321	329	338	347	357	366	376	386	397
Total Operating Expenses	2,699	2,962	3,045	3,151	3,056	3,433	3,684	4,219	4,516	4,740

Note: The fraction is rounded

The MRT Yellow Line Project (Unit: million baht)	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Personnel Expense	1,994	2,094	2,198	2,308	2,424	2,545	2,672	2,806	2,946	3,093
Utilities Expense	359	369	379	389	400	410	421	433	445	457
Civil and M&E Maintenance Cost	679	698	716	736	756	776	797	819	841	863
Office Equipment Expense	229	235	241	248	255	262	269	276	283	291
Overhaul, Refurbishment, Asset Replacement Expense	747	449	331	381	382	281	355	82	518	674
Cash Handling Expense	67	69	71	73	75	77	79	81	83	85
Other Expense	408	419	430	442	453	466	478	491	504	518
Total Operating Expenses	4,483	4,332	4,367	4,576	4,744	4,816	5,071	4,987	5,620	5,982

Note: The fraction is rounded.

Moreover, IFA also review the reasonable of assumption by considering EBITDA margin of the project and the historical EBITDA margin of the similar kind of business of the Company. The result shows that EBITDA margin of this estimation less than the historical EBITDA margin of the Company. Therefore, IFA considers that this expenses assumption is reasonable even though there are the difference of type of operation, electricity system and other condition. However, IFA has seen that the similarly ratio of EBITDA margin can used to analyze and compare for this estimation.

- Revenue shares to MRTA

According to the documents proposed to MRTA, BSR proposes Revenue shares to MRTA about 250 million baht (Fixed Rate Amount). BSR will gradually pay to MRTA for 20 years since 2031-2050. The details of revenue shares to MRTA that provided by the Company are as follows:

The MRT Yellow Line Project (Unit: million baht)	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Revenue shares to MRTA	5	5	5	5	5	10	10	10	10	10
	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Revenue shares to MRTA	15	15	15	15	15	20	20	20	20	20

The details of above table are in the bidding document set, proposed by BSR to MRTA. The revenue shares to MRTA is the important factor that used to consider the proposal of bidder. As BSR is the winner of the bidding that means BSR was the bidder who had proposed the best offer. Moreover, based the information received from the management, the benefit to be paid to MRTA as shown in the table is not concerned in the negotiation process.

- Capital Expenditure; (“CAPEX”)

IFA assumes CAPEX based on the action plan and investment plan which the Company has proposed to the MRTA which have been considered in the process of the 1st tender envelopes. Moreover,

the Company and specialist of industry is classified as the expert in the Mass transit system in Thailand for 18 years since 1999 – 2017. In addition, STEC and RATCH are the partner and the cooperation of the project. IFA has seen that the estimation of capital expenditure that provided from all these parties can be used as the assumption. The features and techniques, which are divided into 2 phases according to the scope of work of MRTA. However, CAPEX excludes the cost of land acquisition due to the MRTA is responsible for this.

- Phase 1

The design and civil works for 3 years and 3 months (October 2017 – December 2020), divided into 2 types which are civil works and the electric train system.

(1) Civil Works is the design and construction of civil works facilities, depot and stabling yard, Park and Ride building, other buildings, the rehabilitation and/or reconstruction of infrastructure related to projects worth about 23,000 million baht, which meets the requirements of the investment. The public sector will give the subsidies for civil works of the MRT Yellow Line Project of not exceeding 22,354 million baht, which is the present value as agreed in the concession contract (discount rate = interest rate (FDR) + 1%) (As mentioned in the topic of “The subsidies for Civil Work from MRTA”).

For the Civil Works of the extension worth about 1,900 million baht. Although the concession contract of extension is on negotiation process, the executives of the Company are confident that Civil Works of the extension are not concerned in the negotiation process. The key concern of negotiation is the responsibility of acquiring the land. If the negotiation fails, the extension may not happen.

(2) Electric Train System includes manufacture, supply, and installation of the mechanical and electrical equipment, monorail rolling stock, and other associated systems and computer programs for overall management and administration, including conducting system individual testing, integrated systems testing, and trial runs, totaling 20,104 million baht.

For the Electric Train System of the extension worth about 1,100 million baht. Although the concession contract of extension is on negotiation process, the Electric Train System of the extension are not concerned in the negotiation process. The key concern of negotiation is the responsibility of acquiring the land. If the negotiation fails, the extension may not happen.

According to assumption above, a summary of the capital expenditure for each year is estimated as follows.

Details	2017(3M)	2018	2019	2020	Total
(Unit: million baht)					
Main concession contract					
Elevated Structure	492	1,477	985	328	3,282
Station Structure	1,583	4,749	3,166	1,055	10,553
Depot and Park & Ride structure	333	1,000	667	222	2,222
Others	1,042	3,124	2,082	695	6,943
Civil work	3,450	10,350	6,900	2,300	23,000
Rolling Stocks	990	1,650	2,640	2,640	7,920
Signaling System	228	380	608	304	1,520
Guide way Beam	460	766	1,225	613	3,064
Others	1,338	2,230	3,569	464	7,600
Electric Train System	3,016	5,026	8,042	4,021	20,104
Total of Main concession contract	6,466	15,376	14,942	6,321	43,104
Extension					
Civil work	285	855	570	190	1,900
Rolling Stocks	90	150	240	120	600
Others	75	125	200	100	500
Electric Train System	165	275	440	220	1,100
Total of extension	450	1,130	1,010	410	3,000
Grand total	6,916	16,506	15,952	6,731	46,104

Note: The fraction is rounded.

- Phase 2

The electric train service and maintenance during the concession period of 30 years (2021-2050) has cost investment which is the investment for rolling Stocks. In order to have sufficient rolling stocks during the peak hour of ridership. The specialists and engineers of the Company, who expertise in mass transit industry, forecast that the initial lots of rolling stocks can carry the ridership in the peak hour at some point of time. If the demand during the peak hour exceeds the capacity of rolling stocks, BSR has to invest more in order to provide sufficient rolling stocks during the concession period. The plan of investment that study from specialists is as follow:

According to the plans of the Company and BSR which considered by company specialist and MRTA.

The main concession: In 2030 (the 10th year of operation) of 1,235 million baht, in 2035 (the 15th year of operation) of 1,392 million baht and in 2041 (the 21th year of operation) of 1,616 million baht

The extension: In 2035 (the 15th year of operation) of 260 million baht

The assets of investment in Phase 1 will be transferred to MRTA before start the operation service. The transfer of ownership is expected to occur in late of 2020, while assets of investment in Phase 2 will be transferred to the ownership of the MRTA immediately.

■ Working Capital

Same as the MRT Pink Line Project which in each year, IFA assumes the average trade creditors, representing 3% percent of the revenue from fares. According to comparable data of the Company, trade receivable is approximately 3-5 percent of the fares revenue.

■ Debt from Financial Institution

IFA assumes the MRT Yellow Line Project has a long-term loan of approximately 33,489 million baht, with a repayment period of 18 years at the interest rate of 5% to be based on a conservative basis, according to documents supporting loan from a financial institution with a minimum amount of 33,500 million baht and conditions are during the negotiation process between BSR financial institutions. The expected interest rates will be in the range of 4%-5%. However, the interest rate of loans from financial institutions and bonds in last years is on the average of around 3%-5%.

■ Discount Rate

In order to calculate present value, the IFA utilized a discount rate as the Weighted Average Cost of Capital ("WACC") based on the capital structure of the Company, which is from the weighted average of K_d and K_e of the Company. IFA has considered the appropriate of the value of investment in the Project in conservative basis.

$$WACC = [K_e * E / (D + E) + K_d * (1 - T) * D / (D + E)]$$

Where

K_e = Cost of equity or shareholders' required rate of return

K_d = Average cost of debt or loan interest rate (5% per year)

T = Corporate tax rate (20%), BSR has been promoted to Investment (BOI) has been exempted from corporate income tax. And import duties on equipment for a period of 8 years.

E = Total shareholders' equity

D = Interest bearing debt (Interest bearing debt to equity ratio during the concession is about 2 times)

IFA determined the cost of equity (K_e) by adopting the Capital Asset Pricing Model (CAPM) theory

$$K_e = R_f + \beta(R_m - R_f)$$

Where

Risk Free Rate (R_f) : Based on the rate of return of a 34-year government bond (The period coincided with the age projections), the rate was 3.54% per year as of 31 January 2017 (data from Thai Bond Market Association).

Beta (β): 0.71 time, referred to historical beta of the Company from 1 February 2014 – 31 January 2017 that is 3 years beta (close to the construction period). The reason that IFA use beta of the Company because the business of this project is similar to the existing business of the Company. Although there are the different of characteristic of operation and condition, it is the same business, mass transit business. Debt to Equity ratio (D/E) of the project tend to decrease after the beginning of operation. The average D/E during the project is about 0.66 time, which is not significantly different from the D/E of the Company, 0.77 time, as of 31 December 2016. Therefore, the beta of the Company could reflect the project.

R_m: The approximately 34-year average rate of return on the investment in the Stock Exchange of Thailand (SET) (The period coincided with the age projections) during 1997 – 31 January 2017, equals to 17.92% per year (source: the Stock Exchange of Thailand).

K_e = 3.54% + 0.71 X (17.92% - 3.54 %)
= 13.75%

Therefore, WACC = [13.75% X 33.3% + 5.00% X (1-20%) X 66.7%]
= 7.3%

■ Terminal Value

No terminal value after the end of projection

Based on data and assumptions given above, the Free Cash Flow to Firm; “FCFF” are expected to occur in the MRT Yellow Line Project as follows.

The MRT Yellow Line Project (Unit: Million Baht)	2017 (3M)*	2018*	2019*	2020*	2021	2022	2023	2024	2025	2026
Total Revenue	-	-	-	-	2,686	3,205	3,615	3,845	4,299	4,543
Total Expenses	-	-	-	300	1,774	1,839	1,907	1,978	2,051	2,322
EBIT	-	-	-	(300)	912	1,366	1,708	1,868	2,248	2,221
EBT	-	-	-	(300)	912	1,366	1,708	1,868	2,248	2,221
(-) investment	(6,932)	(16,967)	(17,040)	(8,261)	2,505	2,505	2,505	2,505	2,505	2,505
(+) working capital	-	-	-	-	73	14	11	6	12	7
Free Cash Flow of Project	(6,932)	(16,967)	(17,040)	(8,561)	3,491	3,885	4,224	4,379	4,766	4,733
Acc. Free Cash Flow of Project	(6,932)	(23,899)	(40,939)	(49,501)	(46,010)	(42,125)	(37,901)	(33,522)	(28,756)	(24,024)
Discount Factor	1.0000	0.9324	0.8694	0.8106	0.7558	0.7047	0.6571	0.6127	0.5713	0.5326
Present Value of Project	(6,932)	(15,820)	(14,814)	(6,940)	2,638	2,738	2,775	2,683	2,722	2,521
Sum of Present Value of Project	4,853									

Note: * 2017-2020 Phase 1 has record the revenue of civil works and cost of construction but it is non-cash because MRTA is gradually pay the subsidies since there is operation period.

The fraction is rounded.

The MRT Yellow Line Project (Unit: Million Baht)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Revenue	5,100	5,405	6,019	6,337	7,011	7,312	8,031	8,349	9,142	9,472
Total Expenses	2,415	2,499	2,441	2,592	2,699	2,962	3,045	3,151	3,056	3,433
EBIT	2,685	2,907	3,578	3,745	4,313	4,350	4,985	5,198	6,086	6,039
EBT	2,685	2,907	2,863	2,996	3,450	3,480	3,988	4,158	4,869	4,831
(-) investment	2,505	2,505	2,505	1,270	-	-	-	-	(1,652)	-
(+) working capital	15	8	17	9	19	8	20	9	22	9
Free Cash Flow of Project	5,205	5,420	5,384	4,275	3,469	3,489	4,008	4,167	3,239	4,841
Acc. Free Cash Flow of Project	(18,819)	(13,399)	(8,014)	(3,740)	(271)	3,217	7,225	11,392	14,631	19,472
Discount Factor	0.4966	0.4631	0.4318	0.4026	0.3754	0.3500	0.3263	0.3043	0.2837	0.2645
Present Value of Project	2,585	2,510	2,325	1,721	1,302	1,221	1,308	1,268	919	1,280

Note: The fraction is rounded

The MRT Yellow Line Project (Unit: Million Baht)	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Total Revenue	10,331	10,653	11,577	11,917	12,922	13,281	14,386	14,764	15,972	16,364
Total Expenses	3,684	4,219	4,516	4,740	4,483	4,332	4,367	4,576	4,744	4,816
EBIT	6,647	6,435	7,061	7,176	8,439	8,949	10,020	10,188	11,228	11,548
EBT	5,317	5,148	5,649	5,741	6,752	7,159	8,016	8,150	8,982	9,239
(-) investment	-	-	-	-	(1,616)	-	-	-	-	-
(+) working capital	23	9	25	9	28	10	30	10	33	11
Free Cash Flow of Project	5,341	5,156	5,674	5,750	5,163	7,169	8,046	8,161	9,015	9,249
Acc. Free Cash Flow of Project	24,813	29,969	35,643	41,393	46,556	53,725	61,771	69,931	78,947	88,196
Discount Factor	0.2466	0.2300	0.2144	0.1999	0.1864	0.1738	0.1621	0.1511	0.1409	0.1314
Present Value of Project	1,317	1,186	1,217	1,150	962	1,246	1,304	1,233	1,270	1,215

Note: The fraction is rounded

The MRT Yellow Line Project (Unit: Million Baht)	2047	2048	2049	2050
Total Revenue	17,681	18,101	19,536	19,979
Total Expenses	5,071	4,987	5,620	5,982
EBIT	12,610	13,114	13,916	13,998
EBT	10,088	10,491	11,133	11,198
(-) investment	-	-	-	-
(+) working capital	36	11	39	12
Free Cash Flow of Project	10,124	10,503	11,172	11,210
Acc. Free Cash Flow of Project	98,320	108,823	119,995	131,205
Discount Factor	0.1225	0.1142	0.1065	0.0993
Present Value of Project	1,240	1,200	1,190	1,113

Note: The fraction is rounded

Estimated Cash flow and the sufficiency of source of fund in case of 4.2.2 (a) Yellow Line Project: Main and extension line

The MRT Yellow Line Project (Unit: Million Baht)	2017 (3M)	2018	2019	2020	2021	2022	2023	2024	2025	2026
Net CFO	-	-	-	(300)	(667)	(212)	186	426	925	1,003
Net CFI	(6,932)	(16,967)	(17,040)	(8,261)	2,505	2,505	2,505	2,505	2,505	2,505
Net CFF	6,932	16,967	17,040	8,561	(1,189)	(1,189)	(1,189)	(2,233)	(2,233)	(2,233)
- Debt	2,635	13,172	11,928	5,753	(1,189)	(1,189)	(1,189)	(2,233)	(2,233)	(2,233)
- Equity	4,297	3,795	5,113	2,808	-	-	-	-	-	-
Net Cash	-	-	-	-	649	1,103	1,501	699	1,197	1,276
Beginning cash	-	-	-	-	-	649	1,752	3,254	3,952	5,149
Ending cash	-	-	-	-	649	1,752	3,254	3,952	5,149	6,425

The MRT Yellow Line Project (Unit: Million Baht)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Net CFO	1,587	1,914	2,166	2,381	2,934	3,043	3,652	3,901	4,713	4,729
Net CFI	2,505	2,505	2,505	1,270	-	-	-	-	(1,652)	-
Net CFF	(2,233)	(2,233)	(2,233)	(2,233)	(2,233)	(2,233)	(2,233)	(2,233)	(2,233)	(1,043)
- Debt	(2,233)	(2,233)	(2,233)	(2,233)	(2,233)	(2,233)	(2,233)	(2,233)	(2,233)	(1,043)
- Equity	-	-	-	-	-	-	-	-	-	-
Net Cash	1,860	2,186	2,439	1,418	701	811	1,420	1,668	829	3,686
Beginning cash	6,425	8,285	10,471	12,910	14,328	15,030	15,840	17,260	18,928	19,757
Ending cash	8,285	10,471	12,910	14,328	15,030	15,840	17,260	18,928	19,757	23,443

The MRT Yellow Line Project (Unit: Million Baht)	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Net CFO	5,271	5,128	5,666	5,743	6,772	7,161	8,038	8,153	9,008	9,242
Net CFI	-	-	-	-	(1,616)	-	-	-	-	-
Net CFF	(1,043)	(1,043)	-	-	-	-	-	-	-	-
- Debt	(1,043)	(1,043)	-	-	-	-	-	-	-	-
- Equity	-	-	-	-	-	-	-	-	-	-
Net Cash	4,228	4,085	5,666	5,743	5,155	7,161	8,038	8,153	9,008	9,242
Beginning cash	23,443	27,670	31,755	37,421	43,164	48,320	55,481	63,519	71,672	80,680
Ending cash	27,670	31,755	37,421	43,164	48,320	55,481	63,519	71,672	80,680	89,922

Note: The fraction is rounded

The MRT Yellow Line Project (Unit: Million Baht)	2047	2048	2049	2050
Net CFO	10,117	10,495	11,165	11,203
Net CFI	-	-	-	-
Net CFF	-	-	-	-
- Debt	-	-	-	-
- Equity	-	-	-	-
Net Cash	10,117	10,495	11,165	11,203
Beginning cash	89,922	100,039	110,534	121,699
Ending cash	100,039	110,534	121,699	132,901

Note: The fraction is rounded

Summarized evaluation of the return on investment the case of 4.2.2 (a) Yellow Line Project: Main and extension line

Based on the Assumption of the above financial projections to estimate future cash flows which is expected to be received in future from the investment in the Yellow Line Project: Main and extension line, the expected returns can be summarized to be as follows.

- Net Present Value; NPV = 4,853 million baht
- Internal Rate of Return; IRR = 8.1 % per year
- Payback Period = 14.3 years (including construction period of 3 years and 3 months)

From the above returns show that the project is feasible which gives the IRR about 8.1% per year, higher than WACC of 7.3% per year and it is expected to have a payback period of 14.3 years (including construction period of 3 years and 3 months) under the financial assumptions as identified above.

4.2.2 (b) Yellow Line Project: Main line (excluding extension)

In case of MRTA do not agree with the extension proposal, such as, construction cost, negotiation of responsible for acquiring the land of the extension of Yellow Line Project. Currently, BSR is during the process of negotiation with MRTA about the responsible for acquiring the land. Therefore, IFA also estimates the case of operate only the main line (without the extension line) to be the information for investor. In this case, ridership, operation and maintenance expense will decrease. The estimated Cash flow can be summarized as follows:

The MRT Yellow Line Project (Unit: Million Baht)	2017 (3M)*	2018*	2019*	2020*	2021	2022	2023	2024	2025	2026
Total Revenue	-	-	-	-	2,419	2,882	3,246	3,452	3,858	4,075
Total Expenses	-	-	-	300	1,624	1,684	1,746	1,810	1,878	2,142
EBIT	-	-	-	(300)	795	1,199	1,500	1,642	1,980	1,933
EBT	-	-	-	(300)	795	1,199	1,500	1,642	1,980	1,933
(-) investment	(6,480)	(15,802)	(15,956)	(7,750)	2,505	2,505	2,505	2,505	2,505	2,505
(+) working capital	-	-	-	-	66	13	10	6	11	6
Free Cash Flow of Project	(6,480)	(15,802)	(15,956)	(8,050)	3,366	3,716	4,015	4,152	4,497	4,444
Acc. Free Cash Flow of Project	(6,480)	(22,282)	(38,238)	(46,288)	(42,922)	(39,206)	(35,191)	(31,038)	(26,542)	(22,098)
Discount Factor	1.0000	0.9324	0.8694	0.8106	0.7558	0.7047	0.6571	0.6127	0.5713	0.5326
Present Value of Project	(6,480)	(14,733)	(13,872)	(6,525)	2,544	2,619	2,638	2,544	2,569	2,367
Sum of Present Value of Project	3,908									

Note: * 2017-2020 Phase 1 has record the revenue of civil works and cost of construction but it is non-cash because MRTA is gradually pay the subsidies since there is operation period.

The fraction is rounded.

The MRT Yellow Line Project (Unit: Million Baht)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Revenue	4,579	4,859	5,421	5,717	6,336	6,618	7,277	7,574	8,301	8,609
Total Expenses	2,228	2,305	2,240	2,384	2,482	2,737	2,812	2,909	2,804	3,172
EBIT	2,350	2,554	3,181	3,333	3,854	3,880	4,465	4,665	5,497	5,437
EBT	2,350	2,554	2,545	2,666	3,083	3,104	3,572	3,732	4,398	4,349
(-) investment	2,505	2,505	2,505	1,270	-	-	-	-	(1,392)	-
(+) working capital	14	8	15	8	17	8	18	8	20	9
Free Cash Flow of Project	4,869	5,067	5,065	3,945	3,100	3,112	3,590	3,740	3,026	4,358
Acc. Free Cash Flow of Project	(17,229)	(12,162)	(7,097)	(3,152)	(52)	3,060	6,650	10,390	13,415	17,773
Discount Factor	0.4966	0.4631	0.4318	0.4026	0.3754	0.3500	0.3263	0.3043	0.2837	0.2645
Present Value of Project	2,418	2,346	2,187	1,588	1,164	1,089	1,171	1,138	858	1,153

Note: The fraction is rounded

The MRT Yellow Line Project (Unit: Million Baht)	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Total Revenue	9,375	9,670	10,511	10,821	11,737	12,064	13,071	13,417	14,517	14,876
Total Expenses	3,413	3,937	4,224	4,436	4,167	4,004	4,026	4,222	4,375	4,433
EBIT	5,962	5,733	6,287	6,385	7,569	8,061	9,046	9,195	10,142	10,443
EBT	4,770	4,586	5,030	5,108	6,056	6,449	7,237	7,356	8,114	8,355
(-) investment	-	-	-	-	(1,616)	-	-	-	-	-
(+) working capital	21	8	23	8	25	9	27	9	30	10
Free Cash Flow of Project	4,791	4,594	5,053	5,117	4,464	6,458	7,264	7,366	8,144	8,365
Acc. Free Cash Flow of Project	22,564	27,158	32,211	37,327	41,792	48,249	55,514	62,879	71,023	79,388
Discount Factor	0.2466	0.2300	0.2144	0.1999	0.1864	0.1738	0.1621	0.1511	0.1409	0.1314
Present Value of Project	1,182	1,057	1,083	1,023	832	1,122	1,177	1,113	1,147	1,099

Note: The fraction is rounded

The MRT Yellow Line Project (Unit: Million Baht)	2047	2048	2049	2050
Total Revenue	16,076	16,461	17,768	18,174
Total Expenses	4,672	4,572	5,189	5,533
EBIT	11,404	11,888	12,580	12,641
EBT	9,123	9,511	10,064	10,113
(-) investment	-	-	-	-
(+) working capital	33	10	36	11
Free Cash Flow of Project	9,156	9,521	10,100	10,124
Acc. Free Cash Flow of Project	88,543	98,064	108,164	118,288
Discount Factor	0.1225	0.1142	0.1065	0.0993
Present Value of Project	1,122	1,087	1,076	1,005

Note: The fraction is rounded

Summarized evaluation of the return on investment the case of 4.2.2 (b) Yellow Line Project: Main line (excluding extension)

Based on the Assumption of the above financial projections to estimate future cash flows which is expected to be received in future from the investment in the Yellow Line Project: Main line, the expected returns can be summarized to be as follows.

- Net Present Value; NPV = 3,908 million baht
- Internal Rate of Return; IRR = 8.0% per year
- Payback Period= 14.3 years (including construction period of 3 years and 3 months)

From the above returns show that the project is feasible which gives the IRR about 8.0% per year, higher than WACC of 7.3% per year and it is expected to have a payback period of 14.3 years (including construction period of 3 years and 3 months) under the financial assumptions as identified above.

Sensitivity Analysis of Yellow Line Project

Moreover, IFA also prepare the Sensitivity Analysis of 4.2.2 (a) and 4.2.2 (b) by changing the assumption to have significant change to the return on the Project which are

- Growth rate of average ridership (daily) per year, during the concession period (2021-2050), which increase and decrease by 5% from existing assumption while all other assumptions constant. IFA has seen that the growth rate of average ridership per trip is the main factor for this business. The above projection has assumption of CAGR of a growth rate average passenger (daily), over the period of projection (2021 – 2050) of approximately 4.5% while the CAGR of the main line service (Dark Green and Light Green) in the last 10 years (2007-2016 years), which is about 5.9%. Therefore, IFA assumed the growth rate to be decrease and increase by 5% per year. The sensitivity range is appropriate in IFA's point of view.
- WACC increase and decrease by 0.5% from previous WACC while all other assumption constant. Since the interest rate on loans during the negotiation between the BSR financial institutions which are subject to uncertainties of actual interest rate. In addition, current interest rate is relatively low and is likely to increase in the future. If the interest rate deviates by 1%, will make WACC fluctuates around 0.5% so IFA will analyze the sensitivity analysis by increase and decrease by 0.5% from previous WACC. The sensitivity range is appropriate in IFA's point of view.

Case	Change	NPV (million baht)	IRR* (%)	Payback Period (years)**
4.2.1 (a): Yellow Line Project: Main and extension line	Base case	4,853	8.1	14.3
1. Growth rate of average ridership	+/- 5 %	1,798 – 7,908	7.6 – 8.5	13.7 – 15.1
2. WACC	+/- 0.5 %	1,728 – 8,339	8.1*	14.3*
4.2.1 (b): Yellow Line Project: Main line (excluding extension)	Base case	3,908	8.0	14.3
3. Growth rate of average ridership	+/- 5 %	1,145 – 6,672	7.5 – 8.4	13.6 – 15.0
4. WACC	+/- 0.5 %	1,070 – 7,073	8.0*	14.3*

Note: *IRR and Payback Period WACC calculating by considering the expected cash flows expected to be derived from the project, not calculate by using WACC. Therefore, IRR and Payback Period do not fluctuate due to changes in WACC.

** Payback Period includes the construction period of 3 years and 3 months

The above table can be summarized as follows:

1. The investment in the MRT Yellow Line Project (including the extension), which investment cost about 46,654 million baht, in Base Case basis has Net Present Value (“NPV”) approximately of 4,853 million baht, Internal Rate of Return (“IRR”) about 8.1% per year and Payback Period is about 14.3 years (including the construction period of 3 years 3 months).

2. The investment in the MRT Yellow Line Project (excluding extension) which investment cost about 43,654 million baht, in Base Case basis has Net Present Value (“NPV”) approximately of 3,908 million baht, Internal Rate of Return (“IRR”) about 8.0% per year and Payback Period is about 14.3 years (including the construction period of 3 years 3 months).

However, BSR and MRTA are on the negotiation process about the extension. According to the information from executives of the Company at 14 February 2017, the only topic in the negotiation process with MRTA is the land of the extension of both project. Therefore, the extension may not happen. In this case, the extension are included in the shareholder meeting to consider and approve the transaction as the time constraint as defined by MRTA. However, the consideration of the main concession is also reasonable transaction and the shareholders should vote in favor of approving the Transaction.

Therefore, The IFA’s opinion is that the investment in the MRT Pink Line Project and its extension of the investment value of 47,564 million baht and the MRT Yellow Line Project and its extension of the investment value of 46,654 million baht is the reasonable transaction and the shareholders should vote in favor of approving the Transaction.

According to the uncertainty of the approval of the extension of the 2 lines of mass railway transit. IFA summarizes the reasonableness of the transaction as follows.

Case	Approve	Not Approve
1. MRT Pink Line Project		
1.1 Including Proposal of the Extension	√	
1.2 Excluding Proposal of the Extension	√	
2. MRT Yellow Line Project		
2.1 Including Proposal of the Extension	√	
2.2 Excluding Proposal of the Extension	√	

The approval of MRTA may occur in many case. For Pink Line Project, it may occur only 1 case (4.2.1(a) or 4.2.1(b)). For Yellow Line Project, it may occur only 1 case, also (4.2.2(a) or 4.2.2(b)). The MRTA may approve only the main line of each project and approve for the extension later.

In addition, not only the reasonableness and return on investment of two projects, but also other advantages which are going to happen to the Company which are the increasing number of passenger in main line (Dark Green Line: Mo Chit - On Nut and Light Green Line National Stadium - Saphan Taksin) , which the Company holds 33.33% of its paid up capital of BTSGIF who is collecting fare of foresaid line, support the growth of real estate and advertising and ticket card of the group of the Company, and increase competitiveness of the Company in terms of distance and number of passengers who use the services. Moreover, the acquisition of concession of the MRT Pink Line Project and the MRT Yellow Line Project

through an auction organized by the MRTA, which is a government agency and also provide specific amount of the subsidies. After the consideration of environment, population, transportation, community, as well as the feasibility of each project, IFA has seen that it is fair and transparent. The value the winning auction for license of each bidder is not very different from the other bidders significantly. Therefore, IFA believes that investment in the project is appropriate.

However, BSR is during the negotiation of conditions with MRTA and the result negotiations may be different from the assumptions used in consideration, which may result in projection that are conducted under the assumption as mentioned above may be affected and changed significantly and may affect the feasibility analysis of the MRT Pink Line Project and the MRT Yellow Line Project.

Part 5. Conclusion of the IFA's opinion

For the reasonableness of valuation, IFA evaluates the value of entering into the Transaction by the feasibility analysis. The IFA considers the financial information of the Company and related mass transit business such as the financial statements of the Company which have been audited by a Certified Public Accountant, the summary performance of the mass transit business, the projections, business practices and investment of the MRT Pink Line Project and the MRT Yellow Line Project, the feasibility analysis of the MRT Pink Line Project and the MRT Yellow Line Project which was prepared by financial advisor according to PISU Act and the Systra MVA (Thailand) ("MVA"), providing consultancy that specializes in providing consultancy for transportation services both domestically and international, who is a consultant of the Company to estimate the ridership for the MRT Pink Line Project and the MRT Yellow Line Project. In addition, IFA considered Act and Regulations Related to the auction including Private Investments in State Undertakings Act B.E. 2556 (2013) and Notification of the Private Investments in State Undertakings Policy Committee B.E. 2557 (2014), including the public information such as mass rapid transit industry, mass rapid transit construction plan of public sector, economic situation, other information relating to the consideration of entering into the transaction together with the interview of the Company's staffs, specialized officers and management related to this transaction. The feasibility analysis can be summarized as follows:

(1) The investment in the MRT Pink Line Project (including the extension) in Base Case basis has Net Present Value ("NPV") approximately of 4,000 million baht, Internal Rate of Return ("IRR") about 7.8% per year which is higher than cost of project which is 7.3%, and Payback Period is about 16.8 years (including the construction period of 3 years 3 months).

Sensitivity Analysis in order to estimate the feasibility of the MRT Pink Line Project (including the extension) in Best Case basis and Worst Case basis which the growth rate of number of passengers increase and decrease from existing assumption by 5% or discount rate increase and decrease from existing assumption by 0.5%, as a result NPV is approximately between 560 – 7,802 million baht, IRR is about 7.3% - 8.3%, Payback Period is about 16.1 – 17.6 years (including the construction period of 3 years 3 months).

(2) The investment in the MRT Pink Line Project (the main concession only) in Base Case basis has Net Present Value ("NPV") approximately of 3,651 million baht, Internal Rate of Return ("IRR") about 7.8% per year which is higher than cost of project which is 7.3%, and Payback Period is about 16.9 years (including the construction period of 3 years 3 months).

Sensitivity Analysis in order to estimate the feasibility of the MRT Pink Line Project (the main concession only) in Best Case basis and Worst Case basis which the growth rate of number of passengers increase and decrease from existing assumption by 5% or discount rate increase and decrease from existing assumption by 0.5%, as a result NPV is approximately between 375 – 7,315 million baht, IRR is about 7.3% - 8.3%, Payback Period is about 16.1 – 17.6 years (including the construction period of 3 years 3 months).

(3) The investment in the MRT Yellow Line Project (including the extension) in Base Case basis has Net Present Value ("NPV") approximately of 4,853 million baht, Internal Rate of Return ("IRR") about 8.1% per year which is higher than cost of project which is 7.3%, and Payback Period is about 14.3 years (including the construction period of 3 years 3 months).

Sensitivity Analysis in order to estimate the feasibility of the MRT Pink Line Project (including the extension) in Best Case basis and Worst Case basis which the growth rate of number of passengers increase and decrease from existing assumption by 5% or discount rate increase and decrease from existing assumption by 0.5%, as a result NPV is approximately between 1,728 – 8,339 million baht, IRR is about 7.6% - 8.5%, Payback Period is about 13.7 – 15.1 years (including the construction period of 3 years 3 months).

(4) The investment in the MRT Yellow Line Project (the main concession only) in Base Case basis has Net Present Value (“NPV”) approximately of 3,908 million baht, Internal Rate of Return (“IRR”) about 8.0% per year which is higher than cost of project which is 7.3%, and Payback Period is about 14.3 years (including the construction period of 3 years 3 months).

Sensitivity Analysis in order to estimate the feasibility of the MRT Yellow Line Project (the main concession only) in Best Case basis and Worst Case basis which the growth rate of number of passengers increase and decrease from existing assumption by 5% or discount rate increase and decrease from existing assumption by 0.5%, as a result NPV is approximately between 1,070 – 7,073 million baht, IRR is about 7.5% - 8.4%, Payback Period is about 13.6 – 15.0 years (including the construction period of 3 years 3 months).

From the above analysis, the return of MRT Pink Line Project and MRT Yellow Line Project (the main concession only) are feasible as well as the consideration together with the extension of each project. The extension of both projects creates more value to the Company; however, the extension of both projects shall not happen without the main concessions. IFA has opinion that shareholders should approve the investment of the extension of both concessions together with the main concession contracts. However, if shareholders approve the extension of both concessions and after the approval, the negotiation with MRTA regarding the land ownership does not success, the construction under both main concession contracts will continue and it is possible that MRTA may approve the extension of any concession. In addition, if the extensions of both concession contracts have not been considered together with the main concession contracts in this shareholders' meeting, it may delay the process if MRTA approves the extensions. if the conditions regarding the land ownership or other conditions have varied from the negotiation with MRTA for the extension of the concession, the Company should comply with the related regulation.

From the consideration of the above information and reasons, IFA's opinion is that the investment in the MRT Pink Line Project (including its extension) of approximately 47,564 million baht and the investment in the MRT Yellow Line Project (including its extension) of approximately 46,654 million baht with total investment of 94,218 million baht, proposed by the board of directors, is the reasonable transaction and the shareholders should vote in favor of approving the Transaction.

According to the uncertainty of the approval of the extension of these 2 projects. IFA summarizes the table for consideration of reasonableness of the transaction as follows.

Case	Investment Cost (million baht)	NPV (million baht)	IRR (%)	Payback Period (Years)*	Shareholders' Vote	
					Approve	Not Approve
1. MRT Pink Line Project						
1.1 <u>Including</u> Proposal of the Extension	47,564	4,000	7.8	16.8	√	
1.2 <u>Excluding</u> Proposal of the Extension	46,314	3,651	7.8	16.9	√	
2. MRT Yellow Line Project						
2.1 <u>Including</u> Proposal of the Extension	46,654	4,853	8.1	14.3	√	
2.2 <u>Excluding</u> Proposal of the Extension	43,654	3,908	8.0	14.3	√	

Remark: * Payback Period (including the construction period of 3 years 3 months)

For Case 1, it may occur only 1 case. For Case 2, it may occur only 1 case, also. The MRT Pink Line Project and the MRT Yellow Line Project occur independently of each other.

In addition, not only the reasonableness and return on investment of two projects, but also other advantages which are going to happen to the Company which are the increasing number of passenger in main line (Dark Green Line: Mo Chit - On Nut and Light Green Line National Stadium - Saphan Taksin), which the Company holds 33.33% of its paid up capital of BTSGIF who is owner of net fare of foresaid line, supporting the growth of property business, media and ticket card of the group of the Company, and increasing competitiveness and opportunity to be granted concession of extension projects in the future. Moreover, the concession of the MRT Pink Line Project and the MRT Yellow Line Project through the bidding process organized by the MRTA, which is a government agency and also provide specific amount of the subsidies. After the consideration of area, population, transportation, community, as well as the feasibility of each project, IFA has seen that it is fair, transparent and low opportunity for material error in investment cost. Therefore, IFA believes that investment in the MRT Pink Line Project and the MRT Yellow Line Project including the extension of them is appropriate.

However, IFA also consider factors or risks that may be affected the transaction including:

(1) Large-scale projects with high investment and the Company may need liquidity management. Due to the Company expects this investment will use source of fund from cash flow from operations and loan from the financial institutions or from bond market. The interest-bearing debt to equity shareholders may increase which IFA has opinion that it is not higher rate and creates insignificant risk to the Company. Moreover, the Company's cash flows are quite stable, so it will help liquidity and relieve to repay loan.

(2) The risk that other joint venture partners do not support the investment for the MRT Pink Line Project and the MRT Yellow Line Project. According terms and conditions of the JV Company, the JV partners will inject capital in the portion of their shareholding. If any partners cannot support the fund for any reason, it can impact to project delays or insufficient funds to continue the projects. However, all co-investors are professionals who have knowledge and experience in their responsible parts as well operating their

businesses for a long time with the government agency as their continuous customers. Moreover, they have good financial status and well liquidity. IFA opinion is that the risk of this topic is unlikely to be significant to this investment.

(3) The risks resulting from the ridership of projects does not meet expectations. The MRT Pink Line Project and the MRT Yellow Line Project are secondary line, mainly through suburb area. Therefore, the number of passengers may be less than expectation. However, IFA has an opinion that although the two projects are passing the suburb, their routes pass through residential communities in suburban areas including the connection points to the main lines, which are under construction and/or completed projects. In addition, the study of MVA (2016) and the documents attachment of MRTA's proposal (2016), reviewed and analyzed the characteristics and population density areas along 2 the lines. All these factors will reduce the risk of the number of passengers and provide more accurate forecasted return.

(4) The risk of loan incurred, in case the projects do not go as planned. The Company has risk to proportionately repay loan instead of the 2 JV companies. The Company will hold 75% in the 2 new companies. If this occurs, The Company may require additional capital in the future to reduce the risks that may arise in this case.

(5) The risk of delays caused by the late delivery of the land of the MRTA and the amendment by order of the MRTA or other factors. It could affect the cost to the JV companies as well. However, if all parties including the government are collaborated as plan or their objective, it would help reduce the risk mentioned above.

(6) The risk of high construction costs during the construction period. If construction costs related to civil works and electrical system during the construction period are higher than projected, the return on investment of the project may not meet the expectations. However, STEC and RATCH are responsible for the civil construction of the 2 projects and Thailand's largest manufacturer which has a long experience of the civil construction and IPP manufacturer, through the construction of large projects. Moreover, the former increased in price of the major construction materials was unlikely to be significant. Coupled with the knowledge and experience of the co-investors in construction and pricing of key materials suppliers. The risk of higher construction costs would be limited.

(7) Since both projects are large-scale projects, it could cause the Company's liquidity and may affect the ability to bid for projects other lines in the future. However, considering the rate of interest-bearing debts to shareholders' equity the Company still has a chance to get more concessions in the future.

(8) The risk of breaching conditions in the draft concession contract. The draft concession contract has identified the fines against the concessionaire during the first phase and the second phase by MRTA. The risk on this topic could be reduced by a partnership between MRTA and JV companies to achieve the target.

(9) The risk from the payment period of subsidies by MRTA do not meet expectations. According to the terms of the concession, MRTA has the amount of subsidies for the civil works paid to the concessionaire by not less than 10 years, if the number of subsidies payment period is longer than 10 years it will impact to the JV companies. However, mass transit is necessary for the public and previous and current government has been supporting. It can also be seen from the terms of the subsidies for civil works

have never happened before, but there are with these 2 projects. This implies that the government has all support for the projects to occur. In addition, the conditions and bidding documents were considered prior to the winning of BSR and the current status of negotiations between BSR with MRTA has no issue about subsidies

Nevertheless, the final decision rests primarily with the individual shareholders. The shareholders should study the information contained in this report along with other related information provided and use his/her own judgment in making the final decision carefully.

IFA hereby certify that the report was prepared prudently and in line with professional practice with due regard to the interest of the shareholders.

Yours sincerely,

Capital Plus Advisory Co., Ltd.

-Thibdee Mangkalee-

(Thibdee Mangkalee)
Operation Controller
and Managing Director

Enclosure 1: Sensitivity Analysis

The MRT Pink Line Project (including extension)

(A) Growth rate of average passenger (daily) per year, increase by 5% from existing assumption

(NPV = 7,441 million baht, IRR = 8.3%, Payback Period = 16.1 Years)

The MRT Pink Line Project (Unit: Million Baht)	2017 (3M)*	2018*	2019*	2020*	2021	2022	2023	2024	2025	2026
Total Revenue	-	-	-	-	2,864	3,475	3,970	4,251	4,779	5,078
Total Expenses	-	-	-	300	2,195	2,274	2,357	2,443	2,532	2,887
EBIT	-	-	-	(300)	669	1,201	1,614	1,808	2,247	2,190
EBT	-	-	-	(300)	669	1,201	1,614	1,808	2,247	2,190
(-) investment	(7,067)	(16,780)	(17,581)	(8,614)	2,250	2,250	2,250	2,250	2,250	2,250
(+) working capital	-	-	-	-	78	17	14	8	14	8
Free Cash Flow of Project	(7,067)	(16,780)	(17,581)	(8,914)	2,997	3,468	3,877	4,066	4,511	4,448
Acc. Free Cash Flow of Project	(7,067)	(23,847)	(41,427)	(50,341)	(47,344)	(43,877)	(39,999)	(35,933)	(31,422)	(26,974)
Discount Factor	1.0000	0.9324	0.8694	0.8106	0.7558	0.7047	0.6571	0.6127	0.5713	0.5326
Present Value of Project	(7,067)	(15,645)	(15,284)	(7,226)	2,265	2,444	2,548	2,491	2,577	2,369
Sum of Present Value of Project	7,441									

Note: * 2017-2020 Phase 1 has record the revenue of civil works and cost of construction but it is non-cash because MRTA is gradually pay the subsidies since there is operation period.

The fraction is rounded.

The MRT Pink Line Project (Unit: Million Baht)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Revenue	5,716	6,077	6,790	7,172	7,961	8,406	9,335	9,805	10,836	11,328
Total Expenses	3,001	3,102	3,014	3,205	3,504	3,919	3,899	3,966	3,774	4,089
EBIT	2,715	2,975	3,777	3,966	4,457	4,487	5,436	5,839	7,062	7,239
EBT	2,715	2,975	3,022	3,173	3,566	3,590	4,349	4,671	5,650	5,791
(-) investment	2,250	2,250	2,250	2,250	-	(4,854)	-	-	-	-
(+) working capital	17	10	19	10	22	12	25	13	28	14
Free Cash Flow of Project	4,983	5,235	5,291	5,434	3,588	(1,252)	4,374	4,684	5,678	5,805
Acc. Free Cash Flow of Project	(21,991)	(16,756)	(11,465)	(6,031)	(2,444)	(3,696)	678	5,362	11,040	16,845
Discount Factor	0.4966	0.4631	0.4318	0.4026	0.3754	0.3500	0.3263	0.3043	0.2837	0.2645
Present Value of Project	2,475	2,424	2,284	2,187	1,347	(438)	1,427	1,425	1,611	1,536

Note: The fraction is rounded

The MRT Pink Line Project (Unit: Million Baht)	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Total Revenue	12,447	12,946	14,182	14,710	16,069	16,629	18,132	18,724	20,375	20,999
Total Expenses	4,246	5,608	5,725	5,821	4,920	4,881	5,043	5,894	6,008	5,979
EBIT	8,200	7,338	8,457	8,889	11,149	11,749	13,089	12,830	14,367	15,020
EBT	6,560	5,870	6,765	7,111	8,919	9,399	10,471	10,264	11,493	12,016
(-) investment	(1,218)	-	-	-	-	-	-	-	-	-
(+) working capital	31	14	34	14	37	15	41	16	45	17
Free Cash Flow of Project	5,373	5,884	6,799	7,126	8,956	9,414	10,512	10,280	11,538	12,033
Acc. Free Cash Flow of Project	22,217	28,101	34,900	42,026	50,982	60,396	70,908	81,188	92,727	104,760
Discount Factor	0.2466	0.2300	0.2144	0.1999	0.1864	0.1738	0.1621	0.1511	0.1409	0.1314
Present Value of Project	1,325	1,353	1,458	1,425	1,670	1,636	1,704	1,553	1,626	1,581

Note: The fraction is rounded

The MRT Pink Line Project (Unit: Million Baht)	2047	2048	2049	2050
Total Revenue	22,813	23,479	25,468	26,172
Total Expenses	5,952	6,153	6,867	6,982
EBIT	16,862	17,326	18,600	19,189
EBT	13,489	13,861	14,880	15,352
(-) investment	-	-	-	-
(+) working capital	49	18	54	19
Free Cash Flow of Project	13,539	13,879	14,935	15,371
Acc. Free Cash Flow of Project	118,299	132,177	147,112	162,483
Discount Factor	0.1225	0.1142	0.1065	0.0993
Present Value of Project	1,658	1,585	1,590	1,526

Note: The fraction is rounded

The MRT Pink Line Project (including extension)

(B) Growth rate of average passenger (daily) per year, decrease by 5% from existing assumption

(NPV = 560 million baht, IRR = 7.3%, Payback Period = 17.6 Years)

The MRT Pink Line Project (Unit: Million Baht)	2017 (3M)*	2018*	2019*	2020*	2021	2022	2023	2024	2025	2026
Total Revenue	-	-	-	-	2,592	3,145	3,593	3,847	4,324	4,595
Total Expenses	-	-	-	300	2,195	2,274	2,357	2,443	2,532	2,887
EBIT	-	-	-	(300)	397	871	1,237	1,404	1,793	1,708
EBT	-	-	-	(300)	397	871	1,237	1,404	1,793	1,708
(-) investment	(7,067)	(16,780)	(17,581)	(8,614)	2,250	2,250	2,250	2,250	2,250	2,250
(+) working capital	-	-	-	-	70	15	12	7	13	7
Free Cash Flow of Project	(7,067)	(16,780)	(17,581)	(8,914)	2,718	3,136	3,499	3,661	4,056	3,965
Acc. Free Cash Flow of Project	(7,067)	(23,847)	(41,427)	(50,341)	(47,624)	(44,487)	(40,989)	(37,327)	(33,272)	(29,307)
Discount Factor	1.0000	0.9324	0.8694	0.8106	0.7558	0.7047	0.6571	0.6127	0.5713	0.5326
Present Value of Project	(7,067)	(15,645)	(15,284)	(7,226)	2,054	2,210	2,299	2,243	2,317	2,112
Sum of Present Value of Project	560									

Note: * 2017-2020 Phase 1 has record the revenue of civil works and cost of construction but it is non-cash because MRTA is gradually pay the subsidies since there is operation period.

The fraction is rounded.

The MRT Pink Line Project (Unit: Million Baht)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Revenue	5,173	5,500	6,145	6,490	7,204	7,606	8,447	8,871	9,805	10,249
Total Expenses	3,001	3,102	3,014	3,205	3,504	3,919	3,899	3,966	3,774	4,089
EBIT	2,172	2,397	3,131	3,284	3,700	3,687	4,547	4,906	6,030	6,160
EBT	2,172	2,397	2,505	2,628	2,960	2,950	3,638	3,925	4,824	4,928
(-) investment	2,250	2,250	2,250	2,250	-	(4,854)	-	-	-	-
(+) working capital	16	9	18	9	20	11	23	12	25	12
Free Cash Flow of Project	4,438	4,656	4,773	4,887	2,979	(1,894)	3,661	3,936	4,850	4,940
Acc. Free Cash Flow of Project	(24,869)	(20,213)	(15,440)	(10,553)	(7,574)	(9,468)	(5,807)	(1,871)	2,979	7,920
Discount Factor	0.4966	0.4631	0.4318	0.4026	0.3754	0.3500	0.3263	0.3043	0.2837	0.2645
Present Value of Project	2,204	2,156	2,061	1,967	1,118	(663)	1,195	1,198	1,376	1,307

Note: The fraction is rounded

The MRT Pink Line Project (Unit: Million Baht)	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Total Revenue	11,261	11,713	12,831	13,309	14,538	15,045	16,404	16,940	18,434	18,998
Total Expenses	4,246	5,608	5,725	5,821	4,920	4,881	5,043	5,894	6,008	5,979
EBIT	7,015	6,105	7,106	7,488	9,618	10,164	11,361	11,046	12,426	13,019
EBT	5,612	4,884	5,685	5,990	7,694	8,131	9,089	8,837	9,940	10,415
(-) investment	(1,218)	-	-	-	-	-	-	-	-	-
(+) working capital	28	12	30	13	34	14	37	15	41	16
Free Cash Flow of Project	4,421	4,896	5,715	6,003	7,728	8,145	9,126	8,851	9,981	10,431
Acc. Free Cash Flow of Project	12,341	17,237	22,952	28,956	36,684	44,829	53,955	62,806	72,787	83,218
Discount Factor	0.2466	0.2300	0.2144	0.1999	0.1864	0.1738	0.1621	0.1511	0.1409	0.1314
Present Value of Project	1,091	1,126	1,226	1,200	1,441	1,416	1,479	1,338	1,406	1,370

Note: The fraction is rounded

The MRT Pink Line Project (Unit: Million Baht)	2047	2048	2049	2050
Total Revenue	20,639	21,242	23,041	23,678
Total Expenses	5,952	6,153	6,867	6,982
EBIT	14,688	15,089	16,174	16,696
EBT	11,750	12,071	12,939	13,357
(-) investment	-	-	-	-
(+) working capital	45	16	49	17
Free Cash Flow of Project	11,795	12,087	12,988	13,374
Acc. Free Cash Flow of Project	95,013	107,101	120,089	133,463
Discount Factor	0.1225	0.1142	0.1065	0.0993
Present Value of Project	1,445	1,381	1,383	1,328

Note: The fraction is rounded

The MRT Pink Line Project (excluding extension)

(C) Growth rate of average passenger (daily) per year, increase by 5% from existing assumption

(NPV = 6,928 million baht, IRR = 8.3%, Payback Period = 16.1 Years)

The MRT Pink Line Project (Unit: Million Baht)	2017 (3M)*	2018*	2019*	2020*	2021	2022	2023	2024	2025	2026
Total Revenue	-	-	-	-	2,690	3,251	3,707	3,984	4,495	4,787
Total Expenses	-	-	-	300	2,055	2,129	2,206	2,287	2,370	2,720
EBIT	-	-	-	(300)	635	1,122	1,500	1,697	2,124	2,067
EBT	-	-	-	(300)	635	1,122	1,500	1,697	2,124	2,067
(-) investment	(6,879)	(16,272)	(17,139)	(8,412)	2,250	2,250	2,250	2,250	2,250	2,250
(+) working capital	-	-	-	-	73	15	12	8	14	8
Free Cash Flow of Project	(6,879)	(16,272)	(17,139)	(8,712)	2,958	3,387	3,763	3,955	4,388	4,325
Acc. Free Cash Flow of Project	(6,879)	(23,151)	(40,290)	(49,002)	(46,044)	(42,656)	(38,894)	(34,939)	(30,550)	(26,225)
Discount Factor	1.0000	0.9324	0.8694	0.8106	0.7558	0.7047	0.6571	0.6127	0.5713	0.5326
Present Value of Project	(6,879)	(15,172)	(14,901)	(7,062)	2,236	2,387	2,472	2,423	2,507	2,304
Sum of Present Value of Project	6,928									

Note: * 2017-2020 Phase 1 has record the revenue of civil works and cost of construction but it is non-cash because MRTA is gradually pay the subsidies since there is operation period.

The fraction is rounded.

The MRT Pink Line Project (Unit: Million Baht)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Revenue	5,404	5,760	6,449	6,824	7,587	8,023	8,922	9,382	10,380	10,859
Total Expenses	2,827	2,922	2,827	3,012	3,303	3,711	3,683	3,741	3,542	3,847
EBIT	2,577	2,837	3,623	3,813	4,284	4,312	5,239	5,640	6,838	7,012
EBT	2,577	2,837	2,898	3,050	3,427	3,450	4,191	4,512	5,471	5,610
(-) investment	2,250	2,250	2,250	2,250	-	(4,854)	-	-	-	-
(+) working capital	17	10	19	10	21	12	25	13	27	13
Free Cash Flow of Project	4,844	5,097	5,167	5,310	3,448	(1,392)	4,216	4,525	5,498	5,623
Acc. Free Cash Flow of Project	(21,381)	(16,284)	(11,117)	(5,807)	(2,359)	(3,751)	464	4,989	10,487	16,110
Discount Factor	0.4966	0.4631	0.4318	0.4026	0.3754	0.3500	0.3263	0.3043	0.2837	0.2645
Present Value of Project	2,406	2,360	2,231	2,138	1,294	(487)	1,376	1,377	1,560	1,487

Note: The fraction is rounded

The MRT Pink Line Project (Unit: Million Baht)	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Total Revenue	11,930	12,405	13,585	14,087	15,381	15,910	17,339	17,896	19,465	20,047
Total Expenses	3,996	5,348	5,455	5,540	4,629	4,578	4,729	5,568	5,669	5,626
EBIT	7,934	7,057	8,130	8,546	10,752	11,332	12,610	12,329	13,796	14,421
EBT	6,347	5,645	6,504	6,837	8,602	9,065	10,088	9,863	11,037	11,537
(-) investment	(1,088)	-	-	-	-	-	-	-	-	-
(+) working capital	29	13	32	14	35	14	39	15	43	16
Free Cash Flow of Project	5,288	5,658	6,536	6,851	8,637	9,080	10,127	9,878	11,079	11,553
Acc. Free Cash Flow of Project	21,398	27,056	33,593	40,443	49,081	58,160	68,287	78,166	89,245	100,798
Discount Factor	0.2466	0.2300	0.2144	0.1999	0.1864	0.1738	0.1621	0.1511	0.1409	0.1314
Present Value of Project	1,304	1,301	1,402	1,370	1,610	1,578	1,641	1,493	1,561	1,518

Note: The fraction is rounded

The MRT Pink Line Project (Unit: Million Baht)	2047	2048	2049	2050
Total Revenue	21,766	22,386	24,267	24,921
Total Expenses	5,585	5,772	6,471	6,571
EBIT	16,181	16,614	17,796	18,350
EBT	12,945	13,291	14,236	14,680
(-) investment	-	-	-	-
(+) working capital	47	17	51	18
Free Cash Flow of Project	12,991	13,308	14,288	14,698
Acc. Free Cash Flow of Project	113,790	127,098	141,385	156,083
Discount Factor	0.1225	0.1142	0.1065	0.0993
Present Value of Project	1,591	1,520	1,522	1,459

Note: The fraction is rounded

The MRT Pink Line Project (excluding extension)

(D) Growth rate of average passenger (daily) per year, decrease by 5% from existing assumption

(NPV = 375 million baht, IRR = 7.3%, Payback Period = 17.6 Years)

The MRT Pink Line Project (Unit: Million Baht)	2017 (3M)*	2018*	2019*	2020*	2021	2022	2023	2024	2025	2026
Total Revenue	-	-	-	-	2,433	2,942	3,354	3,605	4,067	4,331
Total Expenses	-	-	-	300	2,055	2,129	2,206	2,287	2,370	2,720
EBIT	-	-	-	(300)	378	812	1,147	1,318	1,696	1,611
EBT	-	-	-	(300)	378	812	1,147	1,318	1,696	1,611
(-) investment	(6,879)	(16,272)	(17,139)	(8,412)	2,250	2,250	2,250	2,250	2,250	2,250
(+) working capital	-	-	-	-	66	14	11	7	13	7
Free Cash Flow of Project	(6,879)	(16,272)	(17,139)	(8,712)	2,695	3,076	3,408	3,575	3,959	3,868
Acc. Free Cash Flow of Project	(6,879)	(23,151)	(40,290)	(49,002)	(46,307)	(43,230)	(39,822)	(36,247)	(32,288)	(28,420)
Discount Factor	1.0000	0.9324	0.8694	0.8106	0.7558	0.7047	0.6571	0.6127	0.5713	0.5326
Present Value of Project	(6,879)	(15,172)	(14,901)	(7,062)	2,037	2,168	2,240	2,190	2,262	2,061
Sum of Present Value of Project	375									

Note: * 2017-2020 Phase 1 has record the revenue of civil works and cost of construction but it is non-cash because MRTA is gradually pay the subsidies since there is operation period.

The fraction is rounded.

The MRT Pink Line Project (Unit: Million Baht)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Revenue	4,890	5,211	5,835	6,174	6,864	7,258	8,072	8,488	9,391	9,824
Total Expenses	2,827	2,922	2,827	3,012	3,303	3,711	3,683	3,741	3,542	3,847
EBIT	2,062	2,289	3,008	3,163	3,561	3,548	4,389	4,746	5,849	5,977
EBT	2,062	2,289	2,407	2,530	2,849	2,838	3,511	3,797	4,679	4,782
(-) investment	2,250	2,250	2,250	2,250	-	(4,854)	-	-	-	-
(+) working capital	15	9	17	9	19	11	22	11	25	12
Free Cash Flow of Project	4,328	4,548	4,674	4,789	2,868	(2,005)	3,533	3,808	4,704	4,794
Acc. Free Cash Flow of Project	(24,092)	(19,544)	(14,871)	(10,081)	(7,214)	(9,219)	(5,686)	(1,878)	2,826	7,620
Discount Factor	0.4966	0.4631	0.4318	0.4026	0.3754	0.3500	0.3263	0.3043	0.2837	0.2645
Present Value of Project	2,149	2,106	2,018	1,928	1,076	(702)	1,153	1,159	1,335	1,268

Note: The fraction is rounded

The MRT Pink Line Project (Unit: Million Baht)	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Total Revenue	10,792	11,222	12,291	12,744	13,915	14,393	15,686	16,190	17,610	18,136
Total Expenses	3,996	5,348	5,455	5,540	4,629	4,578	4,729	5,568	5,669	5,626
EBIT	6,797	5,874	6,835	7,203	9,286	9,815	10,958	10,623	11,940	12,510
EBT	5,437	4,699	5,468	5,763	7,429	7,852	8,766	8,498	9,552	10,008
(-) investment	(1,088)	-	-	-	-	-	-	-	-	-
(+) working capital	26	12	29	12	32	13	35	14	39	15
Free Cash Flow of Project	4,376	4,711	5,497	5,775	7,461	7,865	8,801	8,512	9,591	10,023
Acc. Free Cash Flow of Project	11,995	16,707	22,204	27,979	35,440	43,305	52,106	60,618	70,209	80,231
Discount Factor	0.2466	0.2300	0.2144	0.1999	0.1864	0.1738	0.1621	0.1511	0.1409	0.1314
Present Value of Project	1,079	1,083	1,179	1,155	1,391	1,367	1,426	1,286	1,351	1,317

Note: The fraction is rounded

The MRT Pink Line Project (Unit: Million Baht)	2047	2048	2049	2050
Total Revenue	19,691	20,252	21,954	22,545
Total Expenses	5,585	5,772	6,471	6,571
EBIT	14,106	14,480	15,482	15,975
EBT	11,285	11,584	12,386	12,780
(-) investment	-	-	-	-
(+) working capital	42	15	46	16
Free Cash Flow of Project	11,327	11,599	12,432	12,796
Acc. Free Cash Flow of Project	91,558	103,157	115,590	128,386
Discount Factor	0.1225	0.1142	0.1065	0.0993
Present Value of Project	1,387	1,325	1,324	1,271

Note: The fraction is rounded

The MRT Yellow Line Project (including extension)

(A) Growth rate of average passenger (daily) per year, increase by 5% from existing assumption

(NPV = 7,908 million baht, IRR = 8.5%, Payback Period = 13.7 Years)

The MRT Yellow Line Project (unit: million baht)	2017 (3M)*	2018*	2019*	2020*	2021	2022	2023	2024	2025	2026
Total Revenue	-	-	-	-	2,821	3,365	3,795	4,037	4,514	4,770
Total Expenses	-	-	-	300	1,774	1,839	1,907	1,978	2,051	2,322
EBIT	-	-	-	(300)	1,047	1,526	1,888	2,060	2,463	2,448
EBT	-	-	-	(300)	1,047	1,526	1,888	2,060	2,463	2,448
(-) investment	(6,932)	(16,967)	(17,040)	(8,261)	2,505	2,505	2,505	2,505	2,505	2,505
(+) working capital	-	-	-	-	77	15	12	7	13	7
Free Cash Flow of Project	(6,932)	(16,967)	(17,040)	(8,561)	3,628	4,046	4,405	4,571	4,981	4,960
Acc. Free Cash Flow of Project	(6,932)	(23,899)	(40,939)	(49,501)	(45,872)	(41,826)	(37,421)	(32,849)	(27,868)	(22,908)
Discount Factor	1.0000	0.9324	0.8694	0.8106	0.7558	0.7047	0.6571	0.6127	0.5713	0.5326
Present Value of Project	(6,932)	(15,820)	(14,814)	(6,940)	2,742	2,851	2,895	2,801	2,846	2,642
Sum of Present Value of Project	7,908									

Note: * 2017-2020 Phase 1 has record the revenue of civil works and cost of construction but it is non-cash because MRTA is gradually pay the subsidies since there is operation period.

The fraction is rounded.

The MRT Yellow Line Project (unit: million baht)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Revenue	5,355	5,676	6,320	6,654	7,362	7,678	8,433	8,767	9,599	9,947
Total Expenses	2,415	2,499	2,441	2,592	2,699	2,962	3,045	3,151	3,056	3,433
EBIT	2,940	3,177	3,879	4,061	4,663	4,716	5,387	5,616	6,544	6,513
EBT	2,940	3,177	3,103	3,249	3,731	3,773	4,310	4,493	5,235	5,211
(-) investment	2,505	2,505	2,505	1,270	-	-	-	-	(1,652)	-
(+) working capital	16	9	18	9	19	9	21	9	23	10
Free Cash Flow of Project	5,461	5,691	5,626	4,529	3,750	3,782	4,330	4,502	3,606	5,220
Acc. Free Cash Flow of Project	(17,447)	(11,756)	(6,130)	(1,602)	2,148	5,930	10,260	14,762	18,368	23,588
Discount Factor	0.4966	0.4631	0.4318	0.4026	0.3754	0.3500	0.3263	0.3043	0.2837	0.2645
Present Value of Project	2,712	2,635	2,429	1,823	1,408	1,324	1,413	1,370	1,023	1,381

Note: The fraction is rounded

The MRT Yellow Line Project (unit: million baht)	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Total Revenue	10,848	11,187	12,156	12,513	13,569	13,946	15,107	15,503	16,771	17,184
Total Expenses	3,684	4,219	4,516	4,740	4,483	4,332	4,367	4,576	4,744	4,816
EBIT	7,164	6,968	7,640	7,773	9,086	9,614	10,740	10,927	12,027	12,368
EBT	5,731	5,574	6,112	6,218	7,269	7,691	8,592	8,742	9,622	9,894
(-) investment	-	-	-	-	(1,616)	-	-	-	-	-
(+) working capital	25	9	26	10	29	10	32	11	35	11
Free Cash Flow of Project	5,756	5,584	6,138	6,228	5,682	7,701	8,623	8,752	9,656	9,905
Acc. Free Cash Flow of Project	29,344	34,927	41,066	47,294	52,976	60,677	69,300	78,053	87,709	97,614
Discount Factor	0.2466	0.2300	0.2144	0.1999	0.1864	0.1738	0.1621	0.1511	0.1409	0.1314
Present Value of Project	1,420	1,284	1,316	1,245	1,059	1,339	1,398	1,323	1,361	1,301

Note: The fraction is rounded

The MRT Yellow Line Project (unit: million baht)	2047	2048	2049	2050
Total Revenue	18,567	19,008	20,514	20,979
Total Expenses	5,071	4,987	5,620	5,982
EBIT	13,495	14,021	14,894	14,998
EBT	10,796	11,216	11,915	11,998
(-) investment	-	-	-	-
(+) working capital	38	12	41	13
Free Cash Flow of Project	10,834	11,228	11,956	12,011
Acc. Free Cash Flow of Project	108,448	119,677	131,633	143,644
Discount Factor	0.1225	0.1142	0.1065	0.0993
Present Value of Project	1,327	1,282	1,273	1,193

Note: The fraction is rounded

The MRT Yellow Line Project (including extension)

(B) Growth rate of average passenger (daily) per year, decrease by 5% from existing assumption

(NPV = 1,798 million baht, IRR = 7.6%, Payback Period = 15.1 Years)

The MRT Yellow Line Project (Unit: Million Baht)	2017 (3M)*	2018*	2019*	2020*	2021	2022	2023	2024	2025	2026
Total Revenue	-	-	-	-	2,552	3,045	3,434	3,653	4,084	4,316
Total Expenses	-	-	-	300	1,774	1,839	1,907	1,978	2,051	2,322
EBIT	-	-	-	(300)	778	1,206	1,527	1,675	2,033	1,994
EBT	-	-	-	(300)	778	1,206	1,527	1,675	2,033	1,994
(-) investment	(6,932)	(16,967)	(17,040)	(8,261)	2,505	2,505	2,505	2,505	2,505	2,505
(+) working capital	-	-	-	-	70	13	11	6	12	6
Free Cash Flow of Project	(6,932)	(16,967)	(17,040)	(8,561)	3,353	3,724	4,043	4,186	4,550	4,505
Acc. Free Cash Flow of Project	(6,932)	(23,899)	(40,939)	(49,501)	(46,148)	(42,424)	(38,381)	(34,195)	(29,645)	(25,140)
Discount Factor	1.0000	0.9324	0.8694	0.8106	0.7558	0.7047	0.6571	0.6127	0.5713	0.5326
Present Value of Project	(6,932)	(15,820)	(14,814)	(6,940)	2,534	2,625	2,656	2,565	2,599	2,400
Sum of Present Value of Project	1,798									

Note: * 2017-2020 Phase 1 has record the revenue of civil works and cost of construction but it is non-cash because MRTA is gradually pay the subsidies since there is operation period.

The fraction is rounded.

The MRT Yellow Line Project (Unit: Million Baht)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Revenue	4,845	5,135	5,718	6,020	6,660	6,947	7,629	7,931	8,685	8,998
Total Expenses	2,415	2,499	2,441	2,592	2,699	2,962	3,045	3,151	3,056	3,433
EBIT	2,430	2,637	3,277	3,428	3,962	3,984	4,584	4,780	5,629	5,565
EBT	2,430	2,637	2,622	2,742	3,169	3,188	3,667	3,824	4,503	4,452
(-) investment	2,505	2,505	2,505	1,270	-	-	-	-	(1,652)	-
(+) working capital	14	8	16	8	18	8	19	8	21	9
Free Cash Flow of Project	4,949	5,149	5,143	4,021	3,187	3,195	3,686	3,833	2,872	4,461
Acc. Free Cash Flow of Project	(20,190)	(15,041)	(9,898)	(5,878)	(2,691)	505	4,190	8,023	10,895	15,356
Discount Factor	0.4966	0.4631	0.4318	0.4026	0.3754	0.3500	0.3263	0.3043	0.2837	0.2645
Present Value of Project	2,458	2,385	2,220	1,619	1,196	1,118	1,203	1,166	815	1,180

Note: The fraction is rounded

The MRT Yellow Line Project (Unit: Million Baht)	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Total Revenue	9,814	10,120	10,998	11,320	12,276	12,616	13,666	14,025	15,172	15,545
Total Expenses	3,684	4,219	4,516	4,740	4,483	4,332	4,367	4,576	4,744	4,816
EBIT	6,130	5,901	6,481	6,580	7,792	8,284	9,299	9,449	10,428	10,729
EBT	4,904	4,721	5,185	5,264	6,234	6,627	7,440	7,559	8,343	8,583
(-) investment	-	-	-	-	(1,616)	-	-	-	-	-
(+) working capital	22	8	24	9	26	9	29	10	31	10
Free Cash Flow of Project	4,926	4,729	5,209	5,273	4,644	6,637	7,468	7,569	8,374	8,593
Acc. Free Cash Flow of Project	20,281	25,011	30,220	35,493	40,136	46,773	54,241	61,810	70,184	78,778
Discount Factor	0.2466	0.2300	0.2144	0.1999	0.1864	0.1738	0.1621	0.1511	0.1409	0.1314
Present Value of Project	1,215	1,088	1,117	1,054	866	1,154	1,210	1,144	1,180	1,129

Note: The fraction is rounded

The MRT Yellow Line Project (Unit: Million Baht)	2047	2048	2049	2050
Total Revenue	16,796	17,195	18,558	18,979
Total Expenses	5,071	4,987	5,620	5,982
EBIT	11,725	12,208	12,938	12,998
EBT	9,380	9,767	10,351	10,398
(-) investment	-	-	-	-
(+) working capital	34	11	37	11
Free Cash Flow of Project	9,414	9,777	10,388	10,410
Acc. Free Cash Flow of Project	88,192	97,969	108,357	118,766
Discount Factor	0.1225	0.1142	0.1065	0.0993
Present Value of Project	1,153	1,117	1,106	1,034

Note: The fraction is rounded

The MRT Yellow Line Project (excluding extension)

(C) Growth rate of average passenger (daily) per year, increase by 5% from existing assumption

(NPV = 6,672 million baht, IRR = 8.4%, Payback Period = 13.6 Years)

The MRT Yellow Line Project (Unit: Million Baht)	2017 (3M)*	2018*	2019*	2020*	2021	2022	2023	2024	2025	2026
Total Revenue	-	-	-	-	2,540	3,027	3,408	3,625	4,051	4,279
Total Expenses	-	-	-	300	1,624	1,684	1,746	1,810	1,878	2,142
EBIT	-	-	-	(300)	916	1,343	1,663	1,814	2,173	2,136
EBT	-	-	-	(300)	916	1,343	1,663	1,814	2,173	2,136
(-) investment	(6,480)	(15,802)	(15,956)	(7,750)	2,505	2,505	2,505	2,505	2,505	2,505
(+) working capital	-	-	-	-	69	13	10	6	12	6
Free Cash Flow of Project	(6,480)	(15,802)	(15,956)	(8,050)	3,490	3,861	4,178	4,325	4,690	4,648
Acc. Free Cash Flow of Project	(6,480)	(22,282)	(38,238)	(46,288)	(42,798)	(38,937)	(34,759)	(30,434)	(25,744)	(21,096)
Discount Factor	1.0000	0.9324	0.8694	0.8106	0.7558	0.7047	0.6571	0.6127	0.5713	0.5326
Present Value of Project	(6,480)	(14,733)	(13,872)	(6,525)	2,638	2,721	2,745	2,650	2,679	2,476
Sum of Present Value of Project	6,672									

Note: * 2017-2020 Phase 1 has record the revenue of civil works and cost of construction but it is non-cash because MRTA is gradually pay the subsidies since there is operation period.

The fraction is rounded.

The MRT Yellow Line Project (Unit: Million Baht)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Revenue	4,808	5,102	5,692	6,003	6,653	6,949	7,641	7,953	8,717	9,040
Total Expenses	2,228	2,305	2,240	2,384	2,482	2,737	2,812	2,909	2,804	3,172
EBIT	2,579	2,797	3,452	3,619	4,171	4,211	4,829	5,044	5,913	5,868
EBT	2,579	2,797	2,762	2,895	3,337	3,369	3,863	4,035	4,730	4,694
(-) investment	2,505	2,505	2,505	1,270	-	-	-	-	(1,392)	-
(+) working capital	14	8	16	8	18	8	19	8	21	9
Free Cash Flow of Project	5,099	5,310	5,283	4,174	3,355	3,377	3,882	4,044	3,359	4,703
Acc. Free Cash Flow of Project	(15,997)	(10,687)	(5,404)	(1,230)	2,124	5,501	9,383	13,427	16,786	21,489
Discount Factor	0.4966	0.4631	0.4318	0.4026	0.3754	0.3500	0.3263	0.3043	0.2837	0.2645
Present Value of Project	2,532	2,459	2,281	1,680	1,259	1,182	1,267	1,230	953	1,244

Note: The fraction is rounded

The MRT Yellow Line Project (Unit: Million Baht)	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Total Revenue	9,845	10,154	11,037	11,363	12,324	12,668	13,726	14,089	15,244	15,621
Total Expenses	3,413	3,937	4,224	4,436	4,167	4,004	4,026	4,222	4,375	4,433
EBIT	6,431	6,217	6,813	6,927	8,157	8,665	9,700	9,867	10,869	11,188
EBT	5,145	4,974	5,450	5,541	6,526	6,932	7,760	7,894	8,695	8,951
(-) investment	-	-	-	-	(1,616)	-	-	-	-	-
(+) working capital	22	8	24	9	26	9	29	10	31	10
Free Cash Flow of Project	5,167	4,982	5,475	5,550	4,936	6,941	7,789	7,904	8,726	8,961
Acc. Free Cash Flow of Project	26,656	31,638	37,113	42,663	47,599	54,540	62,329	70,233	78,959	87,920
Discount Factor	0.2466	0.2300	0.2144	0.1999	0.1864	0.1738	0.1621	0.1511	0.1409	0.1314
Present Value of Project	1,274	1,146	1,174	1,110	920	1,207	1,262	1,194	1,230	1,177

Note: The fraction is rounded

The MRT Yellow Line Project (Unit: Million Baht)	2047	2048	2049	2050
Total Revenue	16,881	17,285	18,658	19,084
Total Expenses	4,672	4,572	5,189	5,533
EBIT	12,209	12,713	13,469	13,551
EBT	9,767	10,170	10,775	10,841
(-) investment	-	-	-	-
(+) working capital	34	11	37	12
Free Cash Flow of Project	9,801	10,181	10,813	10,853
Acc. Free Cash Flow of Project	97,722	107,903	118,716	129,568
Discount Factor	0.1225	0.1142	0.1065	0.0993
Present Value of Project	1,201	1,163	1,152	1,078

Note: The fraction is rounded

The MRT Yellow Line Project (excluding extension)

(D) Growth rate of average passenger (daily) per year, decrease by 5% from existing assumption

(NPV = 1,145 million baht, IRR = 7.5%, Payback Period = 15.0 Years)

The MRT Yellow Line Project (Unit: Million Baht)	2017 (3M)*	2018*	2019*	2020*	2021	2022	2023	2024	2025	2026
Total Revenue	-	-	-	-	2,298	2,738	3,084	3,279	3,665	3,871
Total Expenses	-	-	-	300	1,624	1,684	1,746	1,810	1,878	2,142
EBIT	-	-	-	(300)	674	1,055	1,338	1,469	1,788	1,729
EBT	-	-	-	(300)	674	1,055	1,338	1,469	1,788	1,729
(-) investment	(6,480)	(15,802)	(15,956)	(7,750)	2,505	2,505	2,505	2,505	2,505	2,505
(+) working capital	-	-	-	-	63	12	9	5	11	6
Free Cash Flow of Project	(6,480)	(15,802)	(15,956)	(8,050)	3,241	3,572	3,852	3,979	4,303	4,240
Acc. Free Cash Flow of Project	(6,480)	(22,282)	(38,238)	(46,288)	(43,047)	(39,475)	(35,622)	(31,643)	(27,340)	(23,100)
Discount Factor	1.0000	0.9324	0.8694	0.8106	0.7558	0.7047	0.6571	0.6127	0.5713	0.5326
Present Value of Project	(6,480)	(14,733)	(13,872)	(6,525)	2,450	2,517	2,531	2,438	2,458	2,258
Sum of Present Value of Project	1,145									

Note: * 2017-2020 Phase 1 has record the revenue of civil works and cost of construction but it is non-cash because MRTA is gradually pay the subsidies since there is operation period.

The fraction is rounded.

The MRT Yellow Line Project (Unit: Million Baht)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Revenue	4,350	4,616	5,150	5,431	6,019	6,286	6,913	7,195	7,886	8,178
Total Expenses	2,228	2,305	2,240	2,384	2,482	2,737	2,812	2,909	2,804	3,172
EBIT	2,121	2,311	2,910	3,047	3,537	3,549	4,101	4,286	5,082	5,006
EBT	2,121	2,311	2,328	2,438	2,829	2,839	3,281	3,429	4,065	4,005
(-) investment	2,505	2,505	2,505	1,270	-	-	-	-	(1,392)	-
(+) working capital	13	7	15	8	16	7	17	8	19	8
Free Cash Flow of Project	4,640	4,824	4,848	3,716	2,846	2,847	3,298	3,436	2,692	4,013
Acc. Free Cash Flow of Project	(18,461)	(13,637)	(8,790)	(5,074)	(2,228)	618	3,916	7,352	10,045	14,057
Discount Factor	0.4966	0.4631	0.4318	0.4026	0.3754	0.3500	0.3263	0.3043	0.2837	0.2645
Present Value of Project	2,304	2,234	2,093	1,496	1,068	996	1,076	1,046	764	1,062

Note: The fraction is rounded

The MRT Yellow Line Project (Unit: Million Baht)	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Total Revenue	8,906	9,186	9,985	10,280	11,149	11,460	12,417	12,745	13,790	14,131
Total Expenses	3,413	3,937	4,224	4,436	4,167	4,004	4,026	4,222	4,375	4,433
EBIT	5,493	5,249	5,761	5,844	6,982	7,457	8,391	8,524	9,415	9,698
EBT	4,394	4,199	4,609	4,675	5,585	5,965	6,713	6,819	7,532	7,759
(-) investment	-	-	-	-	(1,616)	-	-	-	-	-
(+) working capital	20	8	22	8	24	8	26	9	28	9
Free Cash Flow of Project	4,414	4,207	4,630	4,683	3,993	5,974	6,739	6,828	7,561	7,768
Acc. Free Cash Flow of Project	18,472	22,678	27,309	31,992	35,985	41,959	48,698	55,526	63,087	70,855
Discount Factor	0.2466	0.2300	0.2144	0.1999	0.1864	0.1738	0.1621	0.1511	0.1409	0.1314
Present Value of Project	1,089	967	993	936	744	1,038	1,092	1,032	1,065	1,021

Note: The fraction is rounded

The MRT Yellow Line Project (Unit: Million Baht)	2047	2048	2049	2050
Total Revenue	15,271	15,637	16,879	17,264
Total Expenses	4,672	4,572	5,189	5,533
EBIT	10,599	11,064	11,690	11,732
EBT	8,479	8,851	9,352	9,385
(-) investment	-	-	-	-
(+) working capital	31	10	34	11
Free Cash Flow of Project	8,510	8,861	9,386	9,396
Acc. Free Cash Flow of Project	79,365	88,226	97,612	107,008
Discount Factor	0.1225	0.1142	0.1065	0.0993
Present Value of Project	1,042	1,012	1,000	933

Note: The fraction is rounded

Enclosure 2: 30-Year Inflation Rate (1987 – 2016)

	2016p	2015p	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
The Core Consumer Price Index															
(2001=100)	106.62	105.86	104.76	103.12	102.10	100.00	97.69	96.80	96.60	94.30	93.40	91.30	89.90	89.50	89.40
(% Change)	0.74	1.05	1.59	1.00	2.09	2.36	1.00	0.30	2.40	1.10	2.30	1.60	0.40	0.20	0.40

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
The Core Consumer Price Index															
(2001=100)	89.00	87.90	87.20	85.70	80.00	76.40	72.70	69.00	65.60	62.60	60.10	57.20	53.90	51.10	49.60
(% Change)	1.30	0.71	1.80	7.18	4.66	5.10	5.25	5.30	4.90	4.13	4.90	6.14	5.45	3.11	2.71

The percentage of change is about 2.7% per year

Source: Bank of Thailand