

Projected Financial information which reflect the investment in the Additional Telecom Infrastructure Assets No.4 for the projection period from 1 October 2019 to 30 September 2020

DIGITAL TELECOMMUNICATIONS INFRASTRUCTURE FUND

PROJECTED FINANCIAL INFORMATION

FOR THE PERIOD FROM 1 OCTOBER 2019 TO 30 SEPTEMBER 2020



INDEPENDENCE ASSURANCE REPORT ON PROJECTED FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

To the Unitholders of Digital Telecommunications Infrastructure Fund

I have examined the accompanying projected financial information for the period from 1 October 2019 to 30 September 2020 ("the projected financial information") of Digital Telecommunications Infrastructure Fund ("the Fund") based on Thai Standard on Assurance Engagements No. 3400 "The Examination of Prospective Financial Information". The projected financial information comprises the projected statement of income, related assumptions and notes to the projected statement of income. The SCB Asset Management Co., Ltd. ("the Management Company") on behalf of the Fund is responsible for preparation and presentation of the projected financial information including general information, significant accounting policies, and assumptions used as set out in the notes to the projected statement of income.

The projected financial information has been prepared for the purpose of approval on issuance of new unit investments from the unitholders in order to invest additional infrastructure assets. The projection has been prepared using a set of assumptions that include hypothetical assumptions about future events and the Management Company's actions that are not necessarily expected to occur. Consequently, readers are cautioned that this projection may not be appropriate for purposes other than that described above.

Based on my examination of the evidence supporting the significant assumptions, nothing has come to my attention which causes me to believe that these assumptions do not provide a reasonable basis for the projection. Further, in my opinion the projection is properly prepared on the basis of the assumptions and is presented in accordance with significant accounting policies described in the notes to the projected statement of income.

I emphasise that even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to be different from the projection since other anticipated events frequently do not occur as expected and the variation may be material.

The projected financial information has been prepared solely for the Management Company to provide information to the unitholders in respect of the issuance of new investment units which will be included in the invitation letter and the prospectus; and therefore, not be appropriate to be used for any other purpose. I do not accept or assume responsibility, duty of care for the use of any purpose other than specified in this report.

A handwritten signature in blue ink, appearing to read "P. Thangtanagul".

Pisit Thangtanagul
Certified Public Accountant (Thailand) No. 4095
PricewaterhouseCoopers ABAS Ltd.

Bangkok
29 May 2019

Digital Telecommunications Infrastructure Fund
Projected Statement of Income
For the period from 1 October 2019 to 30 September 2020

	Notes	The Existing Telecommunications Infrastructure Assets Million Baht	All Telecommunications after Additional Investment No. 4 Million Baht
Investment income			
Investment income	3.2.1	12,973.79	14,122.95
Interest income	3.2.2	2.62	2.62
Total revenue		12,976.41	14,125.57
Fund expenses			
Right of way expenses	3.3.1	(156.59)	(167.22)
Land lease and property tax expenses	3.3.2	(1,036.96)	(1,105.83)
Insurance expenses	3.3.3	(3.92)	(5.42)
Telecom Asset Manager fee	3.3.4	(48.90)	(50.65)
Tower relocation expenses	3.3.5	(82.98)	(82.98)
Fund Management fee	3.4.1	(115.72)	(124.21)
Fund supervisor fee	3.4.2	(28.70)	(31.74)
Registrar fee	3.4.3	(5.26)	(5.27)
Professional fees	3.4.4	(1.86)	(1.87)
Other expenses	3.4.5	(31.90)	(57.72)
Total expense		(1,512.79)	(1,632.91)
Finance costs	3.5	(1,506.63)	(1,506.63)
Net investment income		9,956.99	10,986.03
Additional information			
<i>(The Additional Information pertaining to the available distribution is not a component of the statement of income under Thai Financial Reporting Standards. The Additional Information is for illustrative purpose only).</i>			
Distribution available to unit holders			
Net investment income		9,956.99	10,986.03
<u>Less</u> Payment and reserve of front end fee	3.9	(163.75)	(163.75)
Adjusted net investment income		9,793.24	10,822.28
<u>Add</u> Excess liquidity from advance rental received in connection with future available placement and other items	3.8	195.35	221.10
Amortisation of loan upfront fee	3.9	73.28	73.28
Total		10,061.87	11,116.66
Projected distribution to unitholders			
Projected distribution of adjusted net investment income		9,793.24	10,822.28
<i>Payout ratio</i>	3.7	100.00%	100.00%
Projected distribution of retained earnings		268.63	294.38
Total		10,061.87	11,116.66
Number of investment units (Million units)		9,637.94	10,644.31
Cash distribution per unit (Baht)		1.04399	1.04438

The accompanying notes are an integral part of the projected statements of income.

1 General information

Digital Telecommunications Infrastructure Fund (“the Fund”) is a specified infrastructure business fund with the specific investment project detailed in the Fund’s prospectus.

The Fund is a closed-end infrastructure fund and was established and registered on 23 December 2013 with indefinite project life.

The Fund registered as listed securities and commenced its trading on the Stock Exchange of Thailand on 27 December 2013.

The Fund is managed by SCB Asset Management Company Limited (“the Management Company”), its mutual fund supervisor is KASIKORNBANK Public Company Limited and its registrar is Thailand Securities Depository Company Limited and its telecom asset manager is Telecom Asset Management Company Limited.

At present, the Fund has invested in the telecommunications infrastructure assets (“the Existing Telecommunications Infrastructure Assets”) as follows:

- a) the ownership of 6,000 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services of which True Corporation Public Company Limited (“True”) had delivered;
- b) the ownership of a core fiber optic cable grid and related transmission equipment and an upcountry broadband system of True Internet Corporation Company Limited (“TICC”);
- c) the right to the net revenues to be generated from the commencement date until the expiry date of the lease agreement for the mobile phone network equipment for mobile phone service under HSPA system (“HSPA agreement”) from the rental of certain telecommunications towers and fiber optic cable grid and related transmission equipment of BFKT (Thailand) Limited (“BFKT”) and certain telecommunications towers of Asia Wireless Communication Company Limited (“AWC”), including rights to ownership of certain assets of BFKT and AWC following the expiry date of HSPA agreement;
- d) the Fund enters into a Long-Term Lease Agreement with call option with AWC for leasing 7,981 kilometers of the fiber optic cable, until the year 2035;
- e) the ownership of 2,939 telecommunications towers for mobile telecommunications services of True Move H Universal Communication Company Limited (“TUC”);
- f) the ownership of fiber optic cable (“FOC”) currently used for provision of mobile services in provincial area of TUC for 9,130 kilometers (approximately 314,600 core kilometers);
- g) the ownership of core fiber optic cable (“Core FOC”) currently used for provision of mobile and internet services in Bangkok Metropolitan Area (“BMA”) of True Move Company Limited (“TMV”) for 1,088 kilometers (approximately 235,018 core kilometers);
- h) the Fund enters into Long-Term Lease Agreement with call option with TICC for leasing 13,542 kilometers (approximately 700,000 core kilometers) of the FOC for FTTx system, currently used for provision of internet and broadband internet services in BMA, until the year 2047; and
- i) the ownership of FOC for FTTx system currently used for provision of internet and broadband internet services in provincial area of TMV for 5,933 kilometers (approximately 220,428 core kilometers).

1 General information (Cont'd)

The Management Company proposed to acquire additional investment in telecommunications infrastructures assets ("the Additional Telecommunications Infrastructure Assets No. 4") as described in Note 3.1.

It is assumed that on the beginning of the projection period commencing from 1 October 2019 to 30 September 2020 ("the projected period"), the Fund will have investments in the Additional Telecommunications Infrastructure Assets No. 4 as follows;

- a) the ownership of 788 telecommunications towers to be completed, ready for operation and delivered within 2019 for mobile telecommunications services of TUC, consisting 749 ground-based towers and 39 rooftop-based towers;
- b) the ownership of fiber optic cable ("FOC") currently used for provision of mobile services in provincial areas of TUC for approximately 1,795 kilometres (approximately 107,694 core kilometres);
- c) the ownership of fiber optic cable for FTTx ("FOC for FTTx") Access in Bangkok Metropolitan Area (BMA) of Real Move Company Limited ("RMV") for approximately 315 kilometres (approximately 40,823 core kilometres) and Access in Upcountry Area (UPC) for approximately 617 kilometres (approximately 37,505 core kilometres) and
- d) the ownership of the FOC for FTTx Access in Upcountry Area (UPC) of TICC for approximately 2,797 kilometres (approximately 109,704 core kilometres).

2 Basis of preparation of the projected statement of income

The projected statement of income for the projection period has been prepared for the purpose of being included in circulation report for supporting the investment decision and prospectus being made by unitholders. Therefore, the use of the projected statement of income may not be appropriate in other jurisdictions and should not be used or relied upon for any purpose other than described above.

As the Management Company expects to acquire the Additional Telecommunications Infrastructure Assets No. 4 within the period ending 30 September 2019, thus; the projected statement of income has been prepared based on the hypothetical assumptions that the Fund has invested in All Telecommunications Infrastructure Assets after the Additional Investments No. 4 on 1 October 2019, the first day of the projection period. The actual acquisition date may be different from this date.

The agreement dates of all relevant agreements as stated in Note 3.1 have not been specified on the date of preparation of the projected statement of income. For the purpose of preparing the projected statement of income, it is assumed that all relevant agreements have become effective on 1 October 2019, the first day of the projection period.

Furthermore, the fiscal year end of the Fund is 31 December of each calendar year. However, the projected statement of income has been prepared for the period from 1 October 2019 to 30 September 2020. Therefore, the projection period for the projected statement of income will be different from the fiscal period of the Fund.

2 Basis of preparation of the projected statements of income (Cont'd)

The projected statement of income has been prepared based on accounting policies as described in Note 4 which is in line with accounting policy that is expected to be used by the Fund to propose the financial information for the corresponding period.

An English version of the projected statement of income has been prepared from the projected statement of income that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language of the projected statement of income shall prevail.

3 Summary of significant assumption

The projected statement of income of the Additional Telecommunications Infrastructure Assets No. 4 for the projection period has been prepared based on the significant assumptions listed below. The Management Company considers these assumptions to be appropriate and reasonable as at the date of this report. However, investors should consider these assumptions as well as the projected statement of income of the Additional Telecommunications Infrastructure Assets No. 4 and make their own assessment of the future performance of the Fund.

3.1 Investment in the Additional Telecommunications Infrastructure Assets No. 4 by means of issuance of new investment units

The Management Company proposes to acquire additional investments in the Additional Telecommunications Infrastructure Assets No. 4 ("the Additional Investment No. 4") from TRUE's subsidiaries as follows;

- a) the ownership of 788 telecommunications towers to be completed, ready for operation and delivered within 2019 for mobile telecommunications services of TUC, consisting 749 ground-based towers and 39 rooftop-based towers;
- b) the ownership of fiber optic cable ("FOC") currently used for provision of mobile services in provincial areas of TUC for approximately 1,795 kilometres (approximately 107,694 core kilometres);
- c) the ownership of fiber optic cable for FTTx ("FOC for FTTx") Access in Bangkok Metropolitan Area (BMA) of Real Move Company Limited ("RMV") for approximately 315 kilometres (approximately 40,823 core kilometres) and Access in Upcountry Area (UPC) for approximately 617 kilometres (approximately 37,505 core kilometres) and
- d) the ownership of the FOC for FTTx Access in Upcountry Area (UPC) of TICC for approximately 2,797 kilometres (approximately 109,704 core kilometres).

3 Summary of significant assumption (Cont'd)

3.1 Investment in the Additional Telecommunications Infrastructure Assets No. 4 by means of issuance of new investment units (Cont'd)

The final acquisition price, not exceeding Baht 15,800 million including transaction costs relating to the Additional Telecommunications Infrastructure Assets such as placement agent and lead manager fee, financial advisory fee, technical advisor fee and legal fee, for the Additional Telecommunications Infrastructure Assets No. 4 will be subject to a number of factors such as market conditions, the negotiation results from the rollover of borrowing due in 2020 by the Fund to acquire assets, investors demand and other conditions.

In addition, for the purpose of preparing the projected statement of income, Management Company assumes that there will be no subsequent fair value adjustment after the recognition of such investments, even though the investments need to be measured at fair value through profit or loss at each reporting date in accordance with the accounting policies adopted by the Fund for reporting historical financial information for the corresponding period.

3.2 Revenue

3.2.1 Investment income

The investment income attributable to the Fund is projected by the Management Company on the segmental basis outlined below.

For the period from 1 October 2019 to 30 September 2020	The Existing Telecommunications Infrastructure Assets (Million Baht)	All Telecommunications Infrastructure Assets after Additional Investments No. 4 (Million Baht)
a. Revenue from telecommunications towers	4,638.20	4,854.62
b. Net revenue from fiber optic cable grid	1,551.39	1,551.39
c. Rental revenue from fiber optic cable grid and transmission and upcountry broadband system	6,784.20	7,716.94
Total investment income	12,973.79	14,122.95

The projected income was prepared based on the significant assumptions described below and has taken into consideration several factors relating to the expected terms and conditions of the agreements that had been entered and to be entered into between the Fund, and True's relevant subsidiaries (the "TRUE Group") given current business factors and current terms of the relevant agreements.

The revenues generated from the Asset and Revenue Sale and Transfer Agreement are not subject to VAT. The rental revenue from telecom infrastructure assets is subject to a VAT of 7% which is payable to the Revenue Department.

Digital Telecommunications Infrastructure Fund
Notes to the projected statement of income
For the period from 1 October 2019 to 30 September 2020

3 Summary of significant assumptions (Cont'd)

3.2 Revenue (Cont'd)

3.2.1 Investment income (Cont'd)

a. Revenue from telecommunications towers

The projected revenues from telecommunications towers are based on the assumptions as set forth below.

Underlying agreement	Term of the agreement	For the period from 1 October 2019 to 31 December 2019		For the period from 1 January 2020 to 30 September 2020	
		Number in service	Monthly revenue (Baht)	Number in service	Monthly revenue (Baht)
BFKT as net seller of revenue					
Asset and Revenue Sale and Transfer Agreement	24 December 2013 until 3 August 2025	1,485*	18,161*	1,485*	17,855*
AWC as net seller of revenue					
Asset and Revenue Sale and Transfer Agreement	24 December 2013 until 3 August 2025	4,360*	21,134*	4,360*	20,944*
Asset and Revenue Sale and Transfer Agreement	5 March 2015 until 3 August 2025	338*	21,134*	338*	20,944*
Asset and Revenue Sale and Transfer Agreement	1 December 2017 until 3 August 2025	149*	21,134*	149*	20,944*
TUC as lessee					
Master Lease Agreement	24 December 2013 until 31 December 2027	4,347** (Ground-based)	17,742**	4,347** (Ground-based)	18,190**
		1,653** (Rooftop-based)	30,664**	1,653** (Rooftop-based)	31,389**
Master Lease Agreement	24 November 2017 until 15 September 2033	300** (Ground-based)	11,265**	300** (Ground-based)	11,570**
		50** (Rooftop-based)	10,290**	50** (Rooftop-based)	10,567**
Master Lease Agreement	17 May 2018 until 15 September 2033	2,343** (Ground-based)	11,265**	2,343** (Ground-based)	11,570**
		246** (Rooftop-based)	10,290**	246** (Rooftop-based)	10,567**
Master Lease Agreement	Effective date of Additional Investment No.4 until 15 September 2033	749** (Ground-based)	11,265**	749** (Ground-based)	11,570**
		39** (Rooftop-based)	10,290**	39** (Rooftop-based)	10,567**

* The number of towers in service and monthly net revenue per tower in projection period is based on the rate stipulated in the underlying agreements.

** The number of towers in service and monthly revenue per placement in projection period is based on the rate stipulated in the underlying agreements.

3 Summary of significant assumptions (Cont'd)

3.2 Revenue (Cont'd)

3.2.1 Investment income (Cont'd)

a. Revenue from telecommunications towers (Cont'd)

In addition, the Fund entered into Master Lease Agreement with the third party tenant in the late of 2014 for the telecommunications towers delivered or procured by the TRUE Group; therefore, the number of placements in service and monthly net revenue per placement from third party tenant for those towers will be included in the projected statements of income during the projection period.

Revenue from telecommunications towers from BFKT

The Fund entered into the Asset and Revenue Sale and Transfer Agreement with BFKT on 24 December 2013 to acquire the net revenue to be generated from the rental of certain telecommunications towers of BFKT pursuant to the HSPA agreement dated 27 January 2011 and its amendments entered into between the CAT Telecom Public Company Limited ("CAT") and BFKT, starting from the effectiveness of the Asset and Revenue Sale and Transfer Agreement (1 December 2013) until the expiration of the agreement (3 August 2025).

The net revenue includes revenue from the rental of the telecommunications towers and claims under or in connection with or pursuant to the agreement, after deducting certain costs and expenses for operation and maintenance, rental payments under land leases (including property tax), insurance premiums.

As stipulated in the agreement, BFKT agreed to fully reimburse the Fund for any special business tax in connection with the Asset and Revenue Sale and Transfer Agreement.

Under the term of the agreement, BFKT grants the Fund the option to purchase certain telecommunications assets with Baht 10 million exercisable at the expiry date.

Revenue from telecommunications towers from AWC

On 24 December 2013, the Fund entered into the Asset and Revenue Sale and Transfer Agreement with AWC to acquire the net revenue to be generated from the rental of certain telecommunications towers of AWC towers pursuant to the lease agreement for the telecommunications towers dated 6 August 2012 and amendments entered into between the BFKT and AWC, starting from the effectiveness of the Asset and Revenue Sale and Transfer agreement (1 December 2013) until the expiration of the agreement (3 August 2025).

On 5 March 2015, the Fund entered into the additional Asset and Revenue Sale and Transfer Agreement with AWC to acquire the net revenue to be generated from the rental of 338 telecommunications towers pursuant to the lease agreement for the telecommunications tower dated 6 August 2012 and amendments entered into between the BFKT and AWC, starting from the effectiveness of the Asset and Revenue sale and Transfer agreement (5 March 2015) until the expiration of the agreement (3 August 2025).

3 Summary of significant assumptions (Cont'd)

3.2 Revenue (Cont'd)

3.2.1 Investment income (Cont'd)

a. Revenue from telecommunications towers (Cont'd)

Revenue from telecommunications towers from AWC (Cont'd)

On 24 November 2017, the Fund entered into Asset and Revenue Sale and Transfer Agreement with AWC to acquire the net revenue to be generated from the rental of telecommunications tower of AWC for 149 telecommunications towers, starting from the effectiveness of Asset and Revenue Sale and Transfer Agreement (1 December 2017) until the expiration of the agreement (3 August 2025).

The net revenue includes revenue from the rental of the telecommunications assets and claims under or in connection with or pursuant to the agreement, after deducting certain costs and expenses for operation and maintenance, rental payments under land leases (including property tax) and insurance premiums.

The net revenues also include all claims, awards, judgments, suits and any other rights, except for AWC's rights and claims in connection with the assets which AWC has been entitled to prior to the effective date of the Asset and Revenue Sale and Transfer Agreement between the Fund and AWC regardless of whether AWC makes or has made a claim or receives payment from such rights and claims before or after the effective date of the agreement.

In addition, it is assumed that, in accordance with the payment term to be included in the Asset and Revenue Sale and Transfer Agreement between the Fund and AWC for All Telecommunications Infrastructure Assets after the Additional Investment No. 2, the monthly net revenues to be received by the Fund from AWC's towers are made within the corresponding month. Therefore, there is no outstanding receivable balance at end of each projection period.

As stipulated in the agreement, AWC agreed to fully reimburse the Fund for any special business tax in connection with the Asset and Revenue Sale and Transfer Agreement.

Under the term of the agreement, AWC will transfer the telecommunications towers to the Fund at the expiry date.

3 Summary of significant assumptions (Cont'd)

3.2 Revenue (Cont'd)

3.2.1 Investment income (Cont'd)

a. Revenue from telecommunications towers (Cont'd)

Revenue from telecommunications towers from TUC

On 24 December 2013, the Fund entered into the Asset Transfer Agreement with True. Under the terms of the agreement, True is required to deliver, or procure the delivery of 3,000 telecommunications towers by 31 December 2014 and 3,000 telecommunications towers by 31 December 2015. True had fully delivered totally 6,000 telecommunications towers by 31 December 2015.

The Fund entered into a Master Lease Agreement for telecommunications towers for mobile telecommunications services with TUC for the operation of mobile telecommunications services for a period of 13 years commencing from 1 January 2015 to 31 December 2027.

Under the terms of the agreement, TUC has to make rental payments 1 year in advance for the first batch of 3,000 towers to schedule delivery by 31 December 2014 and 2 years in advance for the second batch of 3,000 towers to schedule delivery by 31 December 2015. Therefore, in 2014, the Fund received advance rental in telecommunications tower placements for the 6,619 placements which can be started rental in 2015, and received advance rental in telecommunications tower placements for the 7,374 placements which can be started rental in 2016.

The advance payment will be charged based on number of placement and varied upon types of the tower. It also includes revenue from the rental of the telecommunications assets in connection with or pursuant to the agreement. Commencing from 1 January 2015 onwards, the advance payment shall be reversed and recognised as rental income. Furthermore, the Fund will be responsible for insurance premiums.

On 24 November 2017, the Fund entered into the addition Asset Sale and Transfer Agreement with TUC in the Additional Investment No.3. TUC has delivered 350 Telecommunications Tower for mobile telecommunication services.

On 17 May 2018, the Fund entered into the addition Asset Sale and Transfer Agreement with TUC in the Additional Investment No.3. TUC has delivered 2,589 telecommunications towers for mobile telecommunication services to the Fund pursuant to the asset sale and transfer agreement dated 24 November 2017 with TUC.

Subsequently, the Fund entered into the Master Lease Agreement for telecommunications towers 350 telecommunications towers totally 700 placements for the Additional Investment No.2 and telecommunications towers 2,589 telecommunications towers totally 5,178 placements for the Additional Investment No.3 with TUC for the operation of mobile telecommunications services for a period of maximum 16 years commencing from the Effective Date for Additional Investment No.2 and No.3 to 15 September 2033.

3 Summary of significant assumptions (Cont'd)

3.2 Revenue (Cont'd)

3.2.1 Investment income (Cont'd)

a. Revenue from telecommunications towers (Cont'd)

Revenue from telecommunications towers from TUC (Cont'd)

Refer to conditions in the Master Lease Agreement, the TRUE Group will be responsible for operation and maintenance expenses and also eligible for the founding lessee discount at the certain rate as stipulated in the agreement and the additional discount at the rate given to the third party tenant.

In 2019, the Fund will enter into the Asset Transfer Agreement with TUC from the Additional Investment No.4. TUC is required to deliver, or procure the delivery of 788 telecommunications towers within 30 September 2019.

Subsequently, the Fund will enter into the Master Lease Agreement for telecommunications towers 788 telecommunications towers totally 1,576 placements with TUC for the operation of mobile telecommunications services for a period of maximum 14 years commencing from the Effective Date for Additional Investment No.4 to 15 September 2033.

b. Revenue from fiber optic cable grid and related transmission equipment

The Fund entered into the Asset and Revenue Sale and Transfer Agreement with BFKT on 24 December 2013 to partially acquire the net revenue to be generated from the rental of the fiber optic cable grid and related transmission equipment pursuant to the HSPA agreement dated 27 January 2011 and its amendments entered into between the CAT and BFKT, starting from the effectiveness of the Asset and Revenue Sale and Transfer Agreement (1 December 2013) until the expiration of the HSPA agreement (3 August 2025).

Projected income from the right to net revenues to be generated from BFKT's fiber optic cable grid and related transmission equipment is based on the assumption that the Fund has the right to receive the net revenues generated from 9,169 hybrid links leased to CAT on an exclusive basis for a monthly fixed net revenue of Baht 14,100 per link, with reference to the current proposed rate by BFKT to CAT. The net revenues include the deduction of a pre-determined direct cost associated with the fiber optic cable grid, such as operating and maintenance expenses, right of way costs, and insurance costs.

According to the payment term as stipulated in the HSPA agreement, CAT will pay BFKT within 40 days after receiving the monthly billing from BFKT which is within 10 days after the calendar month end. Therefore, it is assumed that the monthly net revenues pursuant to the Asset and Revenue Sale and Transfer Agreement between the Fund and BFKT will be received by the Fund 2 months after each month end.

As stipulated in the agreement, BFKT agreed to fully reimburse the Fund for any special business tax in connection with the Asset and Revenue Sale and Transfer Agreement.

Under the term of the agreement, BFKT grants the Fund the option to purchase majority of certain telecommunications assets of BFKT at Baht 10 million exercisable at the expiry date.

Digital Telecommunications Infrastructure Fund
Notes to the projected statement of income
For the period from 1 October 2019 to 30 September 2020

3 Summary of significant assumptions (Cont'd)

3.2 Revenue (Cont'd)

3.2.1 Investment income (Cont'd)

c. Rental revenue from fiber optic cable grid and transmission and broadband system

The projected rental revenues from fiber optic cable grid and transmission and broadband system are based on the assumptions as set forth below.

Underlying agreement	Date of investment	Term of the agreement	Purchase option price to acquire the ownership (Million Baht)	For the period from 1 October 2019 to 30 September 2020		Area
				Number in service (core km)	Monthly revenue per core km (Baht)	
TICC as lessee						
Asset Sale and Transfer Agreement with TICC and Master Lease Agreement	24 December 2013	24 December 2013 until 31 December 2026	-	81,089 and 82,710 (For 2019 and 2020)	350 *	Upcountry
				Passive telecommunications equipment	Baht 34.34 Million per year	-
				Active telecommunications equipment	Baht 322.70 and Baht 329.25 Million per year (For 2019 and 2020)	-
Long-Term Lease Agreement with AWC and Master Lease Agreement	5 March 2015	5 March 2015 until 31 December 2026	500	203,268 and 204,794 (For 2019 and 2020)	350 *	Upcountry
Long-Term Lease Agreement TICC and Sub lease Agreement	24 November 2017	24 November 2017 until 15 September 2033 **	200	64,011	350 *	Bangkok Metropolitan
Long-Term Lease Agreement TICC and Sub lease Agreement	17 May 2018	17 May 2018 until 15 September 2033 **	1,300	495,989	350 *	Bangkok Metropolitan
Asset Sale and Transfer Agreement with TMV and Master Lease Agreement	17 May 2018	17 May 2018 until 15 September 2033 **	-	176,342	350 *	Upcountry Area
Asset Sale and Transfer Agreement with TICC and Master Lease Agreement	Effective date of Additional Investment No.4	Effective date of additional investment No.4 until 15 September 2033 **	-	109,704	350 *	Upcountry
Asset Sale and Transfer Agreement with RMV and Master Lease Agreement	Effective date of Additional Investment No.4	Effective date of additional investment No.4 until 15 September 2033 **	-	78,328	350 *	Bangkok Metropolitan 40,823 core km and Upcountry 37,505 core km

Digital Telecommunications Infrastructure Fund
Notes to the projected statement of income
For the period from 1 October 2019 to 30 September 2020

3 Summary of significant assumptions (Cont'd)

3.2 Revenue (Cont'd)

3.2.1 Investment income (Cont'd)

c. Rental revenue from fiber optic cable grid and transmission and broadband system (Cont'd)

The projected rental revenues from fiber optic cable grid and transmission and broadband system are based on the assumptions as set forth below. (Cont'd)

Underlying agreement	Date of Investment	Term of the agreement	Purchase option price to acquire the ownership (Million Baht)	For the period from 1 October 2019 to 30 September 2020		Area
				Number in service (core km)	Monthly revenue per core km (Baht)	
TUC as lessee						
Asset Sale and Transfer Agreement with TUC and Master Lease Agreement	24 November 2017	24 November 2017 until 15 September 2033 **	-	50,075	350 *	Upcountry
Asset Sale and Transfer Agreement with TMV and Master Lease Agreement	24 November 2017	24 November 2017 until 15 September 2033 **	-	93,717	350 *	Bangkok Metropolitan
Asset Sale and Transfer Agreement with TUC and Master Lease Agreement	17 May 2018	17 May 2018 until 15 September 2033 **	-	201,605	350 *	Upcountry
Asset Sale and Transfer Agreement with TMV and Master Lease Agreement	17 May 2018	17 May 2018 until 15 September 2033 **	-	94,297	350 *	Bangkok Metropolitan
Asset Sale and Transfer Agreement with TUC and Master Lease Agreement	Effective date of Additional Investment No.4	Effective date of additional investment No.4 until 15 September 2033 **	-	107,694	350 *	Upcountry

* The rental rate of Baht 350 per core kilometre per month is before deducting any discount and the lessee will be responsible for the maintenance of leased assets.

** TRUE group may extend the lease term for the earlier of a period of up to 10 years after the first expiration date or the expiration date of the telecommunications license obtained, upon fulfillment of the prescribed conditions.

3 Summary of significant assumptions (Cont'd)

3.2 Revenue (Cont'd)

3.2.1 Investment income (Cont'd)

c. Rental revenue from fiber optic cable grid and transmission and broadband system (Cont'd)

Rental revenue from fiber optic cable grid and transmission and upcountry broadband system

On 24 December 2013, the Fund entered into the Asset Sale and Transfer Agreement with TICC and TICC had delivered the fiber optic cable grid, related transmission equipment and an upcountry broadband system to the Fund on the date of the Fund's initial investment. Subsequently, the Fund entered into the Master Lease Agreement with the founder tenants for the passive telecommunications equipment for a period of 13 years commencing from 24 December 2013 to 31 December 2026 and for the active telecommunications equipment for a period of 5 years commencing from 24 December 2013 to 31 December 2018.

Later, on 17 May 2018, the Fund has extended the lease term to 15 September 2033 for the passive telecommunications equipment and to 31 December 2021 for the active telecommunications equipment.

On 5 March 2015, the Fund entered into a Long-Term Lease Agreement with purchase option with AWC for leasing 7,981 kilometres of the fiber optic cable. The lease term is 20 years starting from the effectiveness of the Long-Term Lease Agreement (5 March 2015) until the expiration of the agreement (4 March 2035). Subsequently, the Fund entered into the Master Sub-Lease Agreement for subleasing the assets from TICC commencing 5 March 2015 to 7 December 2026.

On 24 November 2017, the Fund entered into Asset Sale and Transfer Agreement with TUC for Additional Investment in Telecommunications Infrastructure Asset No. 2. TUC has delivered FOC currently used for the operation of mobile services in provincial areas with approximate distance of 1,113 kilometres (62,594 core kilometres).

On 17 May 2018, the Fund entered into the addition Asset Sale and Transfer Agreement with TUC in the Additional Investment No.3. TUC has delivered FOC currently used for the provision of mobile services in provincial areas for 8,017 kilometres (approximately 252,006 core kilometres) to the Fund pursuant to the asset sale and transfer agreement dated 24 November 2017 with TUC.

3 Summary of significant assumptions (Cont'd)

3.2 Revenue (Cont'd)

3.2.1 Investment income (Cont'd)

c. Rental revenue from fiber optic cable grid and transmission and broadband system (Cont'd)

Rental revenue from fiber optic cable grid and transmission and upcountry broadband system (Cont'd)

Subsequently, the Fund also entered into the Master Lease Agreement with TUC approximately 80 percent of the total FOC acquired from TUC with lease term of up to 16 years (15 September 2033) commencing from the Effective Date for Additional Investment No. 2 and No. 3 with rental rate Baht 350 per core kilometre per month.

In 2019, the Fund will enter into Asset Sale and Transfer Agreement with TUC for Additional Investment in Telecommunications Infrastructure Asset No. 4. TUC will deliver FOC currently used for the operation of mobile services in provincial areas for approximately 1,795 kilometres (approximately 107,694 core kilometres).

Subsequently, the Fund also will enter into the Master Lease Agreement with TUC approximately 80 percent of the total FOC acquired from TUC with lease term of up to approximately 14 years (15 September 2033) commencing from the Effective Date for Additional Investment No. 4 with rental rate Baht 350 per core kilometre per month.

Rental revenue from fiber optic cable in Bangkok Metropolitan Area (BMA)

On 24 November 2017, the Fund entered into the Asset Sale and Transfer Agreement with TMV in the Additional Investment No.2 and TMV had delivered the fiber optic cable in Bangkok Metropolitan Area (BMA) with distance of 542 kilometres (117,147 core kilometres).

On 17 May 2018, the Fund entered into the addition Asset Sale and Transfer Agreement with TMV in the Additional Investment No.3. TMV has delivered Core FOC for provision of mobile and internet services in BMA for 546 kilometres (approximately 117,871 core kilometres) to the Fund pursuant to the asset sale and transfer agreement dated 24 November 2017 with TMV.

Subsequently, the Fund also entered into the Master Lease Agreement with TUC for approximately 80 percent of the total FOC in BMA with lease term of up to 16 years (15 September 2033) commencing from the Effective Date for Additional Investment No. 2 and No. 3 with rental rate Baht 350 per core kilometre per month.

3 Summary of significant assumptions (Cont'd)

3.2 Revenue (Cont'd)

3.2.1 Investment income (Cont'd)

c. Rental revenue from fiber optic cable grid and transmission and broadband system (Cont'd)

Rental revenue from fiber optic cable for FTTx in Bangkok Metropolitan Area (BMA)

On 24 November 2017, the Fund entered into a Long-Term Lease Agreement with TICC for a term of 30 years from the effective date of Additional Investment No. 2 with purchase option of FOC for FTTx used for operation of internet and broadband internet services in BMA with distance of approximately 670 kilometres (approximately 80,014 core kilometres). The exercise price for the purchase of the ownership in such assets being Baht 200 million.

On 17 May 2018, the Fund entered into a long-term lease agreement with call option with TICC for leasing 12,872 kilometres (approximately 619,986 core kilometres) of the FOC for FTTx used for provision of internet and broadband internet services in BMA. The lease term is 30 years starting from the Effective Date for Additional Investment in telecommunications infrastructure assets No. 3. The exercise price for the purchase of the ownership in such assets being Baht 1,300 million.

Subsequently, the Fund entered into the Sub-Lease Agreement with TICC for leasing of 80 percent of these assets with lease term of up to 16 years (15 September 2033) commencing from the Effective Date for Additional Investment in telecommunications infrastructure assets No. 2 and No.3 with rental rate Baht 350 per core kilometre per month.

In 2019, the Fund will enter into the addition Asset Sale and Transfer Agreement with RMV for Additional Investment No. 4. RMV will deliver FOC for FTTx system currently used for provision of internet and broadband internet services in BMA for approximately 315 kilometres (approximately 40,823 core kilometres) to the Fund.

Subsequently, the Fund also will enter into the Master Lease Agreement with TICC for approximately 80 percent of the total FOC for FTTx in BMA with lease term of up to approximately 14 years (15 September 2033) commencing from the Effective Date for Additional Investment No. 4 with rental rate Baht 350 per core kilometre per month.

3 Summary of significant assumptions (Cont'd)

3.2 Revenue (Cont'd)

3.2.1 Investment income (Cont'd)

c. Rental revenue from fiber optic cable grid and transmission and broadband system (Cont'd)

Rental revenue from fiber optic cable for FTTx in Upcountry Area (UPC)

On 17 May 2018, the Fund entered into the addition Asset Sale and Transfer Agreement with TMV in the Additional Investment No.3. TMV has delivered FOC for FTTx system currently used for provision of internet and broadband internet services in provincial areas for 5,933 kilometres (approximately 220,428 core kilometres) to the Fund pursuant to the asset sale and transfer agreement dated 24 November 2017 with TMV.

Subsequently, the Fund also entered into the Master Lease Agreement with TUC for approximately 80 percent of the total FOC for FTTx in UPC with lease term of up to 16 years (15 September 2033) commencing from the Effective Date for Additional Investment No. 3 with rental rate Baht 350 per core kilometre per month.

In 2019, the Fund will enter into the addition Asset Sale and Transfer Agreement with RMV and TICC for Additional Investment No. 4. RMV and TICC will deliver FOC for FTTx system currently used for provision of internet and broadband internet services in UPC for approximately 617 kilometres (approximately 37,505 core kilometres) and for approximately 2,797 kilometres (approximately 109,704 core kilometres), respectively, to the Fund.

Subsequently, the Fund also will enter into the Master Lease Agreement with TICC for approximately 80 percent of the total FOC for FTTx in UPC with lease term of up to approximately 14 years (15 September 2033) commencing from the Effective Date for Additional Investment No. 4 with rental rate Baht 350 per core kilometre per month.

3 Summary of significant assumptions (Cont'd)

3.2 Revenue (Cont'd)

3.2.2 Interest income

Projected interest income is primarily derived from the average projected ending cash balance which is derived from cumulative net cash from operations after distributions to unitholders, with an average interest rate of 1.0% per annum, in line with current deposit rates. It is assumed that interest income will be receivable on an annual basis.

3.3 Operating expenses

The operating expenses are mainly the expenses associated with holding the ownership of telecommunication towers, fiber optic cable grid and related transmission equipment and an upcountry broadband system such as relocation expenses, right of way costs and insurance costs. The projected operating expenses are projected by the Management Company and the Sponsor and correspond to the assets expected to be held by the Fund and primarily based on currently available information on actual operating costs associated with holding these assets. The operating costs also include marketing costs and assets administration costs which are projected based on the expected level of marketing activities and administration activities during the projection period. In addition, the Fund will not carry out its own assets administrative and marketing activities; rather it will outsource these activities to the Telecom Asset Manager, as discussed below under the categories assets administration costs and marketing costs.

It is assumed that the Fund will register as a VAT registrant and thus be eligible to claim refunds of input VAT. However, the refundable VAT amount depends on whether such costs are clearly identifiable as related to revenue of a business that is subject to VAT. If they are costs common to businesses subject to VAT and businesses which are not subject to VAT, the Fund will need to allocate the input VAT according to the revenue ratio between the businesses subject to VAT and businesses not subject to VAT of each financial year.

Below is the summary of operating expenses.

For the period from 1 October 2019 to 30 September 2020	The Existing Telecommunications Infrastructure Assets (Million Baht)	All Telecommunications Infrastructure Asset after Additional Investments No. 4 (Million Baht)
Right of way expenses	156.59	167.22
Land leases and property tax expenses	1,036.96	1,105.83
Insurance expense	3.92	5.42
Telecom asset manager fees	48.90	50.65
Tower relocation expenses	82.98	82.98

3 Summary of significant assumptions (Cont'd)

3.3 Operating expenses (Cont'd)

3.3.1 Right of way expenses

The Fund will incur right of way costs for hanging fiber optic cable. Projected right of way expenses are based on the current costs per kilometre of a cable incurred by the founder tenants in conjunction with holding such assets, with fixed rate throughout the period from 1 October 2019 to 30 September 2020.

3.3.2 Land leases and property tax expenses

Land leases and property tax expenses are projected based on relevant terms and conditions of the Amended and Restated Master lease, Operation and Management Agreement between the Fund and the Sponsor. Under such terms and conditions, the Fund shall pay a monthly compensation fee stated in the agreement to TUC, as an anchor lessee of the Fund, to be responsible for the towers under the Master Lease Agreement with TUC dated 24 December 2013.

3.3.3 Insurance expense

Projected insurance expenses are based on the insurance premiums and brokerage fees currently incurred by the Fund that covers business interruption, property damage and public liability for the Additional Telecommunications Infrastructure Assets except for (i) the active equipment that the insurance coverage does not cover and (ii) the asset under the Asset and Revenue Sale and Transfer Agreement which have been covered the business interruption and public liability insurances only the fund will arrange for the property damage insurance for the assets under the Asset and Revenue Sale and Transfer Agreement once those assets are transferred to the Fund.

3.3.4 Telecom asset manager fees

The telecom asset manager fee is payable to Telecom Asset Manager to provide certain administrative and marketing services for the relevant Telecommunications Infrastructure Assets owned by the Fund as stipulated in the contract.

- i) Charges for the Administrative Services consist of:
 - a) an annual fixed charge of Baht approximately 19.0 million for year 2019, subject to annual escalation starting in 2020 at the rate equal to the Consumer Price Index (CPI) announced by the Ministry of Commerce of Thailand for the previous year, subject to a maximum of 3.5%; and
 - b) a monthly charge equal to 0.15% of the Fund's monthly net revenue (after deducting costs associating with rights of way, insurance, and rental payments under land leases) generated from the Managed Assets.

3 Summary of significant assumptions (Cont'd)

3.3 Operating expenses (Cont'd)

3.3.4 Telecom asset manager fees (Cont'd)

ii) Charges for the marketing services consist of:

- a) a monthly charge equal to 2% of the Fund's monthly revenue received from any tenant (s) leasing the marketing assets in addition to those leased or committed to lease by the founder tenants on the date of the relevant master lease, operation and management agreements with an additional annual charge equal to 3% on any amount in excess of the annual budgeted revenue for the marketing assets for such year;
- b) a charge of Baht 20 million payable on the first Business Day of the year 2019 or any other date as agreed between the Fund and the Telecom Asset Manager, with respect to the additional marketing assets to be delivered to the Fund pursuant to the Additional Telecommunications Infrastructure Assets No.2 and No.3 that will be marketed by the Telecom Asset Manager commencing in year 2019.

3.3.5 Tower relocation expenses

Tower relocation expenses are projected based on relevant terms and conditions of the Amended and Restated Master lease, Operation and Management Agreement between the Fund and the Sponsor. Under such terms and conditions, the Fund shall pay a monthly compensation fee of Baht 6.6 million to TUC, as an anchor lessee of the Fund, to be responsible for the tower relocation in respect of the Master Lease Agreement dated 24 November 2017 and dated 17 May 2018, including Additional Investment No. 4. In addition, the tower relocation expenses of Baht 6.6 million will be subject to an annual escalation rate of 2.7% from January 2019 onward.

3.4 Fund Expenses

The Fund expenses are projected based on expected terms and conditions of relevant agreements and historical data from the Management Company's experiences.

The majority of the Fund expenses attributable to business are subject to VAT and not subject to VAT, therefore, the respective projected expenses are calculated based on the fee and charges plus a non-refundable input VAT of 5.35% for the period from 1 October 2019 to 31 December 2019 and 5.37% for the period from 1 January 2020 to 30 September 2020 except audit fee which is exempted from VAT.

3.4.1 Fund management fee

The Fund management fee is payable to the Management Company as stipulated in the relevant agreements and is calculated based upon a progressive annual of 0.11% of the portion of adjusted net asset value of the Fund below Baht 30,000 million, of 0.075% of the portion of adjusted net asset value of the Fund between Baht 30,000 million to Baht 50,000 million, and of 0.050% of the portion of the adjusted net asset value of the Fund over Baht 50,000 million. Such rates are before VAT.

The adjusted asset value for the Fund management fee calculation purpose is the total assets minus non-interest bearing liabilities at end of each Projection Period.

3 Summary of significant assumptions (Cont'd)

3.4 Fund Expenses (Cont'd)

3.4.2 Fund supervisor fee

The Fund supervisor fee is payable to the Fund Supervisor as stipulated in the relevant agreements and is calculated based on a progressive annual rate of 0.02% of the portion of net asset value of the Fund of up to Baht 50,000 million and 0.018% of the portion of the net asset value of the Fund over Baht 50,000 million. Such rates are before VAT.

3.4.3 Registrar fee

The registrar fee is payable to the Fund's registrar as stipulated in the relevant agreements, and is calculated based on an annual fee of 0.023% of the registered capital of the Fund, subject to a minimum fee of Baht 3.2 million and a maximum of Baht 5.0 million. Such rates are before VAT.

3.4.4 Professional fees

Professional fees are payable to the Fund's advisers, such as specialists, external auditors, legal counsels, approximately of Baht 1.86 million per year. These projected expenses are primarily based on the relevant agreements.

3.4.5 Other expenses

Projected other cash expenses before the Additional Investment No. 4 are approximately nearby to those after the Additional Investment No. 4 at approximately Baht 31.90 million per year, mainly consisting of projected general and other administrative costs of approximately Baht 28.55 million and ongoing annual listing fees payable to the SET of approximately Baht 3.0 million per year. The rate includes VAT except the ongoing annual listing fees which rated before VAT. These projected expenses are primarily based on the Management Company's experience and information available.

Projected other expenses after the Additional Investment No. 4 have additional other non-cash expenses associated with the Additional Investment No. 4, including amortisation of placement agent and lead manager fee, amortisation of financial advisory fee, amortisation of technical advisor fee and amortisation of legal fee amounting to approximately Baht 25.75 million per year (Note 3.10).

3.5 Interest expense

Projected interest expense is incurred by the Fund as of debt financing from financial institutions in relation to Additional Investments in Telecommunications Infrastructure Assets No. 1 to No. 3. Interest expense is assumed to be at 5.46% per annum for the borrowing of Additional Investments in Telecommunications Infrastructure Assets No. 1 amounting to Baht 13,100 million and 4.82% per annum for the borrowing of Additional Investments in Telecommunications Infrastructure Assets No. 2 and No. 3 amounting to Baht 14,898 million. Furthermore, it is assumed that the Fund will not make any repayment even though the borrowings from the Additional Investment No. 1 amounting to Baht 13,100 will be due in March 2020. Since the Fund plans to roll over these borrowings and will not draw down additional debt from financial institution for the Additional Investment No. 4. The final interest rate from roll over of borrowings and other conditions will depend on the negotiation between the Fund and financial institutions that may vary from the aforementioned assumptions.

3 Summary of significant assumptions (Cont'd)

3.6 Fair valuation of investments in the Telecommunications Infrastructure

No depreciation is applied to the Investment Property in accordance with Thai Accounting Standard No. 106 "Accounting for Investment Companies". According to Thor Nor 1/2554, The Fund is required to conduct appraisal of infrastructure business every three year. However, by current practice, the Fund conducts periodic appraisal every year from the date of last appraisal.

Fair value of investments in the Telecommunications Infrastructure Assets is determined from the appraisal value, conducted by the independent appraiser who is approved by the Securities and Exchange Commission (SEC).

For the purpose of preparing the projected statement of income, the Management Company has assumed that there will be no subsequent fair value adjustment during the projection period as described in Note 3.1.

Any subsequent unrealised gain or loss from revaluation of the investment in telecommunications infrastructure will not affect the projected statement of income as the Fund's distributions are based on net income before unrealised gain or loss upon revaluation of the investment in telecommunications infrastructure assets.

Since there is an announcement that Thai Accounting Standard No. 106 "Accounting for Investment Companies" might be superseded in the period starting in or after 1 January 2020. When this announcement is effective, the measurement of the investment in telecommunications infrastructure assets might be changed as described in Note 3.11.

3.7 Dividend policy

It is assumed that during the projection periods the Fund will pay 100% of the adjusted net investment income as dividends on a quarterly basis. Going forward, the Management Company will use its discretion to manage the payout ratio, taking into account the minimum cash balance maintained by the Fund. It is further assumed that the adjusted net investment income spread equally during each projection period, and that each quarter's dividend is declared and subsequently paid within 90 days after the quarterly period ended.

In order to comply with the Fund scheme and the securities law if the Fund has an adjusted net profit in a given year and does not have accumulated losses, it must pay not less than 90% of the adjusted net profit for the year. The adjusted net profit is calculated from the accounting profit after deductions for the following items; unrealised gains from the appraisals or review of the value of the investments, and a capital reserve for the repair, maintenance and improvement or acquisition of additional infrastructure assets or repayment of any loan or commitment, in according to the plan specified in the prospectus or notified in advance by the Management Company to unitholders.

3 Summary of significant assumptions (Cont'd)

3.7 Dividend policy (Cont'd)

It is assumed during the projection period that if permitted under the securities law, the Management Company will use its discretion to set aside a capital reserve to fund future and ongoing additional acquisitions of assets from the founder tenants in addition to drawing down debt facilities from its committed credit lines.

As described in Note 3.1 and Note 3.6, for the purpose of preparing the projected statement of income, it is assumed that there will be no subsequent fair value adjustment during the projection period nor the impacts of revocation of accounting standards which will affect the record of expenditures and/ or future revaluation or impairment of such assets. If such effects, which are considered to be non-cash transactions for the Infrastructure Assets, both current Infrastructure Assets and Additional Infrastructure Assets No. 4, occur when the Fund has retained earnings exceeding unrealised losses from such future revaluation, any impairment or any expenditures, dividend policy will not be affected. Nonetheless, if retained earnings is less than unrealised losses from revaluation, the Fund would consider the distribution in the form of capital reduction to unitholders.

3.8 Excess liquidity

During the projection period, it is assumed that after the Additional Investment No. 4, there is excess liquidity arising from the cash receipts from the monthly installments of advance rental for placements on the towers approximately Baht 59.35 million, reserve from retained earnings for upfront fee of the Additional Investment No. 1 borrowing rollovers (Note 3.5) approximately Baht 131.00 million and an amortisation of transaction costs relating to issuance of new investment units from the Additional Investment No. 4 approximately Baht 25.75 million and an amortization of Telecom asset manager fees Baht 5 million from the Additional Investment No. 2 and 3.

3.9 Expense relating to financing

The Fund will be responsible for the expenses related to financing for a borrowing rollover of Additional Investment No. 1 approximately Baht 131.00 million by reserving from retained earnings stated in Note 3.8.

The upfront fee for borrowing rollover of 1.25% is calculated under the assumption that the Fund will roll over the borrowing amounting to Baht 13,100 million for extending the repayment period of 5 years (Note 3.5).

From the assumption, the Fund may incur gain or loss from roll overing such borrowings, which is not related to operation of the Fund. As a result, the gain from the transaction is not reflected into projected financial statement. The final terms and conditions under borrowing rollover and the related fees will depend on the negotiation between the Fund and financial institutions that may vary from the aforementioned assumption.

3 Summary of significant assumptions (Cont'd)

3.10 Transaction costs relating to Additional Telecommunications Infrastructure Assets, Preferential Public Offering, and issuance of new investment units

The Fund is responsible for the expenses related to Additional Telecommunications Infrastructure Assets, Preferential Public Offering, and issuance of new investment units such as placement agent and lead manager fee, financial advisory fee, technical advisor fee and legal fee amounting to Baht 128.75 million. Any costs relating to such transactions are deferred and amortised over the periods as described in Note 3.11. Furthermore, any costs necessary to the Additional Telecommunications Infrastructure Assets, Preferential Public Offering, and issuance of new investment units are reserved from the investment fund, which will not affect the allocation of income for payout ratio.

3.11 Thai accounting standards

During the projection period, it is assumed that there will be no amendments in applicable Thai Accounting Standards or Financial Reporting Standards that may have a material effect on the projected statement of income. Therefore, the Accounting Standards for the projected statement of income is consistent with the accounting policy being used by the Fund in 2019, which follows the Thai Accounting Standard No. 106 "Accounting for Investment Companies".

Nevertheless, due to the revocation of the Thai Accounting Standard No. 106 "Accounting for Investment Companies" which may be effective to the accounting records of the funds registered in Thailand, including the Infrastructure Assets Funds, for the period beginning on or after 1 January 2020, if it is effective, the Thai Accounting Standards applied in the projected statement of income of the Fund from 1 October 2019 to 30 September 2020 will be as follows:

- Thai Accounting Standard No. 32 "Financial Instruments: Presentation"
- Thai Accounting Standard No. 16 "Property, Plant and Equipment"

The change in application of Thai Accounting Standards or Financial Reporting Standards may have material effects on the projected statement of income as follows;

Transaction costs relating to issuance of new investment units

Any costs relating to the issuance of new investment units are deferred and amortised over the periods that the Fund expected to receive the benefits from the transaction in accordance to Thai Accounting Standard No. 106 "Accounting for Investment Companies" However, in accordance with Thai Accounting Standard No. 32, "Financial Instruments: Presentation", any costs necessary to the occurrence of issuance of new investment units are accounted for as a deduction from equity received from unitholders.

Measurement of investment in the infrastructure assets

In accordance with Thai Accounting Standard No. 106 "Accounting for Investment Companies", the fund is required to conduct appraisal of infrastructure assets every three year following Note 3.6. Upon the revocation of Thai Accounting Standard No. 106 Accounting for Investment Companies", investment in the infrastructure assets will be reclassified to equipment pursuant to Thai Accounting Standard No.16 "Property, Plant and Equipment". The initial recognition of investment in the infrastructure assets is stated at historical cost less accumulated depreciation. Initial cost includes expenditure that is directly attributable to the acquisition of the investment and the subsequent recognition will be at fair value less accumulated depreciation and impairment loss (if any) to reflect the net carrying value for the revaluation method. The revaluation is based on yearly valuations by external independent valuers.

3 Summary of significant assumptions (Cont'd)

3.11 Thai accounting standards (Cont'd)

The change in application of Thai Accounting Standards or Financial Reporting Standards may have material effects on the projected statement of income as follows; (Cont'd)

Measurement of investment in the infrastructure business (Cont'd)

Increases in the carrying amount arising on revaluation of assets, are credited to other comprehensive income and shown as gain on asset revaluation in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against gain on asset revaluation directly in equity; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from 'gain on asset revaluation' to retained earnings.

3.12 Other assumptions

The following additional assumptions were made in preparing the projected statement of income:

- that the investment portfolio will remain unchanged throughout the projection period;
- that there will be no significant change in taxation legislation or other applicable legislation;
- that all contracts are enforceable and will be performed in accordance with their terms;
- It is assumed that, as part of the terms to be included in the Asset and Revenue Sale and Transfer Agreements, the sellers agree to fully reimburse the Fund for any specific business tax payable to the Revenue Department as a result of the Asset and Revenue Sale and Transfer Agreements. Therefore, in the projected statement of income, specific business tax expenses are presented in the statement of income fully net of the reimbursements.

4 Significant accounting policies

The principal accounting policies adopted in the preparation of the projected statement of income is set out below:

a) Basis of preparation of the projected statement of income

The projected statement of income only contains information relating to the projected statement of income, the related assumptions and notes to the projected statement of income does not contain the complete set of financial statements and related notes to the financial statements. Therefore, the projected statement of income does not present fairly the financial position, results of operations in accordance with the accounting principles generally accepted in Thailand.

The accounting policy which is applied in the projected statement of income is consistent with the accounting policy being used by the Fund in 2019 which follows Thai Accounting Standard No. 106 "Accounting for Investment Companies". However, the accounting policies being used by the Fund in 2020 might result in such effects discussed in Note 3.11.

4 Significant accounting policies (Cont'd)

The principal accounting policies adopted in the preparation of the projected statement of income is set out below: (Cont'd)

b) Measurement of investment

Investments are recognised as assets at cost of investment at the date on which the Fund has rights on investments. The cost of investments comprises the purchase prices and all direct expenses which the Fund paid to acquire such investments.

Investments in the Telecommunications Infrastructure Assets

Investments in the Telecommunications Infrastructure Assets are stated at fair value in accordance with Thai Accounting Standard No. 106 "Accounting for Investment Companies". The fair value of the investments in Telecommunications Infrastructure Assets is stated at appraisal value of independent professional valuer, approved by Securities and Exchange Commission. According to Thor Nor 1/2554, the Fund is required to conduct appraisal of infrastructure business every three year. However, by current practice, the Fund conducts periodic appraisal every year from the date of last appraisal.

Unrealised gain or loss from changing in fair value of investment in the Telecommunications Infrastructure Assets will not include in the projected statement of income in that period.

c) Accounting for long-term leases

Where the fund is the lessor

Assets leased out under operating leases are included in investment in the Telecommunications Infrastructure Assets and equipment in notes to the projected statement of income. Rental income is recognised over the lease term and according to the contract.

d) Accounts receivable from rental

Monthly rental receivables are recognised on rental calculation report which applied the method and the rate stipulated in the Master Lease Agreement.

e) Revenues and expenses recognition

Rental income from the investment in the Telecommunications Infrastructure Assets and Revenue Sale and Transfer Agreement and rental income are recognised on an accrual basis, at the amounts stipulated under the agreement.

Unearned lease income is initially recognised as a liability and subsequently recognised in the projected statements of income starting from the date which the lessee is entitled to exercise its right to use the leased assets until end of the lease term.

Interest income is recognised on an accrual basis based on the effective interest rate.

Gains/losses on sales of investments are recognised as income/expenses on the transaction dates.

Expenses are recorded on an accrual basis.

4 Significant accounting policies

The principal accounting policies adopted in the preparation of the projected statement of income is set out below: (Cont'd)

f) Income taxes

The Fund is exempt from corporate income tax in Thailand. No provision for corporate income tax has been made in the projected statement of income.

5 Approval of the projected statement of income

The projected statement of income were authorised for issuance by the Management Company and the Sponsor on 29 May 2019.