

2019

ANNUAL REPORT



DIF

Digital Telecommunications Infrastructure Fund

Digital Telecommunications Infrastructure Fund

2019 Annual Report

From 1 January 2019 to 31 December 2019



Letter from the Asset Management Company

April 22, 2020

To Unitholders,

SCB Asset Management Co. Ltd. would like to submit the 2019 annual report of the Digital Telecommunications Infrastructure Fund (“The Fund”) for the period between 1 January 2019 and 31 December 2019 to unitholders.

The Fund was registered on December 23, 2013 with Net Asset Value as of December 31, 2019 of THB 172,746.00 million or a net value of THB 16.2482 per unit. During the period between 1 January 2019 and 31 December 2019, the Fund’s total incomes and expenses were THB 12,975.37 million and THB 2,580.50 million, respectively, resulting in the net operating income in the period of THB 10,384.87 million.

The SCB Economic Intelligence Center (“EIC”) expects the Thai economy in 2019 to expand by 2.5% year-on-year due to the impact from the trade war between the world’s major economic powers that has led to the contraction of the Thai export sector, which in turn contributes to the slowdown of the Thai economy. This was reflected through several major indicators such as a continued decline of the manufacturing production index and the capacity utilization rate, falling total employment rate and non-agriculture incomes as well as decreasing investment index. Only the tourism sector continued to expand but the spending per head was pressured by an ongoing appreciation of Thai Baht that till the end of the year.

The recent contraction of Thailand’s export sector was a result of the following three factors: (1) the US-China trade war that had started in the latter half of 2018, which then affected Thai exports in the production supply chain of China’s exported products to the US as they were subject to higher import tariff as well; (2) the world’s weakening auto industry that had continued since September 2018 and failed to recover since; and (3) the world’s oil price that kept falling compared to the same period a year earlier and the refinery shutdown towards the end of the year for maintenance purpose. As a result, the Monetary Policy Committee (MPC) decided to maintain the policy rate at 1.25%. The PMC also expected the average inflation rate for the entire 2019 to be at 0.7%, and up to 0.8% in 2020. These average inflation rates of both 2019 and 2020 are lower than the target due largely to falling energy prices as a result of the world’s economic decline. The PMC, while remaining concerned about the situation of the Thai Baht, sees lesser pressure towards the currency appreciation in the near future. The SCB EIC therefore foresees that the PMC may cut its policy rate further in 2020 as a result of lower risk pressure overseas and the fact that it needs to keep policy space to accommodate next-phase risks. Meanwhile, the government’s economic stimulus measures, if any, will help shoring up the domestic economy only.



The EIC forecasts that the Thai economy in 2020 will expand 1.8% year-on-year, which is down from the previous forecast of 2.1%. It is highly likely that the government will issue additional stimulus measures to boost the Thai economy in 2020, which we have to closely monitor. In 2020, the Monetary Policy Committee (MPC) is expected to maintain the policy rate at 1.0%, which is the historically low rate. Yet, the SCB EIC feels that there is 40% chance for the MPC to further cut the policy rate if risks to the Thai economy continue to persist and the debt service ability is worsening. Regarding fundamental factors, the Covid-19 situation may take at least five months for everything to return to normalcy in June 2020, which means the impact will be the highest in Q1, mostly from China's stringent measures to fight the disease that affects Chinese tourists travelling overseas as well as China's halted production and transportation of goods and services.

The EIC expects to see the mobile phone business continue growing by 3%, which is down from the industry's average growth rate during the past 4-5 years (2013-2017). This is thanks largely to a constant increase of data consumption and the fact that more consumers switch to post-paid service, which helps raising the ARPU. However, after the allocation of the first batch of 700 MHz bandwidth for the 5G development in Thailand to the three major mobile operators, resulting in each to have at least 65-70 MHz bandwidth in hands, this was proven not enough for the development of 5G technology, leading the National Broadcasting and Telecommunications Commission (NBTC) to hold its 5G auction of 700, 1800, 2600 MHz and 26 GHz bandwidth on February 16, 2020, the results of which were as follows.

	700 MHz bandwidth (3 lots: 2x15 MHz)	2600 MHz bandwidth (19 lots: 10x19 MHz)	26 GHz bandwidth (27 lots: 27x100 MHz)
AIS	1 lot: 2x5 MHz = 10 MHz	10 lots: 10x10 MHz = 100 MHz	12 lots: 12x100 MHz = 1200 MHz
TRUE	Not winning the auction	9 lots: 9x10 MHz = 90 MHz	8 lots: 8x100 MHz = 800 MHz
DTAC	Not taking part in the bid	Not taking part in the bid	2 lots: 2x100 MHz = 200 MHz
TOT	Not taking part in the bid	Not taking part in the bid	4 lots: 4x100 MHz = 400 MHz
CAT	2 lots: 2x10 MHz	Not winning the auction	Not taking part in the bid

Thus, AIS is now holding the highest number of bandwidth following the auction.

The research of retail space market in Bangkok and its vicinity as of Q4/2019 found that approximately 204,200 square meters of retail space were offered for service in Bangkok and its proximity. Of this, shopping mall space represented the highest ratio of retail space currently in service in 2019, which accounted for 65%, following by retail space in community malls of around 15%. Meanwhile, if we look at an average occupancy rate of retail space in Bangkok and its proximity classified by types and areas, shopping

malls in the inner core of the city commanded an occupancy rate of 96% while those in the outer fringe commanded around 93%. Between 2020-2022, around 515,000 square meters of new retail space from completed shopping malls will be added to the existing supply where 312,500 square meters will be from those in Bangkok's inner core, accounting for 61% of all shopping mall space scheduled to be opened their doors within 2022.

According to Phoenix Property Co Ltd, as of end of 2019, total office space in Bangkok was 9.177,500 square meters, of which around 312,000 square meters belonged to new office buildings available for rent between 2014-2019. However, while new office buildings were offering around 100,000 square meters or more each year, demands for new office building space for rent exceeded 130,000 square meters a year. This is a reason why the rent per square meter of office space in Bangkok has continued to rise during the past several years. Around 2.07 million square meters of office space will be available for rent from buildings currently under construction and scheduled to complete between 2020-2023, most of which will be located outside the Central Business District (CBD). Nevertheless, as soon as several mix-used projects in the CBD complete at the same time in 2023, this will increase the stock of space in the CBD to 809,000 square meters. In the future, there could be new office buildings being launched, as the market is very attractive for both local and foreign investors, either by developing a brand-new project or by acquiring existing buildings and managing them. As of end of 2019, the occupancy rate of office buildings in Bangkok was 93%, which was hardly changed. Demand for the office space in 2020 is likely to be more or less the same.

In 2019, 39.79 million tourists visited Thailand, up 4.24% from 38.17 million a year ago. This was higher than the 2018 increase and it represented the continued growth. Chinese tourists still represented No. 1 visitor to Thailand with 10.99 million coming into the country last year, up from 4.3% a year earlier. The first top five foreign visitors to Thailand come from China, Malaysia, India, South Korea and Laos, respectively. The Tourism Authority of Thailand (TAT) expects the Thai tourism in 2020 to grow more or less at the same rate of last year. The 2020 tourism outlook meanwhile remains challenging for Thai operators due to several upcoming factors ranging from weakening demands as a result of the world's economic slowdown to the appreciation of Thai Baht, which makes tourists quite cautious for their spending or otherwise decide to go to other inexpensive countries such as Vietnam, the Philippines and Indonesia; and the looming epidemic of Covid-19. The SCB EIC continues to foresee very high unpredictability and rapid shift of the situation. China's stringent measures to control the Covid-19 from spreading should affect the Thai tourism factor the hardest between February and March 2020 before the sector could recover afterwards. The EIC expects the number of foreign visitors in 2020 to fall to 36.6-38.8 million from the original forecast of 41.3 million, depending on the intensity of the situation.



EIC predicts that in 2020, the land use ratio for industrial estate purpose will be stable at around 78% compared to the previous year thanks to a slight increase of supply compared to that of demand, leaving approximately 35,400 rai of land available for sale in the following year. In addition, vacancy rate of the ready-to-rent factory sector in the medium term will slightly fall from 28% to 27% since landlords prefer waiting for additional rents rather than investing in new projects. Factors to pay a close attention to are relocation of production base from China, investment incentives offered by the Thai authorities and the Board of Investment, and project development in the EEC itself. The SCB EIC forecasts that in 2020, industries of main tenants who currently rent the ready-to-rent factory will likely slow down, which should lead to fewer demands for expanding their factory floor.

The Industrial Estate Market has a Positive impact from the Eastern Economic Corridor Development (EEC)

EIC predicts that in 2020, the land use ratio for industrial estate purpose will be stable at around 78% compared to the previous year thanks to a slight increase of supply compared to that of demand, leaving approximately 35,400 rai of land available for sale in the following year. In addition, vacancy rate of the ready-to-rent factory sector in the medium term will slightly fall from 28% to 27% since landlords prefer waiting for additional rents rather than investing in new projects. Factors to pay a close attention to are relocation of production base from China, investment incentives offered by the Thai authorities and the Board of Investment, and project development in the EEC itself. The EIC forecasts that in 2020, industries of main tenants who currently rent the ready-to-rent factory will likely slow down, which should lead to fewer demands for their expansion.

Finally, SCB Asset Management Co. Ltd. wishes to express our gratitude to unitholders who have trusted us to manage your fund. We will manage this fund by taking into consideration your best interest under the principles of corporate governance for your satisfaction.

SCB Asset Management Company Limited

Remark: Reference data from

- SCB Economic Intelligence Center (EIC): Outlook Q1/2020, Industrial Estate & Properties (Sep 2019)
- Bangkok Business Newspaper "Telecom Operator, 5G Auction" Issued 4 February 2020
- Phoenix property: Office Research in Bangkok as of Q4/2020 (22/01/2020)
- Phoenix property: Retail Research in Bangkok and Metropolitan Area as of Q4/2020 (14/01/2020)
- Ministry of Tourism and Sports as of January 2020



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Section 1: Fund Operation of Digital Telecommunications Infrastructure Fund

1 Fund Information

1.1 Fund

Name	Digital Telecommunications Infrastructure Fund
Ticker	DIF

1.2 Management Company

Name	SCB Asset Management Company Limited
Address	7-8 th Floor, SCB Park Plaza, Building 1 18 Ratchadapisek Rd., Chatuchak, Chatuchak, Bangkok 10900
Telephone	(66 2) 9491500
Fax	(66 2) 9491501

1.3 Fund Supervisor

Name	KASIKORNBANK Public Company Limited
Address	1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana Sub-district, Rat Burana District, Bangkok 10140
Telephone	(66 2) 4703201
Fax	(66 2) 4701996-7

2 Policy and Overview of Industry and Implication on the Profit Seeking

2.1 Vision, goal, target or strategy of the fund's operation

2.1.1 Current Investment

The Fund is a publicly traded infrastructure fund in Thailand that provides Unitholders with an opportunity to invest in the Telecom Infrastructure Assets. True, a public company incorporated in Thailand, is a major



Unitholder of the Fund holding 28.902 percent of the total number of outstanding Investment Units as of February 14, 2020. The Fund may in the future acquire additional telecommunications infrastructure assets and/or acquire the right to receive revenues to be generated by additional telecommunications infrastructure assets, from True Group and/or other third parties. The Management Company intends to continue to manage the Fund's business with the key objective of generating recurring income to provide Unitholders with long-term distributions at a competitive rate of return.

As of the date of this document, the Fund has invested in the Telecom Infrastructure Assets which can be categorized according to the type of assets as follows:

(a) Telecommunication towers

We own or are entitled to the net revenues generated from a portfolio of 16,059 telecommunications towers comprising 9,727 towers owned by the Fund (comprising True Tower Assets and TUC Towers for Additional Investment No. 2) and Additional Investment No.3) and 6,332 towers from which the Fund is entitled to the net revenue (comprising the BFKT Towers, AWC Towers, AWC Towers for Additional Investment No. 1 and AWC Towers for Additional Investment No. 2), including the ownership in the BFKT Telecom Assets and certain AWC Towers after the expiry of the HSPA Agreements.

(b) FOC and related transmission equipment and upcountry broadband system

We invested in 95,560 kilometers of FOC (or 2,872,599 core kilometers) as well as 9,169 links of FOC and transmission equipment and 1.2 million ports of an upcountry broadband system encompassing 6,114 kilometers of FOC (or 198,085 core kilometers). Types of investment include the ownership, the long-term leasehold right and right to receive the net revenues. The details of each investment are as follows:

(1) Ownership

(1.1) Ownership in a core FOC grid and related transmission equipment and an upcountry broadband system acquired from TICC consisting of 7,909 kilometers of FOC (or 232,678 core kilometers) including FOC which the Fund invested in the additional investment No.4 and dense wave digital multiplexing ("DWDM") transmission equipment placed in 69 provinces of Thailand. The upcountry broadband system consists of various passive and active infrastructure, including transmission equipment, core IP equipment and last mile



and access cables, including FOC, copper cable and coaxial cable with a capacity of approximately 1.2 million ports for consumer broadband.

(1.2) Ownership in FOC for provision of mobile services in provincial areas with a length of 10,925 kilometers (or 422,294 core kilometers) acquired from TUC, comprising the TUC FOC for Additional Investment No. 2, Additional Investment No.3 and Additional Investment No.4

(1.3) Ownership in core FOC for provision of mobile and Internet services in the BMA with a length of 7,021 kilometers (or 369,153 core kilometers) acquired from True Move, comprising the True Move Core FOC for Additional Investment No. 2 and Additional Investment No.3

(1.4) the ownership in FOC for FTTx for provision of Internet and broadband Internet services in the BMA and the provincial areas with a total length of approximately 315 kilometers (or approximately 40,823 core kilometers) and 617 kilometers (or approximately 37,505 core kilometers), respectively to be acquired from Real Move, comprising the Real Move FOC for FTTx for Additional Investment No. 4

(2) Long-term leasehold right

(2.1) Long-term leasehold right with a term of 20 years of the AWC FOC for Additional Investment No. 1 consists of FOC of 7,981 kilometers (or 303,453 core kilometers), including the call option exercisable upon the expiration of the term of the long-term leasehold provided that the Fund expresses its intention to exercise the option to AWC no less than 2 years prior to the expiration of the term set out in the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1 with an exercise price of THB500 million.

(2.2) Long-term leasehold right of approximately 30 years of FOC for FTTx for the provision of Internet and broadband Internet services in the BMA with a length of 13,542 kilometers (or 700,000 core kilometers) leased from TICC, comprising the TICC FOC for FTTx for Additional Investment No. 2, and Additional Investment No. 3 including a call option upon the expiration of the term of the long-term leasehold provided that the Fund expresses its intention to exercise the option to TICC no less than 2 years prior to the expiration of the term set out in the Long-Term Lease Agreement with TICC in Relation to FOC for Additional Investment No. 2 and No. 3, with an exercise price of THB 1,500 million.



(3) Right to receive the net revenues

(3.1) Right to receive net revenues generated from the rental of certain FOC (including FOC transmission and related transmission equipment) of BFKT, comprising BFKT FOC Transmission Grid including the ownership in such assets if the Fund exercises the call option after the expiration of the HSPA Leasing Agreement. BFKT FOC Transmission consists of 47,250 kilometers of FOC and 9,169 links of transmission equipment.

The following table is a summary of our Telecom Infrastructure Assets as of the date of this Offering Memorandum, which includes the Initial Telecom Infrastructure Assets, the Telecom Infrastructure Assets for Additional Investment No. 1 and the Telecom Infrastructure Assets for Additional Investment No. 2.

Type of Investment	Right to Net Revenues and Call Option (under the HSPA Agreements)		Ownership				Long Term Lease and Call Option		Total
	AWC	BFKT	TRUE	TICC	TUC	True Move	AWC	TICC	ALL
Assets/Transferring Entity									
Towers	4,847	1,485	6,000 towers		350 towers				12,682 towers
	towers	towers							
Fiber optic cables (FOC) and transmission system equipment.....		9,169 links and 47,250 km FOC (680,400 core km)	5,112 km FOC (122,974 core km)	1,113 km FOC (62,594 core km)	542 km FOC (117,147 core km)	7,981 km FOC (303,453 core km)	670 km FOC (80,014 core km)	9,169 links and 62,668 km FOC (1,366,582 core km)	
Upcountry broadband system			1.2 million ports encompassing 6,114 km FOC (198,085 core km)					1.2 million ports encompassing 6,114 km FOC (198,085 core km)	
Call option year	2025 (after expiry of the term for purchase of revenues)						2035	2048	
Lease-back contract term	2033 ⁽¹⁾	2033 ⁽¹⁾	2033 ⁽²⁾	2021 ⁽³⁾ (Active) 2033 ⁽⁴⁾ (Passive)	2033 (Tower) 2033 + 10 Yrs ⁽⁵⁾ (FOC)	2033 + 10 ⁽⁵⁾ Yrs	2033 ⁽⁶⁾ + 10 ⁽⁶⁾ Yrs	2033 + 10 ⁽⁵⁾ Yrs	

Note:

- (1) After the Fund acquires the ownership in the HSPA Telecom Infrastructure Assets (in accordance with the conditions set out in relevant agreements) which are presently under the sales of rental revenue until August 3, 2025, TUC and TICC have agreed to lease the Assets from the Fund, with a rental period until September 15, 2033. The amount of assets to be leased is to be further discussed among the parties. However, the net revenue generated from the Assets must not be less than the amount the Fund received from BFKT and AWC through the sales of revenue, generated by leasing the Assets, to the Fund. The rental is subject to the success of the investment in the Telecom Infrastructure Assets for Additional Investment No. 3.
- (2) If the investment in the Telecom Infrastructure Assets for Additional Investment No. 3 does not occur, the lease term for lease, operation and management of the telecommunication towers will be reduced and will expire on September 15, 2027.
- (3) If the investment in the Telecom Infrastructure Assets for Additional Investment No. 3 does not occur, the lease term for lease, operation and management of the active telecommunications infrastructure (except for Wifi and DSLAM) will be reduced and will expire on December 31, 2018.
- (4) If the investment in the Telecom Infrastructure Assets for Additional Investment No. 3 does not occur, the term for lease, operation and management of FOC and upcountry broadband system which is passive telecommunications equipment will be reduced and will expire on September 15, 2026.
- (5) If, in 2032, any True Group entities obtains the renewed telecommunications license necessary for broadband service business, True Group is obliged to extend the lease/sublease for another 10 years from the expiry date of the initial lease term or the remaining term of telecommunications license for the broadband service business, whichever is shorter, provided that either one of the following conditions is met: (A) its total revenue from broadband service business is above pre-determined threshold, or (B) its total market share in broadband service business is greater than 33%.
- (6) If the investment in the Telecom Infrastructure Assets for Additional Investment No. 3 does not occur, the term for sub-lease, operation and management of FOC will be reduced and will expire on September 15, 2026.

The following table is a summary of our Telecom Infrastructure Assets after the Additional Investment No.3.

Type of Investment	Right to Net Revenues and Call Option (under the HSPA Agreements)		Ownership				Long Term Lease and Call Option		Total
Assets/Transfer ring Entity	AWC	BFKT	TRUE	TICC	TUC	True Move	AWC	TICC	Total
Towers	4,847 towers	1,485 towers	6,000 towers		350+ towers				15,271 towers
Fiber optic cables (FOC) and transmission system equipment		9,169 links and 47,250 km FOC (680,400 core km)		5,112 km FOC (122,974 core km)	1,113 km FOC (62,594 core km) + FOC 8,017 km (252,006 core km)	542 km FOC (117,147 core km) + FOC 6,479 km (338,299 core km)	7,981 km FOC (303,453 core km)	670 km FOC (80,014 core km) + FOC 12,872 km (619,986 core km)	9,169 links and 90,036 km FOC (2,576,873 core km)
Upcountry broadband system				1.2 million ports encompassing 6,114 km FOC (198,085 core km)					1.2 million ports encompassing 6,114 km FOC (198,085 core km)
Call option year	2025 (after expiry of the term for purchase of revenues)						2035	2048	



Type of Investment	Right to Net Revenues and Call Option (under the HSPA Agreements)		Ownership		Long Term Lease and Call Option			Total
Lease-back contract term	2033	2033	2033	2021 (Active)	2033 (Tower)	2033 + 10 ⁽¹⁾ Yrs	2033 + 10 ⁽¹⁾ Yrs	2033 + 10 ⁽¹⁾ Yrs
				2033 + 2033 (Passive)	2033 + 10 Yrs ⁽¹⁾ (FOC)			

- (1) If, in 2032, any True Group entities obtains the renewed telecommunications license necessary for broadband service business, True Group is obliged to extend the lease/sublease for another 10 years from the expiry date of the initial lease term or the remaining term of telecommunications license for the broadband service business, whichever is shorter, provided that either one of the following conditions is met: (A) its total revenue from broadband service business is above pre-determined threshold, or (B) its total market share in broadband service business is greater than 33%.

The following table is a summary of our Telecom Infrastructure Assets following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 4.

Type of Investment	Ownership					Long Term Lease and Call Option			Total	
	Right to Net Revenues and Call Option (BFKT and AWC assets)									
Assets/ Transferring Entity	AWC	BFKT	TRUE	TICC	TUC	True Move	Real Move ⁽¹⁾	AWC	TICC	ALL
Towers	4,847 towers	1,485 towers	6,000 towers		2,939 + approximately 788 towers					16,059 towers
Fiber optic cables (FOC) and transmission system equipment	9,169 links and 47,250 km FOC	FOC 47,250 nm. (680,400 core km)	Approximately 5,112 km FOC (approximately 122,974 core km) + approximately 2,797 km FOC (109,704 core km)	Approximately 9,310 km FOC (approximately 314,600 core km) + approximately 1,795 km FOC (approximately 107,694 core km)	Approximately 7,021 km FOC (approximately 455,446 core km)	Approximately 932 km FOC (approximately 78,328 core km)	7,981 km FOC (303,453 core km)	Approximately 13,542 km FOC (approximate-ly 700,000 core km)	9,169 links and approximately 95,560 km FOC (approximately 2,872,599 core km)	
Upcountry broadband system			1.2 million ports encompassing 6,114 km FOC (198,085 core km)							1.2 million ports encompassing 6,114 km FOC (198,085 core km)
Call option year	2025 (after expiry of the term for purchase of revenues)							2035	2048	



Type of Investment	Right to Net Revenues and Call Option (BFKT and AWC assets)			Ownership			Long Term Lease and Call Option			Total
Lease-back contract term	2033 ⁽²⁾	2033 ⁽²⁾	2033 ⁽²⁾	2021 (Active) 2033 (Passive) + 10 Yrs ⁽³⁾	2033 (Towers) 2033 + 10 Yrs ⁽³⁾ (FOC)	2033 + 10 Yrs ⁽³⁾	2033 + 10 Yrs ⁽³⁾	2033 + 10 Yrs ⁽³⁾	2033 + 10 Yrs ⁽³⁾	

Note:

- (1) Under the Real Move Asset Sale and Transfer Agreement for Additional Investment No. 4, we will also acquire from Real Move the FOC for FTTx for Additional Investment No. 4, by entering into an agreement with Real Move as the seller and TUC as the person who will take over the rights and obligations of Real Move as seller under such agreement upon the occurrence of certain event. TUC agrees to assume all of Real Move's rights and obligations to the Fund under the Real Move Asset Sale and Transfer Agreement for Additional Investment No. 4 upon the occurrence of the completion of the entire business transfer of Real Move to TUC and TUC agrees to perform any outstanding obligations of Real Move as the seller under the Real Move Asset Sale and Transfer Agreement for Additional Investment No. 4 as from the date of the completion of the entire business transfer of Real Move to TUC onwards in all respects.
- (2) After the Fund acquires the ownership in the HSPA Telecom Infrastructure Assets (in accordance with the conditions set out in relevant agreements), which are presently under the sales of rental revenue until August 3, 2025, TUC and TICC have agreed to lease the Assets from the Fund, with a rental period until September 15, 2033. The amount of assets to be leased is to be further discussed among the parties. However, the net revenue generated from the Assets must not be less than the amount the Fund received from BFKT and AWC through the sales of revenue, generated by leasing the Assets, to the Fund. See "Letter of Agreement relating to the BFKT and AWC Telecom Infrastructure Assets ("Letter of Agreement relating to the BFKT and AWC Telecom Infrastructure Assets")." for further details.
- (3) Upon the expiration of the lease term in 2033 (except FOC of approximately 122,978 core kilometers and upcountry broadband system of 1.2 million ports encompassing 198,0895 core kilometers of FOC leased to TICC), any True Group entities obtains the renewed telecommunications license necessary for broadband service business, True Group is obliged to extend the lease/sublease for another 10 years from the expiry date of the initial lease term or the remaining term of telecommunications license for the broadband service business, whichever is shorter, provided that either one of the following conditions is met: (A) its total revenue from broadband service business is above pre-determined threshold, or (B) its total market share in broadband service business is greater than 33%.

2.1.2 Investment Policy

2.1.2.1 Investment Policy for Telecom Infrastructure Assets Currently Invested by the Fund

The Fund has benefited from the Telecom Infrastructure Assets by (1) leasing or sub-leasing the relevant assets to TUC and TICC as the anchor tenants who also operate and manage the assets and (2) receiving the net revenues generated from the lease of the assets. See the details and the form of benefit-seeking structure of each of the Telecom Infrastructure Assets as follows.

(a) Telecommunication towers

As of the date of this document, the Fund entered into the agreements in order to obtain the right to receive the net revenues generated from the lease of 6,332 towers and lease 9,727 towers owned by the Fund to TUC and TICC as anchor tenants who also operate and manage the assets. Please see below the details of each benefit-seeking structure of the Fund.

(1) Lease, operation and management

The Fund leased 9,727 towers owned by the Fund to TUC and TICC as anchor tenants who also operate and manage the assets. Under the Amended and Restated Tower Master Lease, Operation and Management Agreements, the anchor tenants are responsible for operating and maintaining the assets, as

well as expenses relating to the operation and maintenance of such assets in accordance with the service levels set out in the Amended and Restated Tower Master Lease, Operation and Management Agreement.

(1.1) True Tower Assets

Under the Initial Asset and Revenue Sale and Transfer Agreement entered into with True, we acquired from True the True Tower Assets and under which the Fund shall bear the costs of land lease payments, including property tax for the land on which the True Tower Assets are located as well as insurance payments on the True Tower Assets. However, during the lease term under the relevant Amended and Restated Master Lease, Operation and Management Agreement, TUC, as the anchor tenant is responsible for the costs of land lease payments, including property tax for the land on which the True Tower Assets are located (in accordance with the calculation method set out in the relevant agreements) which shall reflect in advance rents paid by TUC for the True Tower Assets. In addition, TUC, as the anchor tenant, is responsible for expenses in relation to the operation and maintenance of the True Tower Assets and related sites. Under the Initial Asset and Revenue Sale and Transfer Agreement entered into with True, if the tenants become unable to access, operate and/or use such assets due to issues relating to the leaseholds or, right to use or access to the underlying land or property where such assets are located (the “Affected Assets”) within five years of the assignment or novation of the leaseholds to the Fund, under the Initial Asset and Revenue Sale and Transfer Agreements, any such Transferring Entities will undertake to relocate or replace at their own cost the Affected Assets that such Transferring Entity sold to the Fund. If such Transferring Entity does not relocate or replace the Affected Assets within an agreed period, it will be obligated to repay to the Fund the terminal value of the Affected Assets plus interest at the rate of 7.5 percent per annum from the Initial Investment Date (or asset transfer date, as applicable), less rental payments received by us from the anchor tenants for the leasing, operation and management of such assets, plus interest at the rate of 7.5 percent per annum from the date on which the relevant rental payments were received by us. Such relocation, replacement and/or repayment by a Transferring Entity would not constitute the acquisition or disposition of infrastructure assets by the Fund and thus would not be subject to the requirements and proceedings regarding the acquisition or disposition of infrastructure assets, including, but not limited to, requirements and procedures in relation to seeking approval from Unitholders or the Fund Supervisor for related party transactions and the valuation of infrastructure assets.



(1.2) TUC Towers for Additional Investment No. 2 in an amount of 350 towers including 2,589 towers and 788 towers for Additional Investment No. 3 and Additional Investment No.4 respectively.


Under the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2, No. 3 and No.4, we acquired the TUC Tower Assets for Additional Investment No. 2, No. 3 and No.4. For costs and expenses related to the TUC Tower Assets for Additional Investment No. 2, No. 3 and No.4, the Fund bears the costs of land lease payments including property tax for the TUC Tower Assets for Additional Investment No. 2, No.3 and No.4 by making monthly payments to TUC (in accordance with the calculation method set out in the agreement). In addition, the Fund bears the costs of and is responsible for insurance payments on the TUC Tower Assets for Additional Investment No. 2, No. 3 and No.4 TUC, as the anchor tenant under the relevant Amended and Restated Master Lease, Operation and Management Agreements, is responsible for expenses in relation to the operation and maintenance of the TUC Tower Assets for Additional Investment No. 2, No. 3 and No.4 also related sites.

If the tenants become unable to access, operate and/or use such assets due to issues relating to the leaseholds or, right to use or access to the underlying land or property where such assets are located (the “Affected Assets”) within five years of the assignment or novation of the leaseholds to the Fund, the Fund is entitled to the same kind of remedy as set out under the Initial Asset and Revenue Sale and Transfer Agreements as mentioned above.

(2) Right to receive the net revenues generated from the lease

(2.1) Right to receive the net revenues to be generated from the rental of the BFKT Telecom Assets and the AWC Towers, including the rights to ownership of certain BFKT Telecom Assets and AWC Towers after the expiration of the HSPA Leasing Agreement, AWC Leasing Agreement, Additional AWC Leasing Agreement No. 1 and Additional AWC Leasing Agreement No. 2 (respectively).

The Fund has entered into the Initial Asset and Revenue Sale and Transfer Agreements with BFKT and AWC, under which BFKT has continued to use and maintain the BFKT Telecom Assets and, pursuant to the AWC Leasing Agreement, the AWC Towers that AWC leases to BFKT and has provided rental and operation and maintenance services in relation to the BFKT Telecom Assets and AWC Towers, on a certain exclusive basis, to CAT Telecom under the HSPA Leasing Agreement. BFKT and AWC have transferred the revenues in the amounts specified in the Initial Asset and Revenue Sale and Transfer Agreements with BFKT and AWC,



net of expenses related to such assets, including costs related to land leases, property taxes, rights of way, operation, maintenance and insurance (including all claims, awards, judgments, suits and any other rights of BFKT and AWC arising out of or in connection with such revenues and any agreement under which such revenues would be derived (except for BFKT's and AWC's rights and claims with respect to such revenues or arising out of or in connection with such agreements which BFKT or AWC is or has been entitled to prior to the Commencement Date regardless of whether BFKT or AWC makes or has made a claim or receives payment from such rights and claims before or after the Commencement Date)) which were generated on and from the Commencement Date until the Expiry Date from such rentals to us in accordance with the terms and procedures provided in the Initial Asset and Revenue Sale and Transfer Agreements with BFKT and AWC. The Fund is not entitled to any revenues generated from the operation and maintenance services performed by BFKT under the HSPA Leasing Agreement in connection with the BFKT Telecom Assets and AWC Towers. The Fund is also not entitled to any revenues generated from the rental of the active telecommunications infrastructure, including Node Bs, used to provide CAT Telecom's 3G+ 850 MHz services, with the exception of transmission equipment.

Under the Initial Asset and Revenue Sale and Transfer Agreement with BFKT, BFKT has granted us a call option to purchase 1,435 of the BFKT Towers and the BFKT FOC Transmission Grid for THB10 million, exercisable upon the expiration of the HSPA Leasing Agreement, currently scheduled for August 3, 2025 but subject to an optional extension of at least five years, provided that such extension will be effective if the HSPA Leasing Agreement has been extended pursuant to certain conditions. We intend to exercise the call option and purchase the BFKT Telecom Assets if the option becomes exercisable, after which BFKT will transfer such assets to us and the revenue transfer arrangement in relation to the BFKT Telecom Assets will terminate. Following the transfer of ownership, the Fund will be responsible for all actual costs and expenses related to such assets. The call option will not include 50 of the remaining BFKT Towers (as specified in the Initial Asset and Revenue Sale and Transfer Agreement), whose legal title may be difficult to ascertain or may be subject to certain restrictions and which will not be transferred to us following our exercise of the call option but will continue to be subject to revenue transfer between us and BFKT for 10 years after the expiry of the HSPA Agreements. In addition, the Initial Asset and Revenue Sale and Transfer Agreement with BFKT provides for the parties to sell and purchase such BFKT Towers at a reference price based on a valuation provided by an independent appraiser jointly appointed by the parties. The Fund's future exercise of the call option to purchase, or, following the expiry of the HSPA Leasing Agreement, any purchase of certain BFKT



Towers in the number of 50 towers at a reference price based on a valuation provided by an independent appraiser jointly appointed by the parties, or the Fund's right to continue to receive revenues generated from the rental of the remaining BFKT Telecom Assets will not constitute the acquisition or disposition of infrastructure assets by the Fund and thus will not be subject to the requirements and proceedings regarding the acquisition or disposition of infrastructure assets, including, but not limited to, requirements and procedures in relation to seeking approval from Unitholders or the Fund Supervisor, related party transactions and the valuation of infrastructure assets.

Upon the expiration of the AWC Leasing Agreement, currently scheduled for August 3, 2025 but subject to an optional five-year extension period (which extension becomes effective if the HSPA Leasing Agreement is renewed or extended pursuant to its terms), AWC will be obligated to transfer ownership of a minimum of 3,968 of the AWC Towers to us in accordance with the terms of the Initial Asset and Revenue Sale and Transfer Agreement with AWC, after which the revenue transfer arrangement in relation to the AWC Towers will terminate. The remaining 392 AWC Towers (as specified in the Initial Asset and Revenue Sale and Transfer Agreement), whose legal title may be difficult to ascertain or may be subject to certain restrictions, will not be transferred to us following the expiry of the AWC Leasing Agreement and will continue to be subject to revenue transfer between us and AWC for 10 years. In addition, the Initial Asset and Revenue Sale and Transfer Agreement with AWC provides for the parties to sell and purchase such AWC Towers at a price based on a valuation provided by an independent appraiser jointly appointed by the parties. Because the obligation to transfer any AWC Towers is contingent upon the occurrence of certain events that may not occur, we can provide no assurances that AWC will transfer such towers to us. The future transfer to us of a minimum of 3,968 of the AWC Towers, or, following the expiry of the AWC Leasing Agreement, our right to continue to receive revenues generated from the rental of the remaining 392 AWC Towers pursuant to the Initial Asset and Revenue Sale and Transfer Agreement with AWC, or any purchase of certain AWC Towers at a reference price based on valuation provided by an independent appraiser jointly appointed by the parties will not constitute the acquisition or disposition of infrastructure assets by the Fund and thus will not be subject to the requirements and proceedings regarding the acquisition or disposition of infrastructure assets, including, but not limited to, requirements and procedures in relation to seeking approval from Unitholders or the Fund Supervisor, related party transactions and the valuation of infrastructure assets.

Before CAT Telecom commenced making payments to BFKT pursuant to the HSPA Leasing Agreement, TUC, pursuant to the letter of undertaking, had undertaken to pay or procure the payments of the




net revenues due to us in accordance with the Initial Asset and Revenue Sale and Transfer Agreement with BFKT. Once CAT Telecom commenced making payments to BFKT, the undertaking expired and the letter of support that TUC provided to BFKT became effective. The letter of support is not legally binding and is not a guarantee by TUC.

BFKT has also granted CAT Telecom certain call options to purchase 667 of the BFKT Towers and BFKT FOC Transmission Grid that BFKT intends to sell the rights to the net revenues generated from to the Fund pursuant to the Initial Asset and Revenue Sale and Transfer Agreement with BFKT.

Under the Initial Asset and Revenue Sale and Transfer Agreement with BFKT, if CAT Telecom exercises its call options to purchase certain of the BFKT Telecom Assets which are newly built, BFKT will continue to deliver net revenues generated from such assets to the Fund in the amount as agreed under the Initial Asset and Revenue Sale and Transfer Agreement with BFKT until the expiry or termination of such agreement and undertake to replace, prior to the expiration of the HSPA Leasing Agreement, any assets purchased by CAT Telecom, failing which BFKT will pay us the terminal value of such assets. BFKT may use any payments received from CAT Telecom in connection with its exercise of the call options to continue to meet BFKT's obligations to us under the Asset and Revenue Sale and Transfer Agreement, including our rights to the net revenues or the terminal value of such assets.

The Initial Telecom Infrastructure Assets do not include certain upgrades which might be undertaken to improve utilities of such assets, whether by BFKT in respect of the BFKT Telecom Assets or by AWC in respect of AWC Towers, such as by upgrading transmission equipment. Under the Initial Asset and Revenue Sale and Transfer Agreements, the Transferring Entities have granted us a right to receive a first offer to purchase additional assets from any True Group entity, including such upgrades and/or the revenues to be generated by such incremental upgrades of the Initial Telecom Infrastructure Assets if it determines to sell such assets or revenues generated by such additional assets to third parties. Similarly, under the Initial Asset and Revenue Sale and Transfer Agreements, the Fund has granted the Transferring Entities a right of first offer to purchase any of the Initial Telecom Infrastructure Assets or other assets we may purchase from True Group if we determine to sell or otherwise dispose of such assets.

Additionally, BFKT has continued operating and maintaining the BFKT Telecom Assets and AWC Towers under the HSPA Leasing Agreement and the AWC Leasing Agreement, respectively, which we believe ensures that the Initial Telecom Infrastructure Assets are properly operated and maintained.

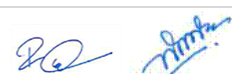


(2.2) Right to receive the net revenues to be generated from the rental of the AWC Towers for Additional Investment No. 1

The Fund is entitled to the net revenues generated from the AWC Towers for Additional Investment No. 1 of 338 telecommunications towers and other relevant passive telecommunications infrastructure, consisting of 187 ground-based towers, 130 rooftop-based towers and 21 DAS towers. The AWC Towers for Additional Investment No. 1 are located in 60 provinces around Thailand, approximately 15 percent of which is located in the densely populated Bangkok.

The Fund has acquired the right to the net revenues generated from and including the Commencement Date for Additional Investment No. 1 until the expiry date of the Additional AWC Leasing Agreement No. 1 derived from the lease of the AWC Towers for Additional Investment No. 1 owned by AWC for a term of approximately 11 years (including all claims, awards, judgments, suits ruled in favor of AWC and any other proceeding or any other right to which AWC is entitled arising out of or in connection with such revenues and any agreement under which such revenues would be derived (except for AWC's rights and claims with respect to such revenues or arising out of or in connection with such agreements which AWC is or has been entitled to prior to the Commencement Date for Additional Investment No. 1 regardless of whether AWC makes or has made a claim or receives payment from such rights and claims before or after the Commencement Date for Additional Investment No. 1)). As of the date hereof, AWC leases the AWC Towers for Additional Investment No. 1 to BFKT under the Additional AWC Leasing Agreement No. 1, and BFKT in turn sub-leases them to, and carries out relevant operations for, CAT Telecom. Under the Additional AWC Leasing Agreement No. 1, BFKT's obligations are in relation to operating and maintaining the AWC Towers for Additional Investment No. 1. AWC transfers to the Fund revenues generated from leasing to BFKT the AWC Towers for Additional Investment No. 1, net of expenses related to operation and maintenance, rentals, insurances and other expenses incurred from operations in relation to AWC Towers for Additional Investment No. 1 under the terms and conditions specified in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 1.

Upon the expiry date of the Additional AWC Leasing Agreement No. 1, AWC is obligated to transfer the ownership of the AWC Towers for Additional Investment No. 1 of 338 towers to the Fund according to the terms in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 1, after which the terms relating to the revenue transfer in relation to the AWC Towers for Additional Investment No. 1



will terminate, and the Fund will have ownership of the AWC Towers for Additional Investment No. 1. The Fund can provide no assurances that AWC will transfer such telecommunications towers to it because the obligation to transfer the AWC Towers for Additional Investment No. 1 will occur upon the fulfillment of the conditions according to such agreement and it remains uncertain as to whether or not the conditions will be fulfilled.

(2.3) Right to receive the net revenues to be generated from the rental of the AWC Towers for Additional Investment No. 2

The Fund is entitled to the net revenues generated from the AWC Towers for Additional Investment No. 2 of 149 telecommunications towers and other relevant passive telecommunications infrastructure, consisting of 91 ground-based towers, 49 rooftop-based towers and 9 DAS towers. The AWC Towers for Additional Investment No. 2 are located in 35 provinces around Thailand, approximately 15 percent of which is located in the densely populated Bangkok.

The Fund acquired the right to the net revenues generated from and including the Commencement Date for Additional Investment No. 2 until the expiry date of the Additional AWC Leasing Agreement No. 2 derived from the lease of the AWC Towers for Additional Investment No. 2 owned by AWC for a term of approximately eight years (including all claims, awards, judgments, suits ruled in favor of AWC and any other proceeding or any other right to which AWC is entitled arising out of or in connection with such revenues and any agreement under which such revenues would be derived (except for AWC's rights and claims with respect to such revenues or arising out of or in connection with such agreements which AWC is or has been entitled to prior to the Commencement Date for Additional Investment No. 2 regardless of whether AWC makes or has made a claim or receives payment from such rights and claims before or after the Commencement Date for Additional Investment No. 2)). At present, AWC leases the AWC Towers for Additional Investment No. 2 to BFKT under the Additional AWC Leasing Agreement No. 2, and BFKT in turn sub-leases them to, and carries out relevant operations for, CAT Telecom. Under the Additional AWC Leasing Agreement No. 2, BFKT's obligations are in relation to operating and maintaining the AWC Towers for Additional Investment No. 2. AWC shall transfer to the Fund revenues generated from leasing to BFKT the AWC Towers for Additional Investment No. 2, net of expenses related to operation and maintenance, rentals, insurances and other expenses incurred from operations in relation to AWC Towers for Additional Investment No. 2 under the terms and conditions specified in the AWC Asset and Revenue Sale and Transfer Agreement



for Additional Investment No. 2 to be entered into between the Fund and AWC. Upon the expiry date of the Additional AWC Leasing Agreement No. 2, AWC is obligated to transfer the ownership of the AWC Towers for Additional Investment No. 2 of 149 towers to the Fund according to the terms in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2, after which the terms relating to the revenue transfer in relation to the AWC Towers for Additional Investment No. 2 will terminate, and the Fund will have ownership of the AWC Towers for Additional Investment No. 2. The Fund can provide no assurances that AWC will transfer such telecommunications towers to it because the obligation to transfer the AWC Towers for Additional Investment No. 2 will occur upon the fulfillment of the conditions according to such agreement and it remains uncertain as to whether or not the conditions will be fulfilled.

(b) FOC and upcountry broadband system

As of the date of this Offering Memorandum, the Fund entered into the agreements in order to obtain the right to receive the net revenues generated from the lease of 47,250 kilometers of FOC (or 680,400 core kilometers) and 9,169 links of transmission equipment under the HSPA Agreements and the Fund has leased the portfolio of FOC and upcountry broadband system of 48,900 kilometers (or 2,094,558 core kilometers) in total currently invested by the Fund to TUC and TICC as anchor tenants who also operate and manage the assets. Please see below each benefit-seeking structure of the Fund.

(1) Lease/Sublease, operation and management

The Fund leased the portfolio of FOC and upcountry broadband system of 48,900 kilometers (2,094,558 core kilometers) in total currently owned by the Fund to TUC and TICC as anchor tenants who also operate and manage the assets.

(1.1) Core FOC grid consisting of 5,112 kilometers of FOC (or 122,974 core kilometers) and related transmission equipment and an upcountry broadband system with a capacity of approximately 1.2 million ports for consumer broadband

These assets are part of the Initial Telecom Infrastructure Assets which the Fund acquired from TICC, and are located in the upcountry region. The Fund is responsible for rights of way costs (in accordance with the amount specified in the agreement) and insurance expenses, while TICC, as the anchor tenant under the relevant Amended and Restated Master Lease, Operation and Management Agreement, is responsible for expenses in relation to the operation and maintenance of the FOC and upcountry broadband system.




(1.2) AWC FOC for Additional Investment No. 1

The Fund acquired the long-term leasehold right with a term of 20 years of the AWC FOC for Additional Investment No. 1, including the call option thereof after the expiry date of the long-term lease, provided that the Fund expresses its intention to exercise the option to AWC no less than 2 years prior to the expiration of the term set out in the Long-Term Lease Agreement with AWC in Relation to FOC for Additional Investment No. 1. The Fund has leased a portion of the AWC FOC for Additional Investment No. 1 to TICC. Under the FOC Sub-Lease, Operation and Management Agreement for Additional Investment No. 1 (as amended and restated), TICC, as anchor tenant and manager, is responsible for operating and maintaining the AWC FOC for Additional Investment No. 1.

(1.3) FOC for Additional Investment No. 2

Under the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 and No. 3, the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2 and No. 3 and the Long-Term Lease Agreement with TICC in Relation to FOC for Additional Investment No. 2 and No. 3, the Fund acquired (i) the ownership in FOC for provision of mobile services in provincial areas with a length of 1,113 kilometers (or 62,594 core kilometers) from TUC, comprising the TUC FOC for Additional Investment No. 2; (ii) the ownership in FOC for provision of mobile and Internet services in the BMA with a length of 542 kilometers (or 117,147 core kilometers) from True Move, comprising the True Move Core FOC for Additional Investment No. 2; and (iii) a long-term leasehold of approximately 30 years of FOC for FTTx for the provision of Internet and broadband Internet services in BMA with a length of 670 kilometers (or 80,014 core kilometers) from TICC, comprising the TICC FOC for FTTx for Additional Investment No. 2, including a call option of the FOC for FTTx upon the expiration of the term of the long-term leasehold, provided that the Fund expresses its intention to exercise the option to TICC no less than 2 years prior to the expiration of the term set out in the Long-Term Lease Agreement with TICC in Relation to FOC for Additional Investment No. 2 and No. 3, with an exercise price of THB200 million.

The Fund has leased a portion of the FOC for Additional Investment No. 2 to TUC and TICC. The Fund is responsible for rights of way costs and insurance expenses (in accordance with the calculation method set out in the agreement), while TUC and TICC as anchor tenants under the relevant Amended and Restated Master Lease, Operation and Management Agreements, are responsible for expenses in relation to the operation and maintenance of the FOC for Additional Investment No. 2.





- (2) Right to receive the net revenues generated from the lease

Under the Initial Asset and Revenue Sale and Transfer Agreements with BFKT, the fund is entitled to the receive the net revenues generated from the lease of 47,250 kilometers of FOC (680,400 core kilometers) and 9,169 links of transmission equipment under the HSPA Agreements

In addition to leasing of the assets and receiving of the net revenues generated from the lease, the Fund has entered into a Master Services Agreement with Telecom Asset Management Company Limited, as the Telecom Asset Manager, whereby the Telecom Asset Manager has provided us with certain administrative and marketing services. The Telecom Asset Manager is also responsible for seeking third-party co-location tenants to lease additional capacity on the Telecom Infrastructure Assets, and we benefit from such additional lease revenue, less additional compensation payable to the Telecom Asset Manager.

2.1.2.2 Investment Policy for Telecom Infrastructure Assets for Additional Investment No.3

Under the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 and No. 3, the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2 and No. 3 and the Long-Term Lease Agreement with TICC in Relation to FOC for Additional Investment No. 2 and No. 3, the Fund will acquire the Telecom Infrastructure Assets for Additional Investment No. 3. The Telecom Infrastructure Assets for Additional Investment No. 3 will consist of: (i) the ownership of 2,589 telecommunications towers for mobile telecommunications services to be acquired from TUC, comprising the TUC Towers for Additional Investment No. 3; (ii) ownership in FOC for provision of mobile services in provincial areas with an approximate length of 8,017 kilometers (or approximately 252,006 core kilometers) to be acquired from TUC, comprising the TUC FOC for Additional Investment No. 3; (iii) ownership in core FOC for provision of mobile and Internet services in the BMA with an approximate length of 546 kilometers (or approximately 117,871 core kilometers) to be acquired from True Move, comprising the True Move Core FOC for Additional Investment No. 3; (iv) ownership in FOC for FTTx for provision of Internet and broadband Internet services in provincial areas with an approximate length of 5,933 kilometers (or approximately 220,428 core kilometers)



to be acquired from True Move, comprising the True Move FOC for FTTx for Additional Investment No. 3; and

(v) a long-term leasehold of approximately 30 years of FOC for FTTx for the provision of Internet and broadband Internet services in the BMA with an approximate length of 12,872 kilometers (or approximately 619,986 core kilometers) to be leased from TICC, comprising the TICC FOC for FTTx for Additional Investment No. 3, including a call option of the FOC for FTTx upon the expiration of the term of the long-term leasehold and fulfillment of certain other conditions under the Long-Term Lease Agreement with TICC in relation to FOC for Additional Investment No. 2 and No. 3, with an exercise price of THB1,300 million.

The Fund is responsible for rights of way costs and insurance expenses, while TUC and TICC as anchor tenants under the relevant Amended and Restated Master Lease, Operation and Management Agreements, are responsible for expenses in relation to the operation and maintenance of the FOC for Additional Investment No. 3.

Under the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 and No. 3, we will also acquire from TUC the TUC Tower Assets for Additional Investment No. 3. For costs and expenses related to the TUC Tower Assets for Additional Investment No. 3, the Fund bears the costs of land lease payments, including property tax for the TUC Tower Assets for Additional Investment No. 3 by making monthly payments to TUC. In addition, the Fund bears the costs of and is responsible for insurance payments on the TUC Tower Assets for Additional Investment No. 3. TUC, as the anchor tenant under the relevant Amended and Restated Master Lease, Operation and Management Agreements, is responsible for expenses in relation to the operation and maintenance of the TUC Tower Assets for Additional Investment No. 3 and related sites.

Under the Letter of Agreement relating to the HSPA Telecom Infrastructure Assets, subject to the completion of the transactions in relation to the Telecom Infrastructure Assets for Additional Investment No. 3, TUC and TICC undertake to lease certain parts of the HSPA Telecom Infrastructure Assets, consisting of the BFKT Towers, the BFKT FOC Transmission Grid, the AWC Towers, the AWC Towers for Additional Investment No. 1 and the AWC Towers for Additional Investment No. 2, which the Fund will acquire from



BFKT and AWC upon the expiry of the sale of relevant revenues relating to such assets under the relevant Initial Asset and Revenue Sale and Transfer Agreements, the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 1 and the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2. The lease term for the relevant HSPA Telecom Infrastructure Assets will be until September 15, 2033, subject to the lease volume and terms and conditions of the leases to be agreed, provided that the net cash to be generated from such assets will not be less than the amount the Fund is receiving from BFKT and AWC under the relevant Asset and Revenue Sale and Transfer Agreements between BFKT and the Fund in respect of such assets.

Before investing in the telecommunications infrastructure assets for the third additional investment, DIF has conducted a random inspection of the telecommunications infrastructure assets, both technical and legal, such as an analysis of telecommunications towers strength and functionality, analysis of telecommunications towers overlapping, and relevant legal issues for the purpose of negotiating to set agreements necessary and appropriate for the contracting parties. In addition, after DIF owns the rights to the telecommunications infrastructure assets for the third additional investment, it will conduct a thorough examination of such assets, both technical and legal. If DIF finds any issues, it can exercise the rights it is entitled to under the related contracts.

2.1.2.3 Investment Policy for Telecom Infrastructure Assets for Additional Investment No.4

Under the TICC Asset Sale and Transfer Agreement for Additional Investment No. 4, the TUC Asset Sale and Transfer Agreement for Additional Investment No. 4, and the Real Move Asset Sale and Transfer Agreement for Additional Investment No. 4, the Fund will acquire the Telecom Infrastructure Assets for Additional Investment No. 4. The Telecom Infrastructure Assets for Additional Investment No. 4 will consist of: (i) the ownership of 788 telecommunications towers for mobile telecommunications services and other related passive telecommunications infrastructure to be acquired from TUC, comprising the TUC Towers for Additional Investment No. 4; (ii) ownership in FOC for provision of mobile services in provincial areas with an approximate length of 1,795 kilometers (or approximately 107,694 core kilometers) to be acquired from TUC, comprising the TUC FOC for Additional Investment No. 4; (iii) ownership in FOC for FTTx for provision of Internet and broadband Internet services in the BMA and provincial areas with a total length of approximately 315 kilometers (or approximately 40,823 core kilometers) and approximately 617 kilometers (or approximately




37,505 core kilometers), respectively, to be acquired from Real Move, comprising the Real Move FOC for FTTx for Additional Investment No. 4; and (iv) ownership in FOC for FTTx for provision of internet and broadband internet services in provincial areas with a length of approximately 2,797 kilometers (or approximately 109,704 core kilometers) to be acquired from TICC, comprising the TICC FOC for FTTx for Additional Investment No. 4.

The Fund is responsible for rights of way costs and insurance expenses, while TUC and TICC as anchor tenants under the relevant Amended and Restated Master Lease, Operation and Management Agreements pursuant to the Amendment Agreement to the Existing Lease Agreements No. 2, are responsible for expenses in relation to the operation and maintenance of the FOC for Additional Investment No. 4.

Under the TUC Asset Sale and Transfer Agreement for Additional Investment No. 4, we will also acquire from TUC the TUC Tower Assets for Additional Investment No. 4. For costs and expenses related to the TUC Tower Assets for Additional Investment No. 4, the Fund bears the costs of land lease payments, including property tax for the TUC Tower Assets for Additional Investment No. 4 by making monthly payments to TUC. In addition, the Fund bears the costs of and is responsible for insurance payments on the TUC Tower Assets for Additional Investment No. 4. TUC, as the anchor tenant under the relevant Amended and Restated Master Lease, Operation and Management Agreements pursuant to the Amendment Agreement to the Existing Lease Agreements No. 2, is responsible for expenses in relation to the operation and maintenance of the TUC Tower Assets for Additional Investment No. 4 and related sites.

Under the Real Move Asset Sale and Transfer Agreement for Additional Investment No. 4, we will also acquire from Real Move the Real Move FOC for FTTx for Additional Investment No. 4. by entering into an agreement with Real Move as the seller and TUC as the person who will take over the rights and obligations of Real Move as seller under such agreement upon the occurrence of certain event. TUC agrees to assume all of Real Move's rights and obligations to the Fund under the Real Move Asset Sale and Transfer Agreement for Additional Investment No. 4 upon the completion of the entire business transfer of Real Move to TUC and TUC agrees to perform any outstanding obligations of Real Move as the seller under the Real Move Asset Sale and Transfer Agreement for Additional Investment No. 4 as from the date of the completion of the entire business transfer of Real Move to TUC onwards in all respects.

Prior to investing in the Telecom Infrastructure Assets for Additional Investment No. 4, the Fund has arranged to conduct technical and legal due diligence on the Telecom Infrastructure Assets for Additional Investment



No. 4 such as analysis of strength, capacity and overlapping of telecommunications towers as well as relevant legal issues for the purpose of further negotiation with relevant parties for necessary and appropriate agreements. With respect to overlapping analysis, if there is any overlapping of telecommunications towers prior to the investment, the Fund and relevant parties will agree on the necessary and proper arrangement and determine the period for such arrangement. Furthermore, following the Fund becoming owner of such Telecom Infrastructure Assets for Additional Investment No. 4, the Fund will arrange to have technical and legal audit of the Telecom Infrastructure Assets for Additional Investment No. 4 in more detail. If there is any issue, the Fund is entitled to exercise its rights under relevant agreements.

2.1.3 Core Investment – Additional Assets

In addition to the Fund's investment in the Initial Telecom Infrastructure Assets, the Telecom Infrastructure Assets for Additional Investment No. 1 and the Telecom Infrastructure Assets for Additional Investment No. 2, the Management Company may cause the Fund to invest in other Infrastructure Businesses by acquiring Infrastructure Assets as permitted by the Securities Law and in compliance with the Fund Scheme, such as the Telecom Infrastructure Assets for Additional Investment No. 3, the Management Company may cause the Fund to invest in other Infrastructure Businesses by acquiring Infrastructure Assets as permitted by the Securities Law and in compliance with the Fund Scheme, such as the Telecom Infrastructure Assets for Additional Investment No. 4.

Moreover, the Management Company may cause the Fund to make additional investments in other telecommunications infrastructure assets and/or acquire rights to the revenues to be generated by such assets in addition to our investments in the Telecom Infrastructure Assets, including, but not limited to, the Telecom Infrastructure Assets for Additional Investment No. 4 and the investments made by exercising our rights to receive first offers as set out in the Asset and Revenue Sale and Transfer Agreements. Under the Asset and Revenue Sale and Transfer Agreements, the Transferring Entities have granted us a right to receive a first offer to purchase other telecommunications infrastructure assets of True Group and/or the revenues to be generated by such assets which do not constitute the Initial Telecom Infrastructure Assets if True Group determines to sell such assets or revenues generated by such assets to parties outside True Group. Such other telecommunications infrastructure assets may include assets which are part of completed projects and/or assets which are part of uncompleted projects, as the case may be.



Any additional investment in or acquisition of any Infrastructure Asset with a value of either more than THB100 million or 30 percent of the total assets of the Fund at the time of such acquisition shall be subject to similar requirements as when the Fund made an investment in the Initial Telecom Infrastructure Assets (such as, among other things, due diligence requirements and asset appraisal requirements) and shall be approved by a Unitholders' resolution or the Fund Supervisor, as applicable, except where it is specified in the Fund Scheme that such approval (either from Unitholders or the Fund Supervisor) is not required.

The calculation of the value of additional investment in or acquisition of the Infrastructure Assets shall include the value of all transactions taking place during an interval of six months.

However, a Unitholders' resolution is not required for any additional investment in, or acquisition of, any Infrastructure Asset if its value is more than THB100 million but less than 30 percent of the Fund's total assets at the time of such acquisition, and such acquisition is approved by the Fund Supervisor.


If an additional investment in, or acquisition of, Infrastructure Assets requires additional funds, the Fund will also be subject to the procedures with respect to borrowing as set out in “– Borrowing Policy” and/or increases of capital as set out in “– Increase of Capital,” and may be required to amend the Fund Scheme (if needed).

Furthermore, the Fund will need to enter into an agreement with a third-party operator either to lease such assets to such third party for operation and management or to engage such third party to run and operate the Infrastructure Businesses in order to comply with the SEC's requirements.

2.1.4 Non-Core Investment – Other Permitted Investments in Securities or Other Assets

In addition to the Core Investment, the Management Company may cause the Fund to invest in the following Non-Core Investments, subject to approval or announcement by the SEC, the Office of the SEC or the CMSB of any amendments or additions to the categories or characteristics of permitted investments in securities, assets or other means of generating income:

- (i) Thai government bonds;
- (ii) Thai treasury bills;



- (iii) bonds issued by Thai state-owned enterprises or juristic persons established under specific laws with principal and interest protected unconditionally by the Ministry of Finance;
- (iv) cash deposited with Thai commercial banks or the Secondary Mortgage Corporation;
- (v) deposit certificates issued by Thai commercial banks or finance companies, except those considered derivatives contracts where specific approval from the Office of the SEC is required prior to making such an investment;
- (vi) bills of exchange or promissory notes issued, certified, availed, recourse, or guaranteed by Thai commercial banks, finance companies, crédit-foncier companies or the Financial Institution Development Fund, except those considered derivatives contracts where specific approval from the Office of the SEC is required prior to making such an investment;
- (vii) units or evidence of rights to purchase units of a fixed income mutual fund or other mutual fund established under Thai law, whose investment policy is to invest in debt instruments or deposits;
- (viii) units of other infrastructure funds established under Thai law;
- (ix) units of offshore mutual funds, provided that all of the following conditions are satisfied:
 - (a) such offshore fund shall be established in a jurisdiction that is an ordinary member of the International Organisation of Securities Commissions (IOSCO) or traded on an exchange that is a member of the World Federation of Exchange (WFE);
 - (b) the investment policy of such offshore mutual fund shall be to invest in the types of assets permitted to be invested in or acquired by the Fund; and
 - (c) such offshore mutual fund is a retail fund;
- (x) shares issued by companies (either private limited companies or public limited companies) incorporated in Thailand with the following characteristics:
 - (d) not less than 75 percent of the total assets of such company shall be invested in Infrastructure Assets, or revenues from the operation of Infrastructure Assets in aggregate accounting for not less than 75 percent of total revenues of such company in each financial year; and



- (e) not a company falling under paragraph (e) of the definition of “Infrastructure Assets;” and
- (xi) derivatives contracts for hedging purposes.

The Management Company reserves the right to make an investment, in the future, in other types of assets or investments that the SEC, the Office of the SEC, or the CMSB may approve or permit under any amendments or additions to the categories or characteristics of the permitted investment in securities, assets or other means of generating income.

2.1.5 Investment Ratio

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


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

2.1.6 Disposition of Assets of the Fund

Any disposition of Infrastructure Assets with a value of either more than THB100 million or 30 percent or more of the total assets of the Fund at the time of such disposition shall be subject to similar requirements as when the Fund made the investment in the Initial Telecom Infrastructure Assets (such as, for instance, asset appraisal requirements) and shall be approved by a Unitholders' resolution as specified in “– Required Unitholders' Resolutions” or the Fund Supervisor, as applicable, except where it is specified in the Fund Scheme that such approval (either from Unitholders or the Fund Supervisor) is not required.

The calculation of such value shall include value of all transactions taking place during an interval of six months.

A Unitholders' resolution is not required for the disposition of any Infrastructure Assets if its value is more than THB100 million but less than 30 percent of the Fund's total assets at the time of such disposition, and such disposition is approved by the Fund Supervisor.



The Management Company may proceed with the disposition of Infrastructure Assets pursuant to the Transaction Documents without seeking a Unitholder Resolution or approval from the Fund Supervisor.

2.1.7 Strengths and Strategies of the Fund

2.1.7.1 Strengths

We are the largest infrastructure fund in Thailand investing in and leasing telecommunications infrastructure assets. We believe that the competitive strengths relating to our business are:

- (A) A large nationwide portfolio, consisting of telecommunications towers, fiber optic cables and other telecommunications infrastructure assets that we own or have a long-term leasehold right or are entitled to the net revenues generated from, that benefits from a first-mover advantage in an industry with multiple entry barriers

We believe our unique portfolio of telecommunications infrastructure assets, consisting of assets that we own or are entitled to the net revenues generated from, is the largest and most diverse in Thailand and enables us to offer our tenants a holistic range of passive telecommunications infrastructure. Currently, we are entitled to the net revenues generated from 12,682 telecommunications towers and it is expected that by June 2018, following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 3, we will be entitled to the net revenues of 15,271 towers located in all 77 provinces of Thailand with approximately 16.5 percent of such telecommunications towers located in the densely-populated BMA. Based on the market report prepared by Analysys Mason, we believe this combined portfolio of towers will allow us to offer coverage of over 98 percent of the population of Thailand to our anchor tenants. Our current FOC spans approximately 62,668 km and is expected to grow to 90,036 km of FOC following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 3, which represents an additional FOC and FOC for FTTx of approximately 27,368 km that will increase our overall asset distribution across the 77 provinces of Thailand. We believe that FOC acquired as part of the Telecom Infrastructure Assets for Additional Investment No. 3 will further enhance the coverage of our assets and completeness of our portfolio, especially within the BMA. The ongoing expansion of our portfolio helps us capture strategic advantages with respect to asset distribution and the ability to support new technologies, including but not limited to Internet of Things (“IoT”), Connected Car,




Mobile Virtual Reality and Drones while simultaneously generating benefits from the telecommunications infrastructure assets.

We are the first and largest telecommunications infrastructure fund in Thailand, which, coupled with the multiple barriers to entry in our industry segment, provides us with a significant first-mover advantage. The construction of new towers and the accompanying FOC backhaul connected to the tower is capital intensive and takes a significant amount of time to build. Any new potential entrants are required to comply with extensive local laws, regulations, and lengthy approval processes required in order to construct their own towers and FOC backhaul. Potential competitors may also face high financial cost and the operational risks and disruptions when moving their equipment for installation to different towers. They would also need to (i) build a portfolio of towers with substantial scale and geographic diversity to attract telecommunications operators and (ii) spend a significant amount of time building relationships of trust and confidence to successfully negotiate terms with telecommunications operators. Finally, they would face significant legal uncertainty and time-consuming, complex negotiations with State-Owned Enterprises if they attempted to spin-off their existing telecommunication infrastructure assets. Our offering therefore stands out as a cost-effective alternative, for a third party to expand its telecommunication infrastructure network coverage, as well as for reducing the time to market.

(B) Secured recurring revenues under long-term agreements underpinning sustainable Unitholder distributions

Following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 2 and Telecom Infrastructure Assets for Additional Investment No. 3, True Group will extend the lease term of existing telecommunications infrastructure assets currently invested by us and leased out to True Group, which are currently set to expire between 2025-2027 to terms expiring in approximately 2033 (the same period as the Telecom Infrastructure Assets for Additional Investment No. 2 and Telecom Infrastructure Assets for Additional Investment No. 3), which would result in (i) longer revenue streams, (ii) a weighted average contract tenor of approximately 12 years following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 2 and (iii) a weighted average contract tenor of approximately 20 years following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 3 (assuming the extended period of FOC of another 10 years




after 2033) as per the Fund's stated renewal option under the Amended and Restated Master Lease, Operation and Management Agreements).

Our revenue from long-term lease agreements mainly comprises rental payment coupled with stated annual escalation of 2.7 percent as well as CPI-linked escalation factors and other fees which are mostly fixed-base or with stated annual escalation. Hence, we believe our business model provides investors with an opportunity for sustainable distributions to Unitholders with continuous growth.

(C) Our operating expenses are substantially all fixed with pre-determined escalation, thus increasing visibility on investment income and reducing volatility of distributions

In addition to our highly visible, stable and contracted revenue, we benefit from a large portion of our operating expenses being fixed. In particular, we benefit from the commercial terms in our major contractual agreements, due to certain amendments to our existing agreements agreed as part of the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 2. First, we benefit from agreed expenses for relocation of telecommunications towers in the case where a site lease relating to a relevant tower cannot be renewed or extended. Under such scenarios, we pay a fixed annual compensation fee of approximately THB79 million to TUC, an anchor tenant, to be responsible for the tower relocation in respect of True Tower Assets, TUC Towers for Additional Investment No. 2 and TUC Towers for Additional Investment No. 3, subject to an annual escalation rate of 2.7 percent applicable from January 2019 onward. Second, we benefit from the Amended and Restated Master Lease, Operation and Management Agreement limiting costs and expenses that we will bear in connection with FOC undergrounding, including the increased fee relating to the required right of way. TUC and TICC have agreed and will agree to be responsible for all costs and expenses incurred in moving FOC underground in respect of the FOC from the Initial Telecom Infrastructure Assets, the FOC for Additional Investment No. 2 and the FOC for Additional Investment No. 3 (provided that the relevant compensation for relocation expenses are paid by us to TUC in accordance with the terms of the Amended and Restated Tower Master Lease, Operation and Management Agreement). TUC and TICC have also agreed to bear the difference between the fees relating to the rights of way laid on the electricity poles and the fees relating to the right of way laid on underground ducts for parts of FOC that will be moved underground. Finally, we benefit from fixed




land lease payments and relevant property taxes for towers in our ownership, unless otherwise agreed.

Furthermore, upon the closing of the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 3, lease agreements for certain of our existing telecommunications assets will be extended until 2033 or even further but not longer than until 2043, further securing our long-term revenue streams.

Based on our projected financial statements, together, these leases and rights to net revenues are projected to provide us with THB14,122.95 million in total contracted revenue for the twelve months starting October 1, 2019 and ending September 30, 2020, as compared to THB12,973.79 or a 8.9 percent increase from projected contract revenue for the same period without the investment in the Telecom Infrastructure Assets for Additional Investment No. 4. This is expected to result in total cash flow available for Unitholder distributions of THB11,116.66 million for the twelve months ending September 30, 2020 as compared to THB10,061.87, or a 10.5 percent increase from projected contract revenue without Additional Investment No. 4. The Securities Law and the Fund Scheme require us to distribute at least 90 percent of our adjusted net profit to Unitholders as dividends each year, ensuring that Unitholders will benefit from these favorable projected margins. We will also distribute at least 90 percent of the excess liquidity arising from the additional cash receipts in the form of capital reductions.

- (D) A telecommunications tower portfolio with nationwide coverage and substantial spare capacity and nationwide coverage well-positioned for growth through increases in co-location tenancies, benefitting from a scalable business model with significant operating leverage

Following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 4, we believe we will have a more comprehensive portfolio with nationwide coverage, which will offer an opportunity for mobile operators to achieve targeted network coverage without significant capital expenditure, especially with regards to coverage sites for the high-growth upcountry regions of Thailand and capacity sites in high-density areas of Bangkok. The additional approximately 295,726 core km of FOC acquired as part of the Telecom Infrastructure Assets for Additional Investment No. 4 will bring our total FOC network to approximately 101,674 km which will further enhance the nationwide coverage of our FOC with the BMA FOC accounting for approximately 44.5 percent of our



total FOC coverage following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 4 (excluding BFKT FOC Transmission Grid, FOC and upcountry broadband system). An additional approximately 788 towers acquired as part of the Telecom Infrastructure Assets for Additional Investment No. 4 will also bring our total tower portfolio to approximately 16,059 towers, with approximately 16.5 percent of our tower portfolio located in the BMA, where network data traffic is the highest.

Acquisition of additional towers as part of the Telecom Infrastructure Assets for Additional Investment No. 3 will increase the number of our sharable towers by 8.8 percent, from 8,939 towers, currently, to approximately 9,727 towers. Our current tower portfolio features an average tenancy rate from True Group of 2.36 slots per tower. Following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 4, the average tenancy rate from True Group will become 2.33 slots per tower, expected to yield an average net revenue. Additional third-party revenue from our tower portfolio has steadily increased since the beginning of 2016 and is expected to continue to grow as a result of the lease of additional tower to third-party tenants after the acquisition of approximately an additional 788 towers as part of the Telecom Infrastructure Assets for Additional Investment No. 4. Furthermore, one of the major telecommunications operators in Thailand currently leases approximately 1,500 idle slots.

Similarly, following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 4, our FOC network will feature approximately 16.2 percent spare capacity available for co-leasing (representing approximately 498,300 core km), making us well positioned to capture future demand for leasing FOC in the mid-to-long term. In particular, following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 4, our FOC network in the BMA, which is the most affluent and urbanized region of the country, and also where network data traffic is the heaviest, will account for approximately 45 percent (representing 975,841 core km (14,630 km) of FOC) of our total FOC network (excluding BFKT FOC Transmission Grid and upcountry broadband system). As such, we believe that we will be well positioned to serve different types of customers in the future, including ISP players and enterprise customers. The Government recently announced an initiative to completely remove all overhead power lines and telecom broadcasting cables by 2022 in the BMA, for which True Group committed to be responsible for expenses in connection with FOC undergrounding and for increased fees relating to rights of way necessary for undergrounding FOC



as agreed under the relevant agreements. According to Analysys Mason, this change will not have a significant impact to the competitive dynamics in the market since the implementation is mandatory for every operator and the operators have no alternative. Moreover, this cost represents less than 2.5 percent of operators' revenue, so it is unlikely to deter investments in network coverage in the BMA. The increased cost of moving cables underground will likely be partially offset by lower recurring network capital expenditure for maintenance and repairs. In terms of providing of the service, this requirement could possibly increase sharing of cables laid underground for economic reasons and to reduce the time to market, which we believe will ultimately benefit our development.

In addition, as mobile operators focus on 4G and 5G deployment, they must make increasingly difficult spectrum choices given that the spectrum is fragmented across many telecommunications operators in Thailand. This is especially true for the low-frequency (sub-1GHz) spectrum, which has superior propagation characteristics and so allows a single base transceiver station ("BTS") to cover a larger area than a BTS with a higher frequency spectrum. The lack of access to large blocks of sub-1GHz spectrum makes it more difficult to provide cellular coverage and capacity to larger areas.

The incremental cost of adding co-location tenants to our portfolio will be relatively low, enabling us to more easily realize these additional revenues into profits and cash flow. In addition, anchor tenants, who are responsible for the maintenance of the telecom infrastructure assets, will have relatively low maintenance costs, which should encourage them to renew their lease agreements with us at the end of their respective terms. We believe that this scalable business model will provide significant operating leverage and potential growth in the future.

(E) Strong relationship with True Group, one of Thailand's fully-integrated, nationwide telecommunications operator and experience of SCB Asset Management Company Limited, a leading infrastructure and property fund manager in Thailand

All of our anchor tenants are operating subsidiaries of True Group, a leading Thai mobile service provider and the country's only fully-integrated, nationwide telecommunications operator. True Group, which holds 28.902 percent of our total number of outstanding Investment Units as of February 14, 2020, is a portfolio company of The Charoen Pokphand Group, one of the largest private groups in Thailand and one of Southeast Asia's largest conglomerates. True Group is the second largest mobile operator in Thailand with a market share of 32 percent in mobile revenue in



the third quarter of 2019 and market leadership in the fixed broadband business with a market share of 38 percent in the third quarter of 2019.

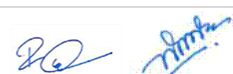
We expect True Group's support and expertise in the telecommunications infrastructure industry to continue to provide us with a competitive advantage in managing our assets and selectively expanding our portfolio.

We continue to benefit from the in-depth knowledge of technical issues from True Group's industry leading executive and engineering teams through the Telecom Asset Manager, which provides administrative services and sales and marketing operations to the Fund. We also continue to benefit from True Group's relationships with the network representatives of Thailand's other telecommunications operators through their participation in our Investment Advisory Committee, whose members from True Group each have 20 years of experience, on average, in the Thai telecommunications industry.

We also continue to benefit from the expertise and experience of SCB Asset Management Company Limited, our Management Company, a leading management company and infrastructure and property fund manager in Thailand. The Management Company's total net asset value under its management including private funds is the highest in Thailand at THB 1,374,870 billion as of December 31, 2017 (source: www.scbam.com). The Management Company's Property and Infrastructure Investment Management Department managed more than 36 percent of total assets under management for all infrastructure funds in Thailand (approximately THB 89,920 million of a total of THB 247,296 million under management) as of December 31, 2017 (source: www.aimc.co.th).

(F) Well positioned to benefit from rapid mobile network expansion driven by the transition to 4G-LTE services and future implementation of 5G

The Thai mobile telecommunications industry is expected to experience high growth in the number of 4G-LTE subscribers. Analysys Mason projects 4G-LTE subscribers to grow at a CAGR of 25 percent, and grow to 76 percent by 2022, supported by increased smartphone penetration, reduced data tariffs, increasing availability of applications and content, while the penetration rate of smartphones is expected to grow from 78 percent in 2016 to 106 percent by 2022 supported by the increasing migration of subscribers to 4G and demand for mobile data services as well as the improved



affordability of smartphones. As a result, Analysys Mason also projects total network data traffic to grow at a CAGR of 9.2 percent from 2017 to 2022. In addition, True Digital & Media Platform Company Limited was established on January 6, 2017 to provide internet-related services (online digital media) on website and telecommunication devices, which will further drive data consumption on our network.

We believe that increasing internet and fixed broadband users from the current rate (which is below APAC's average of 40 percent, as per Analysys Mason, based on an average of eight benchmark APAC countries, i.e., India, China, Malaysia, Indonesia, Philippines, Vietnam, Singapore and Thailand) will, according to Analysys Mason's report, drive demands for higher bandwidth and FOC capacity. Analysys Mason expects broadband penetration in Thailand to increase from 34 percent in 2016 to 53 percent in 2022.

In addition, the roll-out of 5G will require the deployment of an ultra-dense fiber optics network, which will ensure that acceptable bandwidth is available to consumers both upstream and downstream, with a heavy emphasis on small cells. The roll-out of 5G will require a robust wireline infrastructure to support the offloading of the large amount of data anticipated to be generated from wireless network users. The Government is prepared to support Thailand's transition into a digital economy as a part of its initiative to modernize the country through developed telecommunications infrastructure and networks through its "National Broadband Backbone" and "International Gateway" plans. Consequently, the Ministry of Digital Economy and Society plans to develop broadband networks to provide access to at least 95 percent of the national population by 2020, up from 27 percent in 2014.

Resulting demand for high-quality mobile data services will require Thai mobile operators to support additional network equipment, which in turn will require additional telecommunications towers, passive telecommunications infrastructure and FOC to provide capacity.

As the first telecom infrastructure provider in Thailand and an independent telecom infrastructure platform, in that we do not operate our own mobile telecommunications service that competes with that of the telecommunications service providers who are the potential lessees, which may make it more attractive for third parties to lease telecommunications infrastructure from us. Our significant advantages from the lessees' point of view are (i) reducing investment burden, (ii) shorter time to market and (iii) higher flexibility from our extensive coverage. In addition, we believe we are well



positioned to benefit from the positive industry trends and will continue to meet the industry's rapidly increasing demand for data usages.

2.1.7.2 Strategies


We believe that the positive outlook of our business is supported by the following strategies:

- (A) Realize high operational leverage through generating revenues focused on maintaining strong relationships with True Group and securing additional co-location tenancies on the approximately 8,939 sharable telecommunications towers with additional capacity to which we will be entitled following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 3

Our strategy will focus significantly on increasing the utilization and return on investment of the new towers acquired as part of the Telecom Infrastructure Assets for Additional Investment No. 3 consolidated into our portfolio, targeting sales efforts on maximizing the number of co-location tenancies on these new towers to generate additional revenues per tower. The Telecom Asset Manager will seek to work with the network planning and engineering teams of other Thai telecommunications operators to find opportunities to meet their network requirements with placements on our towers. Currently, one of the major telecommunications operators in Thailand leases idle slots on approximately 1,500 towers and slots on 8,939 sharable towers. With the increase of our telecommunication towers with idle slots to approximately 9,727 sharable towers following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 4, we will continue to look to lease our towers to other telecommunication operators.

By adding additional co-location tenants, we will diversify our customer base and believe we will increase the stability of our income and long-term cash flow. Typically, adding additional co-location tenancies significantly improves the operating margin on a per tower basis as adding new tenants should incur minimal incremental cost.

The new towers will further enhance tower network coverage located throughout Thailand and will allow telecommunications operators to cover large segments of the Thai population on the 850/900 MHz, 1800 MHz, 2100 MHz and in future 2300 and 2600 MHz frequency spectrums,



making it an attractive alternative for increasing network capacity compared with building new telecommunications towers.

In addition, we intend to maintain our close relationship with True Group to expand our asset base which we believe should mutually benefit both parties. Based on this strategy, we will have additional slots to fuel our future growth, while True Group will find this to be a cost-effective way to expand its current 4G-LTE network, 5G network and any new network in the future.

(B) Continue to expand our telecommunications infrastructure portfolio through the procurement of strategic and shareable assets from True Group or other telecommunications operators


Our continuous investment in telecommunications infrastructure assets has contributed to our recent performances. Based on the pro-forma financials as set out elsewhere in this Offering Memorandum, our investment income following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 4 are projected to increase from THB12,973.79 million to THB14,122.95 million for the period starting October 1, 2019 and ending June September 30, 2020. As a result, our cash distribution per unit is projected to be maintained at approximately THB1.044 per unit for the same projected period.

In order to generate revenue and dividend growth to Unitholders, we will continue to search for any additional investments in telecommunications infrastructure assets. As an independent telecom infrastructure platform, we will focus on procuring assets from True Group and other operators that are of strategic value, free from encumbrances and available for co-location.

Investing in telecommunications infrastructure assets on the basis of pre-determined revenues and expenses is the investment method that can minimize execution risk and earnings volatility.

For any future assets or net revenues that we procure from True Group, we will obtain an appraisal report from IFAs to ensure such transactions are done at arm's length and at a valuation which is yield-enhancing to Unitholders.

(C) Selectively invest in upgrades to our telecommunications infrastructure portfolio to increase existing capacity to meet demand



We intend to selectively invest in upgrades for our telecommunications infrastructure portfolio where there is an opportunity to increase the number of slots on towers and enhance the performance and available bandwidth on our FOC and upcountry broadband system, as well as to keep pace with future changes in technological protocols. Specifically, such future upgrades may include enhancing the structural strength of certain towers and upgrading transmission and core network equipment. We plan to invest in upgrades only when our anchor tenants or co-location tenants pre-commit to leasing, operating and managing the additional upgrades or upgraded equipment on a long-term agreed rental basis and such investment meets our criteria of being cash distribution accretive.

(D) Focus on efficient capital management to facilitate long-term growth and recurring Unitholder distributions

We plan to maintain a disciplined approach to managing our balance sheet. The Securities Law and the Fund Scheme requires our debt-to-equity ratio to be no higher than three to one and our loan covenants require maintenance of other financial ratios. Following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 4, our debt-to-equity ratio level is projected to be under 0.20 and we aim to ensure that a pre-determined level of liquidity is available to pursue our expansion strategy and maintain recurring cash distributions to Unitholders.


We believe that our prudent approach to capital management and our current low leverage provide us with sufficient future access to capital and debt markets, subject to prevailing market conditions, and the ability to selectively expand and upgrade our telecommunications infrastructure portfolio.

2.2 Major changes and milestones

2.2.1 The Fund invested in the 1st additional telecommunications infrastructure business assets in March 2015

The Fund invested in the 1st additional telecommunications infrastructure business assets which included:-

(1) the right to receive net revenue derived from the lease of telecommunications infrastructure business assets of Asia Wireless Communication Co., Ltd. ("AWC"), which comprise telecommunications



towers of approximately 338 towers and other relevant passive telecommunications infrastructure (if any) owned by AWC, comprising the net revenue to be generated from and including 1 March 2015 (or other date as agreed upon by the Fund and AWC) until the expiry date of the lease agreement of additional AWC telecommunications towers between AWC and BFKT (Thailand) Limited (“BFKT”), as amended, (“AWC Leasing Agreement”), including ownership in such telecommunications towers and other related passive telecommunications infrastructure (if any) owned by AWC, following the expiry date of the AWC Leasing Agreement and fulfillment of other conditions to be determined in the asset and revenue sale and transfer agreement. The Fund will enter into the asset and revenue sale and transfer agreement with AWC; and


(2) Long-term leasehold with a term of not exceeding 20 years of AWC’s telecommunications infrastructure business assets, which comprise fiber optic cables (FOC) for a distance of approximately 7,981 kilometres (or approximately 303,453 core kilometres), including call option of the FOC upon the expiration of the term of the long-term leasehold and fulfillment of other conditions to be determined in the long-term lease agreement with the exercise price for the purchase of the ownership in such assets being THB500 million. The Fund will enter into the long-term lease agreement with AWC.

2.2.2 The Fund signed an Amendment and Restatement Agreement relating the Master Lease Agreement dated 1 Oct 2014 with DTAC TriNet Co., Ltd in January 2016

In January 2016, the Fund entered into an Amendment and Restatement Agreement relating the Master Lease Agreement dated 1 Oct 2014 with DTN, a subsidiary under Total Access Communication Co., Ltd (DTAC).

In the newly-signed agreement, DTN shows its intention to lease more telecommunications towers from the Fund compared to the number of leased slots DTN agreed with the fund in the Master Lease Agreement dated 1 Oct 2014 at 115 slots. Nevertheless, as the Fund needs to follow the Confidential Clause per the agreements signed with DTN, the Fund cannot disclose more details of the agreements until the official press release from the Fund and DTN is publicly announced. The additional rental revenue from leasing towers to DTN will be gradually recognized in the income statement, causing the expected rental revenue in 2016 to increase compared to that of 2015. This cooperation can be considered as an important step for an efficient and successful infrastructure sharing in Thailand.

2.2.3 The Fund settled an agreement and established a memorandum of understanding on the revision of property rental fee to be in line with the actual quantity of telecommunications towers delivered by True Coporation Co., Ltd. and True Move H Universal Communication Co., Ltd. in December 2016



Following the initial delivery of 3,000 telecommunications towers on 31 December 2014 and the final delivery of 6,000 telecommunications towers on 31 December 2015, the Fund had further negotiated with TRUE Corporations regarding the actual quantity of telecommunications towers delivered and the quantity specified in the delivery plan. The negotiation has allowed the Fund to generate higher net revenue from telecommunications towers rental (towers rental income deducting property rental fee) due to lower rental fee of property for telecommunications towers installation as TRUE has delivered more Ground Base Telecommunications Towers than expected. Meanwhile, property rental fee for this type of telecommunications towers is cheaper than that of Roof Top type. Hence, net property rental fee must be revised.

2.2.4 The Fund invested in the 2nd additional telecommunications infrastructure business assets in November 2017

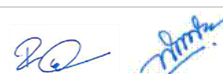
The Fund invested in the 2nd additional telecommunications infrastructure business assets which included:-

(1) the right to receive net revenue derived from the lease of telecommunications infrastructure business assets of Asia Wireless Communication Co., Ltd. ("AWC"), which comprise telecommunications towers of approximately 149 towers and other relevant passive telecommunications infrastructure (if any) owned by AWC, comprising the net revenue to be generated from and including 1 December 2017 (or other date as agreed upon by the Fund and AWC) until the expiry date of the lease agreement of additional AWC telecommunications towers between AWC and BFKT (Thailand) Limited ("BFKT"), as amended, ("AWC Leasing Agreement"), including ownership in such telecommunications towers and other related passive telecommunications infrastructure (if any) owned by AWC, following the expiry date of the AWC Leasing Agreement and fulfillment of other conditions to be determined in the asset and revenue sale and transfer agreement. The Fund will enter into the asset and revenue sale and transfer agreement with AWC.

(2) the ownership of 350 telecommunications towers acquired from True Move H Universal Communication Company Limited ("TUC").

(3) the ownership of FOC for provision of mobile services in provincial areas with the length of 1,113 kilometers (or 62,594 core kilometers) acquired from TUC

(4) the ownership of FOC for provision of mobile and internet services in the BMA with the length of 542 kilometers (or 117,147 core kilometers) acquired from True Move Company Limited ("TMV") ; and



(5) a long-term leasehold of approximately 30 years of FOC for FTTx for the provision of internet and broadband internet services in BMA with the length of 670 kilometers (or 80,014 core kilometers) leased from True Internet Corporation Company Limited (“TICC”), including a call option of the FOC for FTTx upon the expiration of the term of the long-term leasehold provided that the Fund expresses its intention to exercise the option to TICC of the term set out in the Long-Term Lease Agreement with TICC, with an exercise price of THB200 million.

2.2.5 The Fund invested in the 3rd additional telecommunications infrastructure business assets in May 2018

The Telecom Infrastructure Assets for Additional Investment No.3 comprise:

- (i) The ownership of 2,589 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services acquired from True Move H Universal Communication Company Limited;
- (ii) The ownership in FOC for provision of mobile services in provincial areas with an approximate length of 8,017 kilometers (or equal to 252,006 core kilometers) acquired from True Move H Universal Communication Company Limited;
- (iii) The ownership in core FOC for provision of mobile and Internet services in the BMA with an approximate length of 546 kilometers (or equal to 117,871 core kilometers) acquired from True Move Company Limited;
- (iv) The ownership in FOC for FTTx for provision of Internet and broadband Internet services in provincial areas with an approximate length of 5,933 kilometers (or equal to 220,428 core kilometers) acquired from True Move Company Limited; and
- (v) A long-term leasehold of approximately 30 years of FOC for FTTx for the provision of Internet and broadband Internet services in the BMA with an approximate length of 12,872 kilometers (or equal to 619,986 core kilometers) leased from True Internet Corporation Company Limited, including a call option of the FOC for FTTx upon the expiration of the term of the long-term leasehold with an exercise price of Baht 1,300 million.



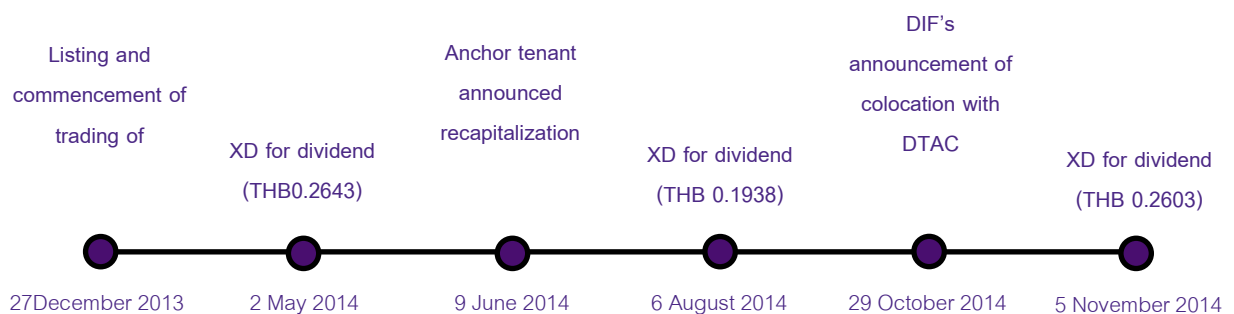
2.2.6 The Fund invested in the 3rd additional telecommunications infrastructure business assets in August 2019

The Telecom Infrastructure Assets for Additional Investment No.4 comprise:

- i) ownership in 788 completed and ready-for-operation telecommunications towers and other related passive telecommunications infrastructure from True Move H Universal Communication Company Limited;
- ii) ownership in the fiber optic cables (“FOC”) currently used for provision of mobile services in upcountry area (FOC Mobile Access UPC) with approximate distance 1,795 kilometres (or approximately 107,694 core kilometres) from True Move H Universal Communication Company Limited;
- iii) ownership in the FOC currently used for Fibre to the X (“FTTx”) system (“FOC for FTTx”) for provision of internet and broadband internet services in Bangkok Metropolitan area and upcountry area with approximate distance of 315 kilometres (or approximately 40,823 core kilometres) and approximate distance of 617 kilometres (or approximately 37,505 core kilometres), respectively, from Real Move Company Limited;
- iv) ownership in the FOC for FTTx for provision of internet and broadband internet services in upcountry area with approximate distance of 2,797 kilometres (or approximately 109,704 core kilometres) from True Internet Corporation Company Limited.

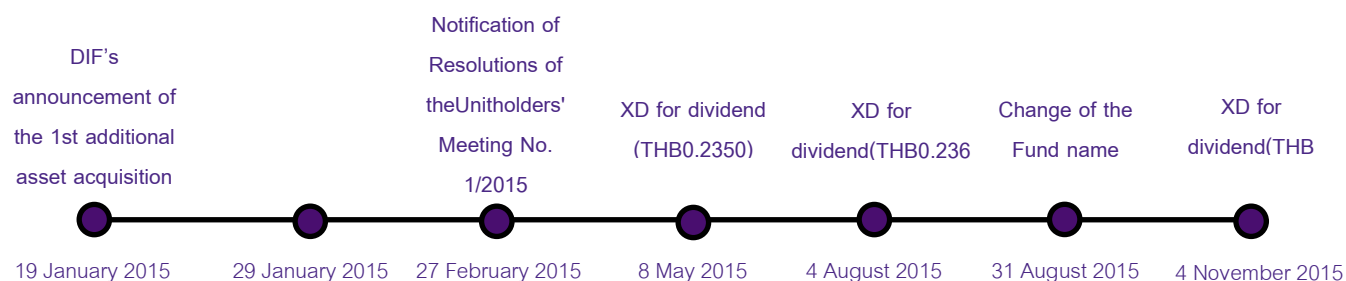
Key Events since Fund Inception (Milestone)

Key Events between Dec 27, 2013 (Fund Inception) and Dec 31, 2014

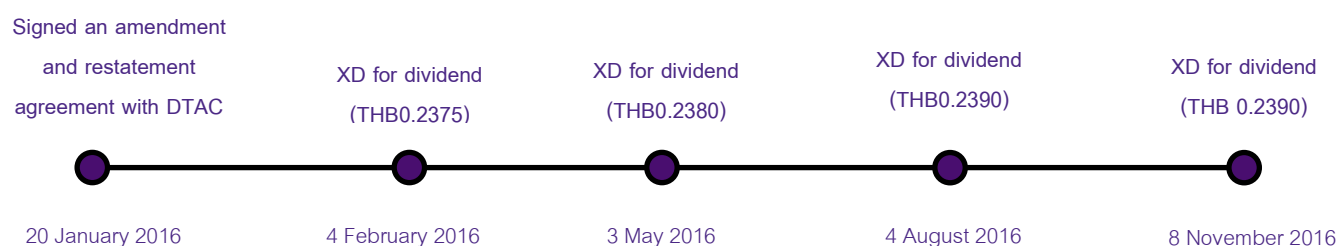


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Key Events for the year 2015



Key Events for the year 2016

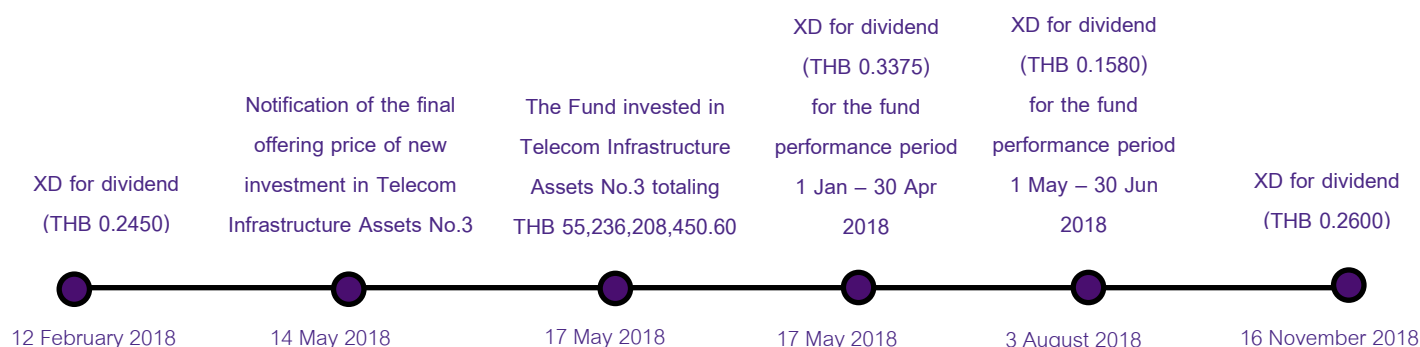


Key Events for the year 2017

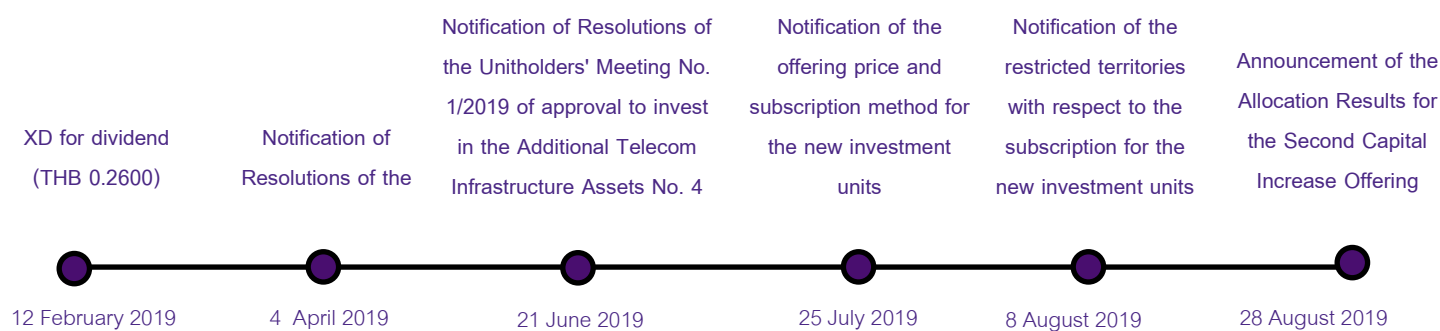


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Key Events for the year 2018



Key Events for the year 2019



2.3 Relations with the asset management, or any of the major unitholders

- Telecom Asset Management Company Limited ("TAM"), as the Telecom Asset Manager with duties to provide certain administrative and other services to the Fund, is a related person of the Fund according to the Notification of the Capital Market Supervisory Board No. ThorNor. 38/2562 Re: Rules, Conditions and Procedures for Establishment and Management of Infrastructure Funds dated 25 April 2019 (as amended) ("TN. 38/2562 Notification") because TRUE is the major shareholder of TAM (either directly or indirectly), while TRUE is a major unitholder of the Fund which holds more than 10 per cent of the total issued investment units of the Fund.
- Asia Wireless Communication Co., Ltd. ("AWC"), as the seller and the transferor of the right to receive revenue and assets, and the person leasing the telecommunications infrastructure business assets for additional investment no. 1 & no. 2 to the Fund, is a related person of the Fund according to TN. 38/2562 Notification because TRUE is the major shareholder of AWC

(either directly or indirectly), while TRUE is the major unitholder of the Fund which holds more than 10 per cent of the total issued investment units of the Fund.

- c) BFKT (Thailand) Limited (“BFKT”), as the seller and the transferor of the right to receive revenue and assets, and the person leasing the telecommunications infrastructure business assets for additional investment no. 1 to the Fund, is a related person of the Fund according to TN. 38/2562 Notification because TRUE is the major shareholder of AWC (either directly or indirectly), while TRUE is the major unitholder of the Fund which holds more than 10 per cent of the total issued investment units of the Fund.
- d) True Internet Corporation Company Limited or TICC, as the lessee/sublessee of telecommunications infrastructure business assets from the Fund, a related person of the Fund according to the definition thereof as prescribed in TN. 38/2562 Notification because TRUE is the major shareholder of TU (either directly or indirectly), while TRUE is a major unitholders of the Fund which holds more than 10 per cent of the total issued investment units of the Fund.
- e) True Move H Universal Communication Company Limited or TUC, as the lessee of telecommunications infrastructure business assets from the Fund, a related person of the Fund according to the definition thereof as prescribed in TN. 38/2562 Notification because TRUE is the major shareholder of TUC (either directly or indirectly), while TRUE is a major unitholders of the Fund which holds more than 10 per cent of the total issued investment units of the Fund.

2.4 Asset Information of the Fund

a) Overview of the existing telecommunications infrastructure business assets invested by the Fund

The comparative overview of the initial telecommunications infrastructure business assets invested by the Fund and the telecommunications infrastructure business assets of the Fund following the investment in the Additional Telecom Infrastructure Assets is as set out below:




Table 1: Telecommunications infrastructure business assets invested by the Fund at its inception:

Form of investment	Right to receive net revenue and ownership in the assets upon fulfillment of conditions		Ownership		Total amount of the assets
			True	TU	
Entities entered to the transaction with the Fund	AWC	BFKT	True	TU	
Telecommunications Towers	4,360towers	1,485towers	6,000towers	-	11,845towers
Fiber optic cable (FOC) and transmission system equipment	-	9,169links andFOC of47,250 kilometres (680,400core kilometres)	-	FOC of5,112 kilometres (122,974core kilometres)	9,169links and FOC of 52,362 kilometres (803,374core kilometres)
Upcountry broadband system	-	-	-	1.2 million ports andFOC of6,114 kilometres (198,085core kilometres)	1.2 million ports andFOC of6,114 kilometres (198,085core kilometres)

Table 2: Telecommunications infrastructure business assets of the Fund following the investment in the Additional Telecom Infrastructure Assets No.1:

Form of investment	Right to receive net revenue and ownership in the assets upon fulfillment of conditions		Ownership		Long-term leasehold + call option on assets upon fulfillment of conditions	Total amount of the assets
Entities entered to the transaction with the Fund	AWC	BFKT	True	TU	AWC	
Telecommunications Towers	4,360towers and 338towers	1,485towers	6,000towers	-	-	12,183towers
Fiber optic cable (FOC) and transmission system equipment	-	9,169links andFOC of47,250 kilometres (680,400core kilometres)	-	FOC of5,112 kilometres (122,974core kilometres)	FOC of 7,981 kilometres(or 303,453 core kilometres)	9,169links and FOC of 60,343 kilometres (or 1,106,827core kilometres)
Upcountry broadband system	-	-	-	1.2 million ports andFOC of6,114 kilometres (198,085core kilometres)	-	1.2 million ports andFOC of6,114 kilometres (198,085core kilometres)

Table 3: Telecommunications infrastructure business assets of the Fund following the investment in the Additional Telecom Infrastructure Assets No.2:

Form of investment	Right to receive net revenue and ownership in the assets upon fulfillment of conditions		Ownership				Long-term leasehold + call option on assets upon fulfillment of conditions		Total amount of the assets
			TRUE	TICC	TUC	TMV	AWC	TICC	
Entities entered to the transaction with the Fund	AWC	BFKT							
Telecommunications Towers	4,698 towers and 149 towers	1,485 towers	6,000 ๙๓	-	350 towers		-	-	12,682 towers
Fiber optic cable (FOC) and transmission system equipment	-	9,169 links and FOC 47,250 kilometers(680,400 corekilometres)	-	FOC of 5,112 kilometres (122,974 corekilometres)	FOC of 1,113 kilometres (62,594 core kilometres)	FOC of 542 kilometres (117,147 core kilometres)	FOC of 7,981 kilometres (303,453 corekilometres)	FOC (FTTx) of 670 kilometres (80,014 corekilometres)	9,169 links and FOC of 62,668 kilometers (1,366,582 core kilometres)
Upcountry broadband system	-	-	-	1.2 million ports and FOC of 6,114 kilometres (198,085 corekilometres)			-	-	1.2 million ports and FOC of 6,114 kilometres (198,085 corekilometres)

Form of investment	Right to receive net revenue + Call option		Ownership				Long-term leasehold + Call option		Total amount of the assets
	AWC	BFKT	TRUE	TICC	TUC	TMV	AWC	TICC	
Asset/ Company									
Telecommunications Towers	4,847 towers	1,485 towers	6,000 towers	-	2,939 towers		-	-	15,271 towers
Fiber optic cable (FOC) and transmission system equipment	-	9,169 links and FOC 47,250 kilometers(680,400 core kilometres)	-	FOC of 5,112 kilometres (122,974 core kilometres)	FOC of 9,130 kilometres (314,600 core kilometres)	FOC of 7,021 kilometres (455,446 core kilometres)	FOC of 7,981 kilometres (303,453 core kilometres)	FOC (FTTx) of 13,542 kilometres (700,000 core kilometres)	9,169 links and FOC of 90,036 kilometers (2,576,873 core kilometres)
Upcountry broadband system	-	-	-	1.2 million ports and FOC of 6,114 kilometres (198,085 core kilometres)			-	-	1.2 million ports and FOC of 6,114 kilometres (198,085 core kilometres)

Table 3: Telecommunications infrastructure business assets of the Fund following the investment in the Additional Telecom Infrastructure Assets No.3:





Amber

Form of investment	Right to receive net revenue + Call option		Ownership					Long-term leasehold + Call option		Total amount of the assets
Asset/ Company	AWC	BFKT	TRUE	TICC	TUC	TMV	RMV	AWC	TICC	
Telecommunications Towers	4,847 towers	1,485 towers	6,000 towers	-	3,727 towers			-	-	16,059 towers
Fiber optic cable (FOC) and transmission system equipment	-	9,169 links and FOC 47,250 kilometers(680,4 00 core kilometres)	-	FOC of 7,909 kilometres (232,678 core kilometres)	FOC of 10,925 kilometres (422,294 core kilometres)	FOC of 7,021 kilometres (455,446 core kilometres)	FOC of 932 kilometers (78,328 core kilometers)	FOC of 7,981 kilometres (303,453 core kilometres)	FOC (FTTx) of 13,542 kilometres (700,000 core kilometres)	9,169 links and FOC of 90,036 kilometers (2,872,599 core kilometres)
Upcountry broadband system	-	-	-	1.2 million ports and FOC of 6,114 kilometres (198,085 core kilometres)				-	-	1.2 million ports and FOC of 6,114 kilometres (198,085 core kilometres)

b) The details of asset as of December 31, 2019 as follows:

Fund	Total Asset (THB)	Net Asset Value (THB)	Net Asset Value per unit (THB)
Digital Telecommunications Infrastructure Fund	210,743,566,915.23	172,746,003,459.26	16.2482

Appraisal of the Initial Assets and Additional Investment No. 1

Company	Type	Appraised/ Reviewed appraised Value (THB million)	Appraiser	Valuation/ Revaluation Date	Valuation/ Revaluation Period	Appraisal/ Reviewed appraised Method
BFTK (Thailand) Limited ("BFTK")	The right to the net revenues from telecommunications towers	4,841	Silom Advisory Company Limited	December 31, 2019	January 1, 2020 - September 15, 2033 for towers and November 15, 2043 for FOC and Transmission system and Upcountry broadband system with terminal value	Income Approach according to the Fund's structure
	The right to the net revenues from fiber optic cable transmission grid	22,133				
Asia Wireless Communication Company Limited ("AWC")	The right to the net revenues from telecommunications towers	14,929				
	The right to the net revenues from telecommunications towers (the Additional Investment No. 1)	1,252				
	Long-term leasehold with a term of not exceeding 20 years of fiber optic cable (FOC), including call option of the FOC upon the expiration of the term of the long-term leasehold (the Additional Investment No. 1)	10,605				
True Corporate Public Company Limited ("TRUE")	The ownership of 6,000 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services	28,098				
True Internet Corporation Company Limited ("TICC")	The ownership of a core fiber optic cable grid and related transmission equipment and an upcountry broadband system	27,124				
Total		108,982				

Appraisal of the Telecom Infrastructure Assets for Additional Investment No. 2

Company	Type	Appraised/ Reviewed appraised Value (THB million)	Appraiser	Valuation/ Revaluation Date	Valuation/ Revaluation Period	Appraisal/ Reviewed appraised Method
Asia Wireless Communication Company Limited ("AWC")	The right to the net revenues from telecommunications towers	556	Silom Advisory Company Limited	December 31, 2019	January 1, 2020 - November 15, 2033 for towers and November 15, 2043 for FOC and Transmission system and Upcountry broadband system with terminal value	Income Approach according to the Fund's structure
True Move H Universal Communication Company Limited ("TUC")	The ownership of 350 telecommunications towers	1,032				
	The ownership in fiber optic cables currently used for provision of mobile services in provincial areas	2,798				
True Move Company Limited ("TMV")	The ownership in core fiber optic cables currently used for provision of mobile and internet services in Bangkok Metropolitan Area and Vicinity	5,515				
True Internet Corporation Company Limited ("TICC")	Long-term leasehold with a term of not exceeding 30 years of fiber optic cable (FTTx Access), including call option of the FOC upon the expiration of the term of the long-term leasehold	3,691				
Total		13,591				

Appraisal of the Telecom Infrastructure Assets for Additional Investment No. 3

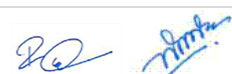
Company	Type	Appraised/ Reviewed appraised Value (THB million)	Appraiser	Valuation/ Revaluation Date	Valuation/ Revaluation Period	Appraisal/ Reviewed appraised Method
True Move H Universal Communication Company Limited ("TUC")	The ownership of 2,589 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services	8,941	Silom Advisory Company Limited	December 31, 2019	January 1, 2020 - September 15, 2033 for towers and September 15, 2043 for FOC with terminal value	Income Approach according to the Fund's structure
	The ownership in fiber optic cables currently used for provision of mobile services in provincial areas	9,861				
True Move Company Limited ("TMV")	The ownership in core fiber optic cables currently used for provision of mobile and internet services in Bangkok Metropolitan Area and Vicinity	5,491				
	The ownership in fiber optic cables (FTTx) currently used for provision of internet and broadband internet services in provincial areas	8,745				
True Internet Corporation Company Limited ("TICC")	Long-term leasehold with a term of not exceeding 30 years of fiber optic cable (FTTx) currently used for provision of internet and broadband internet services in Bangkok Metropolitan Area and Vicinity, including call option of the FOC upon the expiration of the term of the long-term leasehold	25,803				
Total		58,842				

Appraisal of the Telecom Infrastructure Assets for Additional Investment No. 4

Company	Type	Appraised/ Reviewed appraised Value (THB million)	Appraiser	Valuation/ Revaluation Date	Valuation/ Revaluation Period	Appraisal/ Reviewed appraised Method
True Move H Universal Communication Company Limited ("TUC")	The ownership of 788 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services	2,695	Silom Advisory Company Limited	December 31, 2019	January 1, 2020 - September 15, 2033 for towers and September 15, 2043 for FOC with terminal value	Income Approach according to the Fund's structure
	The ownership in fiber optic cables currently used for provision of mobile services in provincial areas	4,765				
Real Move Company Limited ("RMV")	The ownership in fiber optic cables (FTTx) currently used for provision of internet and broadband internet services in Bangkok Metropolitan Area and Vicinity areas and Upcountry areas	3,563				
True Internet Corporation Company Limited ("TICC")	The ownership in fiber optic cables (FTTx) currently used for provision of internet and broadband internet services in Upcountry areas	4,830				
Total		15,853				

c) The ratio of telecommunications infrastructure business assets of the Fund and net asset value as of December 31, 2019

	December 31, 2019	
	Fair Value Baht	% of Net asset value
Investments in the Infrastructure Business (Note 5)		
Investments in the ownership of the infrastructure assets		
Investments in the ownership of 6,000 telecommunicationstowers and other related passive telecommunicationsinfrastructure for mobile telecommunications services	30,096,630,000	17.42
Investments in the ownership of a core fiber optic cable gridand related transmission equipment and an upcountry broadband system	27,124,460,000	15.70
Investments in the ownership of 350 telecommunications towers and fiber optic cable currently used for provision of mobile services in provincial areas	3,829,180,000	2.22
Investments in the ownership of 2589 telecommunications towers and fiber optic cable currently used for provision of mobile services in provincial areas	18,802,270,000	10.88
Investments in the ownership of 788 telecommunications towers and fiber optic cable currently used for provision of mobile services in provincial areas	7,460,180,000	4.32
Investments sof ownership of core fiber optic cables for provision of mobile and internet services in Bangkok Metropotion Area (“BMA”)	5,515,260,000	3.19



Investments of ownership of core fiber optic cables for provision of mobile and internet services in Bangkok Metropolitan Area ("BMA") and fiber optic cables for provision of internet and broadband internet services in provincial areas	14,236,200,000	8.24
Investments of ownership of core fiber optic cables for additional investment No.4 for provision of internet and broadband internet services in Bangkok Metropolitan Area ("BMA") and provincial areas	3,562,940,000	2.06
Investments of ownership of core fiber optic cables for additional investment No.4 for provision of internet and broadband internet services in provincial areas	4,830,300,000	2.80
Investments in the right to the net revenues		
Investments in the right to the net revenues to be generated from the rental of telecommunications assets of BFKT (Thailand) Limited ("BFKT")	26,973,750,000	15.61
Investments in the right to the net revenues to be generated from the rental of telecommunications towers of Asia Wireless Communication Company Limited ("AWC")	14,929,050,000	8.64
Addition investments no.1 in right to the net revenues to be generated from the rental of telecommunications towers of Asia Wireless Communication Company Limited ("AWC")	1,251,990,000	0.72
Addition investments no.2 in right to the net revenues to be generated from the rental of telecommunications towers of Asia Wireless Communication Company Limited ("AWC")	555,610,000	0.32
Investments in the leasehold right of the infrastructure assets		
Additional investment no.1 in the leasehold right of a	10,604,870,000	6.14



fiber optic cable grid		
Additional investment no.2 in the leasehold right of a fiber optic cable grid	3,690,600,000	2.14
Additional investment no.3 in the leasehold right of a fiber optic cable grid	25,803,050,000	14.94
Total Investments in the Infrastructure Business	199,266,340,000	115.35

Investments in Securities (Note 6)		
Unit trust		
TMB Treasury Money Fund	2,669,018,023	1.55
Thanachart Capital	3,669,018.23	0.58
Total Investments in Securities	174,559,873,887	2.12

2.5 Seeking profit from the infrastructure business

a) Agreements relating to the management or the seeking of profit from the infrastructure business

The Fund signed an agreement in order to acquire telecommunication infrastructure asset as well as an agreement relating to the seeking of profit from such infrastructure. The list of the agreements is as follows:

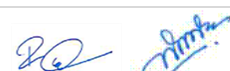
(1) Asset and Revenue Sale and Transfer Agreement

- I. Asset and Revenue Sale and Transfer Agreement between BFKT and the Fund ("BFKT Asset and Revenue Sale and Transfer Agreement")
- II. Asset and Revenue Sale and Transfer Agreement between AWC and the Fund ("AWC Asset and Revenue Sale and Transfer Agreement")
- III. Asset Transfer Agreement between TICC and the Fund ("TICC Asset Transfer Agreement")
- IV. Asset Transfer Agreement between TRUE and the Fund ("TRUE Asset Transfer Agreement")
- V. Asset and Revenue Sale and Transfer Agreement between the Fund and AWC in relation to investment in AWC Towers for Additional Investment No. 1 ("AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 1")
- VI. Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1

- VII. Asset and Revenue Sale and Transfer Agreement between the Fund and AWC in relation to investment in AWC Towers for Additional Investment No. 2 (“AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2”)
- VIII. Asset Transfer Agreement between TUC and the Fund (“TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 and Additional Investment No.3”)
- IX. Asset Transfer Agreement between True Move and the Fund (“True Move Asset Sale and Transfer Agreement for Additional Investment No. 2 and Additional Investment No.3”)
- X. Long-Term Lease Agreement between TICC and the Fund (“Long-Term Lease Agreement with TICC in Relation to FOC for Additional Investment No.2 and Additional Investment No.3”)
- XI. Asset Transfer Agreement between TUC and the Fund (“TUC Asset Sale and Transfer Agreement for Additional Investment No.4”)
- XII. Asset Transfer Agreement between Real Move and the Fund (“Real Move Asset Sale and Transfer Agreement for Additional Investment No.4”)
- XIII. Asset Transfer Agreement between TICC and the Fund (“TICC Asset Sale and Transfer Agreement for Additional Investment No.4”)

(2) Sub-Lease, Operation and Management Agreement

- I. Amended and Restated TUC Master Lease, Operation and Management Agreement between TUC and the Fund (“Amended and Restated Tower Master Lease, Operation and Management Agreement”)
- II. Amended and Restated Master Lease, Operation, Maintenance and Management Agreement between TICC, TUC and the Fund (“Amended and Restated FOC Master Lease, Operation and Management Agreement”)
- III. Amended and Restated FOC Sub-Lease, Operation and Management between TICC and the Fund (“Amended and Restated FOC Sub- Lease, Operation and Management Agreement”)
- IV. Amended and Restated Master Lease, Operation, Maintenance and Management Agreement No. 2 between TUC and the Fund (“Amended and Restated Tower Master Lease, Operation and Management Agreement No. 2”)



(3) Master Services Agreement

- Master Services Agreement dated December 24, 2013 between the Telecom Asset Manager and the Fund (as amended and supplemented including pursuant to a supplement agreement dated March 5, 2015 and a supplement agreement No. 2 between the Telecom Asset Manager and the Fund)

(4) Letter of Undertaking between TUC BFKT and the Fund

(5) Letter of Support by TUC to BFKT

(6) Lock-up Agreement dated December 24, 2013 between True and the Fund ("Lock-up Agreement") (as amended including pursuant to an amendment agreement between True and the Fund dated 23 August 2019)

(7) Master Lease Agreement

- I. Master Lease Agreement of Towers between DTAC TRINET Co., Ltd. (DTN) and the Fund ("DTN Master Lease Agreement of Towers")
- II. Master Lease Agreement of Towers between CAT Telecom Public Company Limited (CAT) and the Fund ("CAT Master Lease Agreement of Towers")

(8) Letter of Agreement relating to the HSPA Telecom Infrastructure Assets

Remark: For further information, please see the Fund's prospectus.

b) Management or seeking of profit from the infrastructure business in the future

If, in the future, the Fund will sign, amend or terminate any agreement relating to the management or the seeking of profit from the telecommunication infrastructure asset, and such signing, amendment or termination of any agreement relating to the seeking of profit from the telecommunication infrastructure asset of which the contract value exceeds THB 100 million or 30% of the Fund's total asset value or higher at the time that agreement is signed, amended or terminated, the Fund may do so only upon getting a unitholders' resolution, unless it's the signing, amendment or termination of any contract of which the contractual value exceeds THB 100 million but accounts for less than 30% of the Fund's total asset value at the time the contract is signed, amended or terminated that has been approved by the Fund Supervisor or as stipulated in the Fund Scheme. The contractual value mentioned above will be calculated based on all contractual values during the six-month period.




2.6 Borrowing

(A) Source of Fund

On 5 March 2015, the Fund entered into a borrowing agreement with a group of 5 banks and financial institutions. The conditions of the credit facilities that the Fund agreed with the group of banks and financial institutions are quite similar to those of credit facilities offered to most creditworthy major borrowers of commercial banks in Thailand and are in accordance with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances (arm's length terms) with the bullet repayment date which is 5 years from the drawdown date. The borrowing is denominated in Thai THB with total facility of THB13,100.00 million which was used to invest in the 1st additional telecommunications infrastructure business assets investment on 6 March 2015. The borrowing carries two types of interest rate including (1) floating rate at THBFIX plus 3% (which accounts for approximately 86% of total loan amount) and (2) fixed rate of 5.5% (which accounts for approximately 14% of total loan amount). The interest will be repayable on a semi-annual basis and the borrowings will be full repayable on the final maturity date at March 6, 2020. The final maturity date will be 5 years after the first utilisation date. Furthermore, to get rid of interest rate risks resulting from the floating rate loan, the Fund entered into the interest rate swap agreement with banks to convert the floating rate to fixed rate, causing the overall weighted-average cost of debt after swap cost is 5.46%. The amount that the Fund needs to pay the swap counterparties or the amount that the Fund receives from the swap counterparties shall be recognized either as interest expense or interest income along the swap contract term and also there will be an unrealized gain or loss from the swap contract resulted from the monthly mark-to-market process.

In addition, upon the due date of the repayment of the loan at the 5th year from the drawdown date, the Fund will consider seeking the most appropriate source of funds for the repayment of such debts in order to arrange an appropriate investment structure for the Fund at the time. That is, the management company may consider a single or multiple sources of funds, such as, securing credit facilities from commercial banks, issuance of debt instruments (not yet permitted under the current securities law) or capital increase. In the case that the above sources of funds are insufficient for repayment of debts and/or that the Fund is unable to seek sources of funds for repayment of debts in full, the Management Company may use the cash flow derived from the operations to repay the loan, thereby it might adversely affect the dividend to be received by the unitholders during the period that the debts must be repaid.

We entered into a facility agreement dated November 24, 2017 with Bangkok Bank Public Company Limited, Krung Thai Bank Public Company Limited, The Siam Commercial Bank Public Company Limited



and the other financial institutions named therein as original lenders in respect of a THB12,898,000,000 term loan for the purpose of funding the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 2 and expenses related to such acquisition.

The term loan is unsecured, drawn in one lump sum and has a bullet repayment 5 years from the drawdown date. The interest rate for the initial loan period is either (i) THBFIX plus 3 percent per annum or (ii) a fixed rate of 5.07 percent per annum as selected by a relevant lender. Such interest rate will be reduced to be either THBFIX plus 2.75 percent per annum or a fixed rate of 4.82 percent per annum after the investment by the Fund in the Telecom Infrastructure Assets for Additional Investment No. 3 is completed. The Second Thai Facility Agreement contains terms and conditions that are similar to commercial terms an ordinary person would agree to with any unrelated counterparty under similar circumstances (arm's length transaction). The conditions under the Second Thai Facility Agreement are similar to those of the Thai Facility Agreement and an event of default under the Thai Facility Agreement will trigger an event of default under the Second Thai Facility Agreement.

In addition, the Fund is subject to a repayment covenant under the Second Thai Facility Agreement which is relevant to the Thai Facility Agreement. The Fund is required to maintain a ratio of (a) interest-bearing debt divided by (b) the result of EBITDA multiplied by the average of the remaining lease period weighted upon the net revenue after deducing certain expenses of not more than 0.25. If the repayment covenant ratio is not complied with, the Fund is required to repay the principal amount to the lenders in instalments. The ratio is tested on a semi-annual basis and start to test from 31 December 2018 onwards.

We entered into a facility agreement dated Mya 15, 2018 with Bangkok Bank Public Company Limited, Krung Thai Bank Public Company Limited, The Siam Commercial Bank Public Company Limited and the other financial institutions named therein as original lenders in respect of a THB2,000,000,000 term loan for the purpose of funding the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 3 and expenses related to such acquisition.

The term loan is unsecured, drawn in one lump sum and has a bullet repayment 5 years from the drawdown date. The interest rate for the initial loan period is THBFIX plus 2.75 percent per annum

The Third Thai Facility Agreement contains terms and conditions that are similar to commercial terms an ordinary person would agree to with any unrelated counterparty under similar circumstances (arm's



length transaction). The conditions under the Third Thai Facility Agreement are similar to those of the Thai Facility Agreement and an event of default under the Thai Facility Agreement will trigger an event of default under the Third Thai Facility Agreement.

(B) Borrowing Status of Fund for the year ended 31 December 2018

	THB
At 31 December 2018	
Current	-
Non-current	27,880,228,199
Total borrowings	27,880,228,199

3 Overview of Industries Related to the Infrastructure Assets

3.1 Industry Overview

3.1.1 Thailand mobile service industry overview

In Thailand, there are three major mobile service providers of telecommunication market in Thailand, which are AIS, DTAC and TRUE. In 2019, each operator had developed 4G network to occupy leader status in data or non-voice services and promote marketing activities to maintain existing customer base and expand new ones. In addition, each operator still focuses on 3G network to ensure coverage of communication platforms, maintain existing customer base, and facilitate 5G network in the future.

In March 2019, Office of The National Broadcasting and Telecommunications Commission (NBTC) passed a resolution to request 2600 MHz from MCOT according that this band will be arranged for equipment to support services of 5G technology. On 19 June 2019, NBTC has allocated 700 MHz band to 3 telecommunication operators, which are AIS, DTAC and TRUE. Despite the fact that operator might not use band for 5G directly, NCBT anticipates that 5G equipment will be available for such band in 2020 onward. 700 MHz band will be allocated for Neutral technology of 4G and 5G technology in the future.

Moreover, National Council for Peace and Order (NCPO) commands telecommunication operators based on Act. 44 that, for operators joining auction of 900 MHz are allowed to pay in 10 installments, instead of four installments. AIS and TRUE will pay final installments in 2020 for 63,744 million Baht and 64,433 million Baht respectively, so approximately AIS needs to pay remaining cost of 23,269 million Baht in 2020, and 8,095 million Baht per year until 2025; TRUE needs to pay remaining cost of 23,614 million Baht in 2020, and 8,164 million Baht per year until 2025. DTAC will postpone payment until 2027.

In 2019, mobile services business grew 4 percent YoY approximately, lower than the rate EIC forecasted. Positive factors include rising data usage and post-paid demand which generate higher average revenue per unit (ARPU). Reaching matured stage, mobile number grow only 2 percent YoY, and customer behaviors are likely to change from voice to data usage, which moderately affect revenue of mobile operators in 2019 and onward.

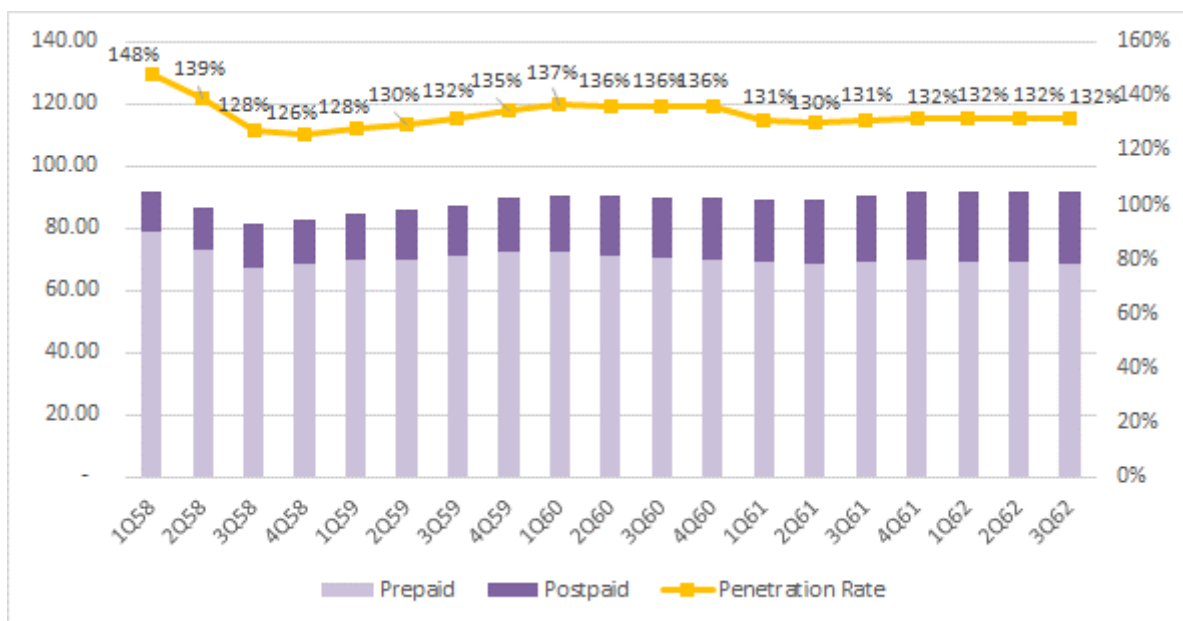
A) Overall Landscape of Mobile Service Industry

(1) Total number of mobile phone users.

At the end of the 3rd quarter of 2019, there are 92,030,100 mobile numbers, or 1,585,100 numbers versus year ago in the same quarter, or 1.75 percent increase. These numbers can be divided into 68,562,400 prepaid numbers or 74 percent, and 23,467,700 postpaid numbers, or 26 percent. By comparing with 2017, postpaid numbers keep declining while prepaid keep rising continuously. However, in 2018, prepaid numbers gradually declined while postpaid number rose which were apparently affected by price and marketing competition among 3 main competitors.

Regarding mobile services penetration rate as of the 3rd quarter of 2019, amount of registered mobile numbers account for 132 percent of total population; such rate is obviously reaching saturation stage.

Numbers of mobile services users (million) and penetration rate



Source: EIC

(2) Thailand's Mobile Service Competitive Landscape

The operators in the business can be grouped into 2 categories including (1) 6 Mobile Network Operators – MNOs and (2) Mobile Virtual Network Operators – MVNOs per details in the following table.

Summary of MNOs and MVNOs in Thailand

Mobile Service Provider	Mobile Network Operator (MNO)	Mobile Virtual Network Operator (MVNOs)
AIS Group	Advance Wireless Network Co., Ltd. (AWN)	
DTAC Group	- Total Access Communication Public Company Limited (DTAC) - DTAC Trinet Co., Ltd. (DTN)	
TRUE Group	TrueMove H Universal Communication Co., Ltd. (TUC)	Real Move Co., Ltd. (Real Move)
CAT Group	CAT Telecom Public Company Limited (CAT)	- 168 Communication Co., Ltd. - The White Space Co., Ltd. (Sim Penguin) - Real Move Co., Ltd. (Real Move) - Data CDMA Communication Co., Ltd. (MyWorld)
TOT Group	TOT Public Company Limited (TOT)	- Loxley Public Company Limited (TuneTalk) - Mobile at Telco Co.,Ltd (Buzzme) - The White Space Co., Ltd. (Sim Penguin) - Data CDMA Communication Co., Ltd. (MyWorld)

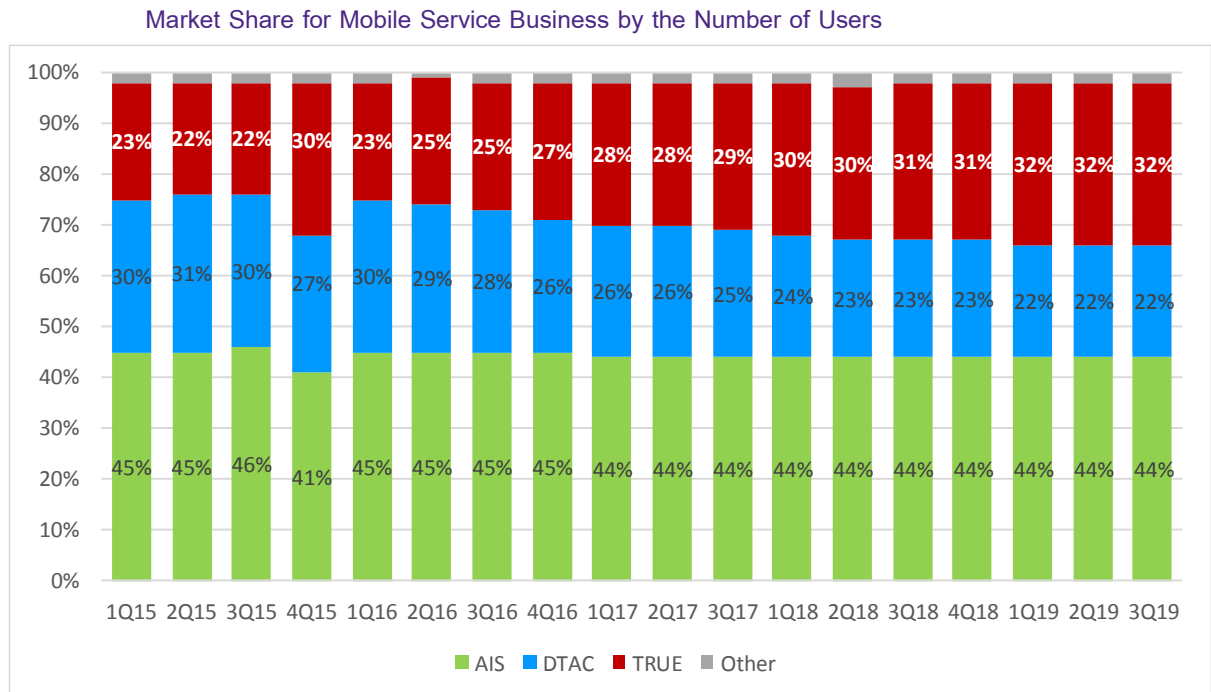
Source: The Office of the NBTC

(3) Market Share

At the end of the third quarter of 2019, AIS has maintained leader status in competition with the 1st rank number of users, occupying 44 percent of market share, the 1st rank versus last quarter, and the same quarter of last year. TRUE performs well in taking the 2nd rank, occupying 32 percent of market share, or 0.63 percent increase from last quarter, and 2.53 percent increase from the same quarter of last year, which demonstrates rising market share to beat DTAC and become the 2nd leader. DTAC is the 3rd leader whose market share accounts for 22 percent, or 1.33 percent decrease from last quarter, and 5.97 percent decrease from the same



quarter of last year. At the end of the third quarter of 2019, CAT and TOT occupy 2.4 and 0.18 percent of market share, respectively.



Source: the Office of the NBTC

(4) Average Revenue per User (ARPU)

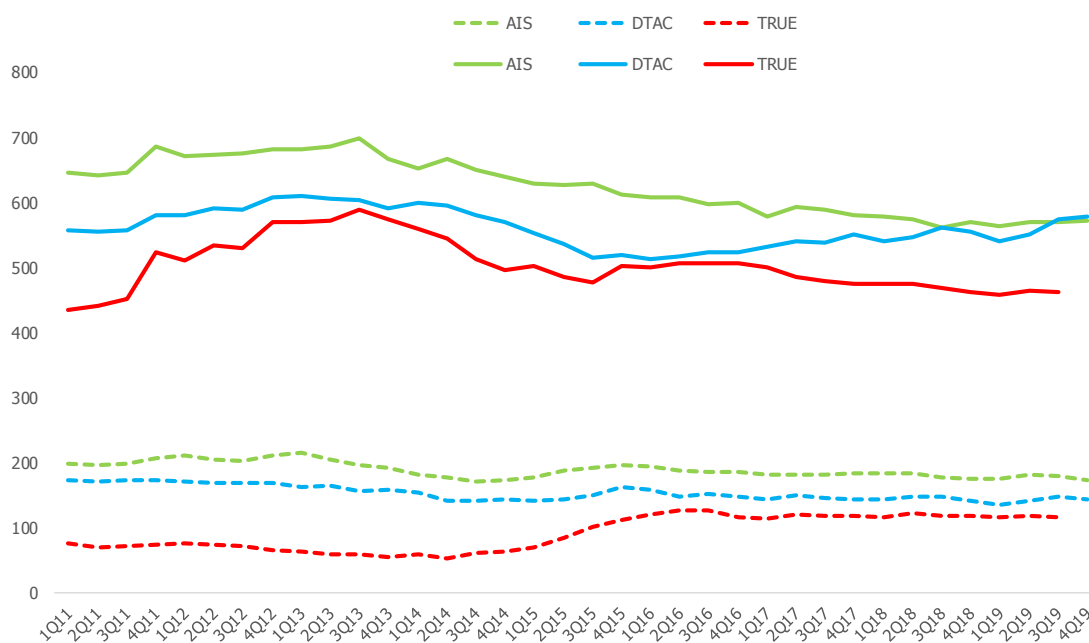
By considering monthly average revenue per unit (ARPU) of prepaid and postpaid, by operator, at the end of the 3rd quarter of 2019, AIS shows the highest revenue, followed by DTAC and TRUE, respectively. By service, postpaid of AIS shows the highest average revenue per month at 569 Baht, or 7 Baht increase or 1.2 percent increase from last year, followed by DTAC, 574 Baht, or 13 Baht increase or 2.3 percent increase from last year; while that of TRUE is 462 Baht, or 6 Baht decrease or 1.3 percent decrease from last year. For prepaid, AIS also shows the highest average revenue per month at 179 Baht, or 1 Baht decrease, or 0.6 percent decrease from last year, followed by DTAC, 147 Baht, same as last year, while that of TRUE is 115 Baht, or 2 Baht decrease or 1.7 percent decrease from last year.

Apparently, monthly average revenue of postpaid service keeps declining during last 3-5 years. However, average postpaid revenue in 2019 are rising because of price package competition that motivated users to shift from prepaid to postpaid service. Price war is the factor that drives downward trend of average revenue per user (ARPU) to become steady or slightly decline in the

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future. Monthly average revenue per user is likely to decline from 2016 onward, and revenue of non-voice service keep rising according to changes of customer behaviors.

Monthly Average Revenue per User in Thailand by Three Major Mobile Service Operators



Source: Analysis by EIC from data provided by AIS, DTAC and TRUE

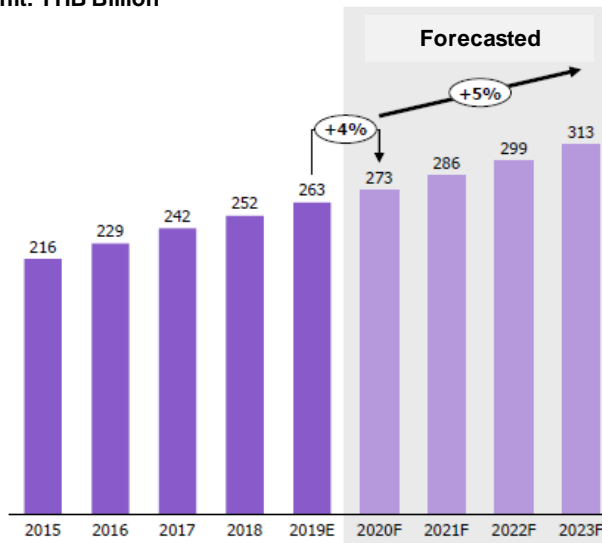
(5) Forecasting and Factors Affecting Business Growth

EIC forecast that revenues of mobile operators of in 2020 are likely to grow by 5 percent YoY, which is lower than average revenue during 2015 - 2019, which grows by 5 percent CAGR.

Driving factors include rising demand of customers towards postpaid and data services that stimulate ARPU. However, amount of mobile numbers are likely to approach maturity stage, which slightly rise by 2 percent YoY. Furthermore, customer behaviors are likely to shift from voice to data usage, which charges lower price, thus affecting revenue generation of mobile operators in 2020.

Revenue from services

Unit: THB Billion



Source: Analysis by EIC from data provided by NBTC, TRUE, DTAC and AIS

For the next 2-3 years, EIC forecasts that growth of revenue from services of mobile operators will slightly increase by 5 percent, which is derived from increasing ARPU based on adoption of commercial 5G technology in 2021. However, mobile operators encounter pressure from license fee of 1 hundred thousand million Baht and massive investment in infrastructure and equipment to support 5G in the future, which is forecasted to cost 1.1 hundred thousand million Baht annually during the first 3 years.

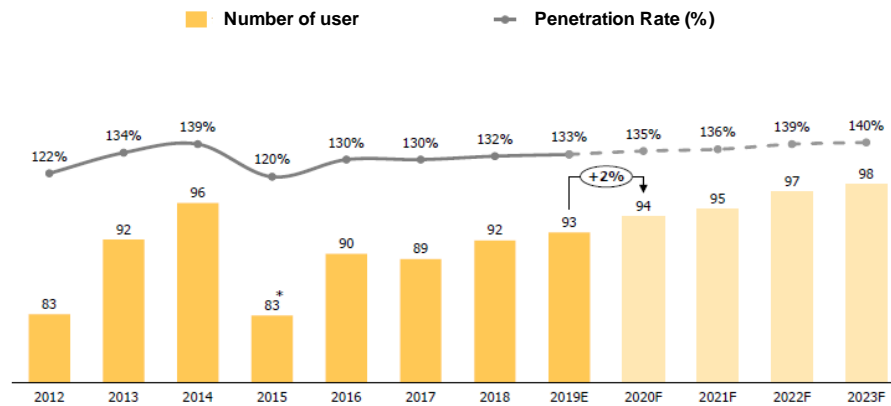
Business in 2020 is forecasted that driving factors of mobile operators include 4 main factors as follows;

(5.1) Mobile phone penetration rate

In 2020, penetration rate of mobile phone in Thailand is 135% approximately, and estimated to reach 140% in the next 2-3 year, which puts pressure to growth of mobile operators in the future. GSMA forecasts that, once penetration exceed 90% of total population, number of users grow at declining rate to maturity of market, for instance, users in Russia reach maturity stage of 160% penetration.

Forecast of mobile phone penetration in Thailand

Unit: Million, % of population



Note: in 2015, a decrease number of users was based on sim registered regulation

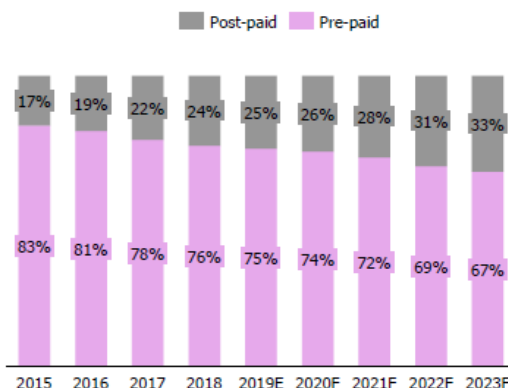
Source: Analysis by EIC from data provided by NBTC, TRUE, DTAC, AIS and GSMA

Numbers of post-paid users keep growing continuously, which drive growth of average revenue per unit (ARPU) of mobile operators. Growth of post-paid users are derived from increasing corporate clients and customers behaviors that shift from pre-paid to post-paid package according to intense competition and value of data usage.

Proportion of pre-paid and post-paid users and average revenue per unit (ARPU)

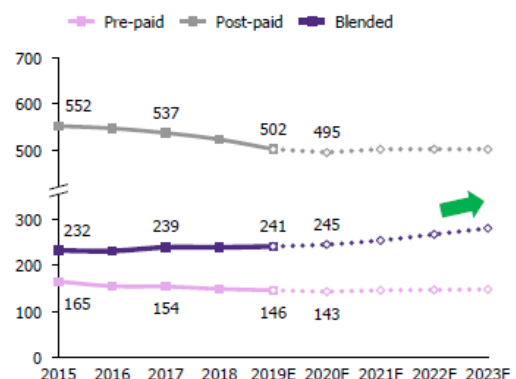
Pre-paid and Post-paid User

Unit: %



Average Revenue per User (ARPU)

Unit: Baht/month



Source: Analysis by EIC from data provided by NBTC, TRUE, DTAC and AIS

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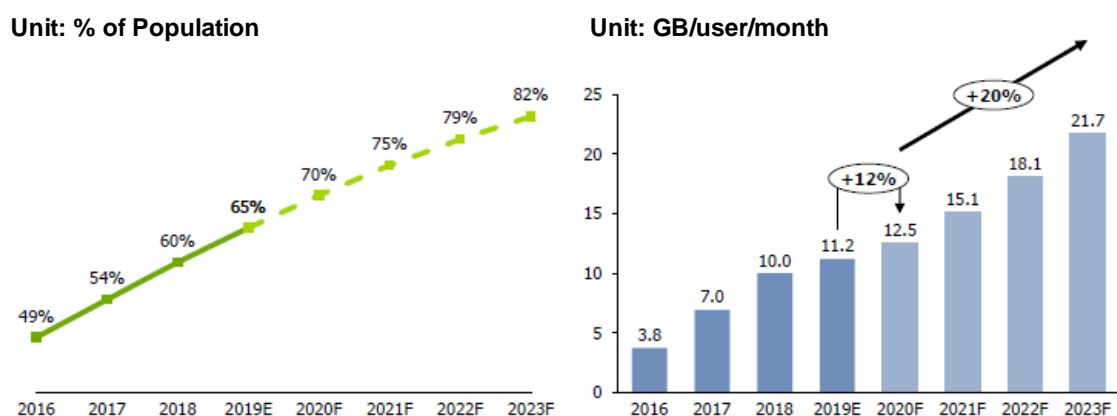
With continuous growth of post-paid users, ARPU of mobile operators rises accordingly. EIC forecasts that ARPU can grow at the rate of 4-7 percent 7 YoY during the first 5 years that 5G is adopted.

According to survey findings of Ericson and KGI research, mobile services users in Thailand are willing to pay additional fee of 135 – 175 Baht/month for 5G technology usage.

(5.3) Data Usage

Recent growth of telecommunication industry (mobile services) in Thailand is mainly derived from data service revenue, according that Thai customers demand internet usage via smart phone or tablet in their daily lives. These activities include financial transactions, news update via social media, communication with friend groups, and online entertainment services, especially on-demand video. This stimulates strong demand for mobile services and broadband internet via 3G/4G network in both speed and usage. Moreover, ratio of mobile internet users to mobile phone registration demonstrates continuous growth, thus influencing growth of data usage. Consequently, smart phone penetration of Thai consumers leads to growth of data usage. Based on EIC forecast, data usage in 2020 is expected to be 12.5 GB/number/month, higher than that of 2019 which is 11.2 GB/number/month, or 12 percent growth. In the next 2-3 years, EIC estimates that data usage will grow by 20 percent. During 2016-2018, average fee of mobile internet service in Thailand is 0.15 Baht per MB, lower than average voice service which cost 0.52 Baht/minute, thus encouraging mobile users to call via application.

Smartphone Penetration Rate and Data Usage

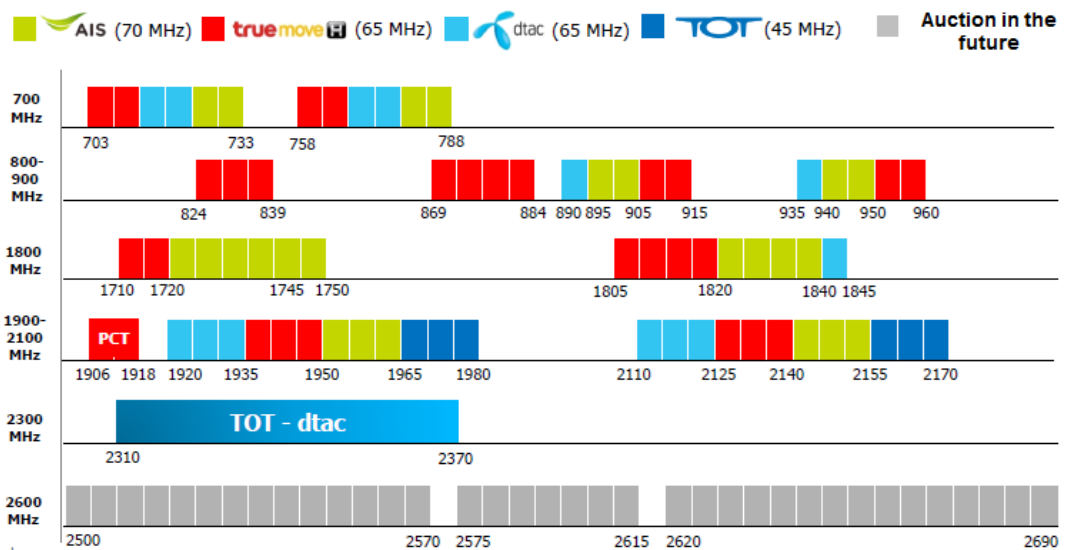


(5.4) Future investment in 5G network development

According to ITU standard, mobile operators must occupy at least 100 MHz band for 5G business development, while existing players in the market occupy only 60 MHz - 70 MHz band. Recently, network spectrum of mobile operators in Thailand is not sufficient for 5G development so demand for higher band will influence future investment plan.

Spectrum of mobile operators in Thailand, by bandwidth

Unit: MHz



Source: Analysis by EIC from data provided by NBTC

6. Critical risks of mobile services market

(1) Intense competition in occupying market share

Strong competition of mobile operators is influenced by pricing in term of discounted packages, so each operator try to launch mobile campaign in package format as this approach plays important role in acquiring new customers and maintaining existing customers. Furthermore, operators need to initiate new strategies to generate more revenue, such as digital platform development and new technologies to boost data usage and draw attention of customers, thus eventually leading to market share.

(2) Pressure from the costs associated with licenses



According that AIS and TRUE won auction for spectrum licenses (900 MHz and 1800 MHz), costs related to these licenses (amortization and operation cost of network implementation) apparently put pressure to turnover during last 1-2 years, especially 900 MHz license that AIS and TRUE must pay license fee of 60,000 million Baht in 2020, which is massive. DTAC won 1800 MHz band in August 2018 and 900 MHz band in October 2018, which bears high installment costs to pay NBTC as well. Despite the fact that 3 major players; AIS, TRUE, and DTAC bear much expense for 900 MHz band, National Council for Peace and Order (NCPO) has regulated based on Act 44 to extend timeline to pay license of 900 MHz band for 10 years. All 3 major players have submitted letters to request timeline extension for license payment. This timeline extension of license payment facilitates more cashflow for telecommunication operators to invest in telecommunication infrastructure, 5G technology and IoT that are critical to industry.

(3) Risks related to technological change

According to rapid shift of communication technology which influences customers' behaviors and needs, telecommunication operators need to adapt and initiate new product and service packages. Operators need to respond to future trend of technological disruption, especially 5G technology that is about to take effect faster than expected. It is likely that 5G technology will transform business model and network investment and operators also need to concern about cost of investment and operation. Without investment in new technology, operators may lose competitiveness to match other players, or lose customer base according to decreasing satisfaction.

(4) The communications industry in Thailand is strictly regulated, which may lead to uncertainty about the regulatory environment

Telecommunications business in Thailand is regulated by the National Broadcasting and Telecommunications Commission or NBTC. Regulations governing telecommunications business cover various matters such as types of telecommunications services and licensing requirements for telecommunications services, telecommunications numbers allocation measures, telecommunications license fees, antitrust and unfair competition regulations for broadcasting and telecommunications business, and price ceiling for service charges and advance billings. The uncertainty regarding the issuance of new regulations or changes in regulatory interpretations or policies of NBTC may affect business opportunities of operators.



7. Comparison of mobile network spectrum used by each operator

Comparison Summary Table for Spectrum Used by Each Operator in Thailand

	2300 MHz	2100 MHz	1800 MHz	900 MHz	850 MHz	700 MHz	Total
		15 MHz Expiration 2027	15 MHz Expiration 2033	10 MHz Expiration 2031	15 MHz Expiration 2025	10 MHz Expiration 2035	65 MHz
	60 MHz* Expiration 2027 (Partner with TOT)	15 MHz Expiration 2027	5 MHz Expiration 2033	5 MHz Expiration 2033		10 MHz Expiration 2035	35 MHz 60 MHz* (Partner with TOT)
		30 MHz** Expiration 2025/2027	20 MHz Expiration 2033	10 MHz Expiration 2031		10 MHz Expiration 2035	70 MHz
	60 MHz Expiration 2025	15 MHz Expiration 2025					75 MHz
					15 MHz Expiration 2025		15 MHz

*60 MHz partner with TOT expire in 2025

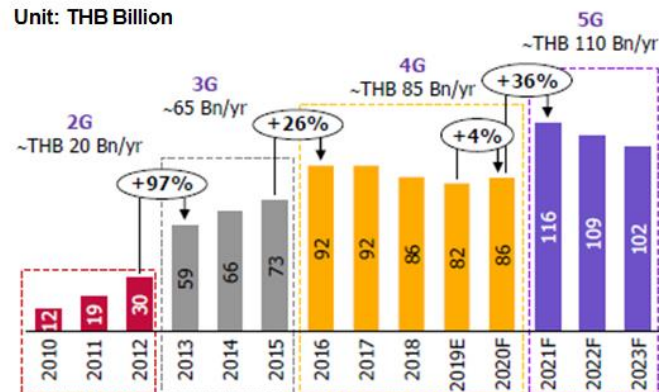
**30 MHz expire in 2027 and 15 MHz which lease from TOT to be expire in 2025

Source: EIC Analysis based on information from operators




8. Investment trends of mobile operators

Investment trends of mobile operators

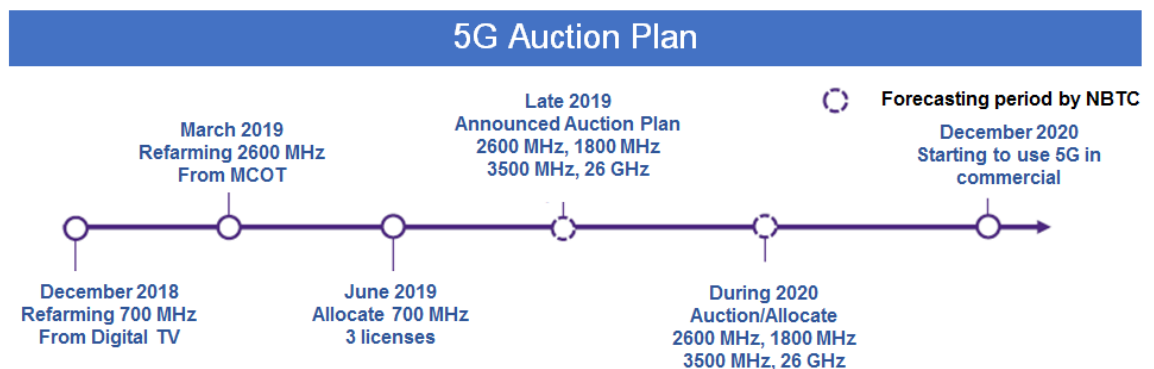


Source: Analysis by EIC from data provided by AIS, DTAC, TRUE and JP Morgan

By accepting conditions of 700 MHz band allocation by NBTC, pressure of AIS and TRUE towards license fee of 900 MHz band is alleviated, from 60,000 million Baht to 20,000 million Baht each, to be paid in 2020. Therefore, mobile operators gain opportunities in network infrastructure investment to facilitate 700 MHz band, expected to operate in the 4th quarter of 2020.

In the medium run (year 2021 - 2023), 5G is expected to function commercially. EIC estimates that budget of mobile operators in 2020 will increase by 4 percent, to 86,000 million Baht, and 110,000 million Baht afterwards. To develop infrastructure for 5G technology, infrastructure sharing one of options that operators can utilize to reduce. GSMA forecasts that infrastructure sharing can save CAPEX by 15 - 35 percent.

Preliminary Auction Plan 5G by NBTC



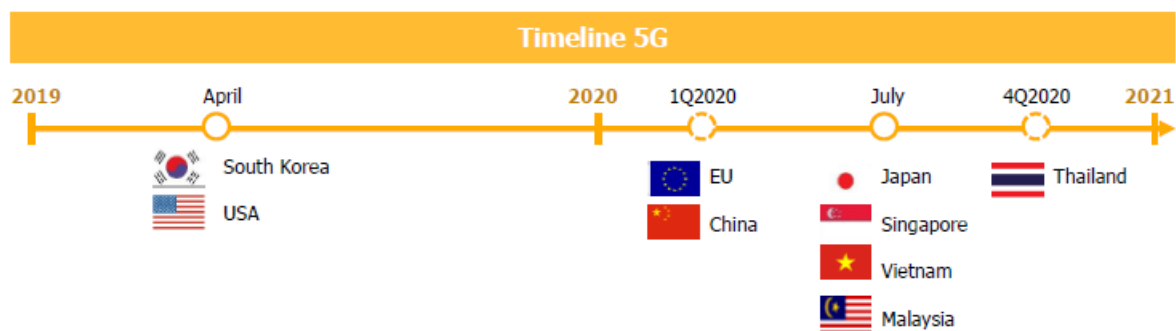
Source: Analysis by EIC from data provided by NBTC, GSMA and ITU

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According to chart illustrating primary forecast of spectrum auction in March 2019, NBTC passed a resolution 2600 MHz band from MCOT because this band is available for equipment that facilitate services of 5G technology. Another band available for 5G services is 3500 MHz band of Thaicom Plc., which is about to return in 2020. 26 and 28 GHz are inactive bands that NBTC can allocate in 2020. 700 MHz band allocated for 3 telecommunication operators on 19 June 2019 was not directly used for 5G because equipment for 5G will be available for such band from 2020 onward. Therefore, 700 MHz band will be allocated to facilitate neutral technology for 4G and 5G technology in the future.

EIC forecasts that 5G technology will be commercially available in 2021, which follows other countries in region, which are Vietnam, Malaysia, and Singapore. In Asia region, South Korea has adopted 5G technology in April 2019.

5G Timeline



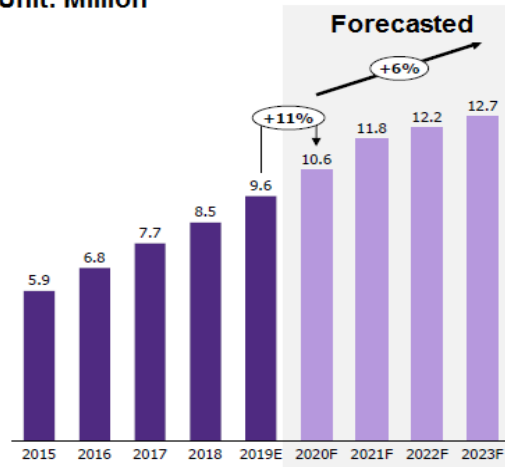
Source: Analysis by EIC from data provided by NBTC, GSMA and ITU

3.1.2 Fixed Broadband Telecommunications Industry in Thailand

Users of fixed broadband in 2019 grows by 12 percent YoY, as driven by higher purchasing power of customers, and support from public sector projects such as distant internet project, etc. In 2020, EIC forecasts that users of fixed broadband can grow by 11 percent YoY, as driven by FTTx network expansion with nationwide coverage, public sector projects, and intense price competition that promote penetration of internet in residence. By forecasting in medium run, next 1-3 years (2021-2023), users grow at declining rate, approximately 6 percent CAGR, which is derived from commercial adoption of 5G technology in 2021. Specifications of 5G are comparable to fixed broadband so this technology is an option for users in area that FTTx network is not accessible.

Number of Fixed Broadband Users

Unit: Million



Source: Analysis by EIC from data provided by NBTC, TRUE, 3BB, TOT and AIS

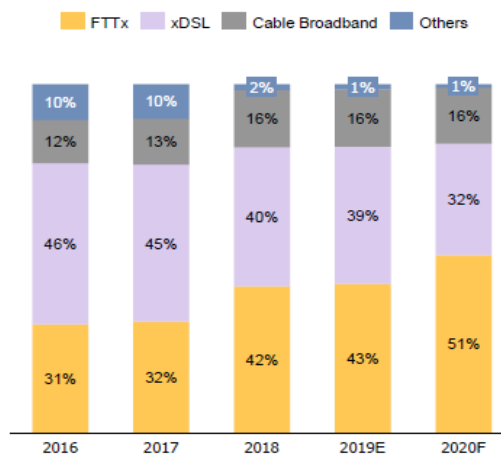
Driving factors of fixed broadband business are as follows;

- (1) More coverage of FTTx network

Main operators have continuously extended FTTx network to respond to users' demands for faster internet usage and focus on service quality competition. In 2018, FTTx service accounted for the highest proportion of 42 percent, surpassing xDSL service, and proportion is about to grow gradually. TRUE, 3BB, and TOT have upgraded xDSL users to FTTx users to maintain existing customers. It is estimated that xDSL internet will be radically shifted to FTTx within 3 – 5 years. For AIS, network of AIS Fiber has currently become FTTx.

Proportion of Internet Connection, By Type of Connection

Unit: %



Source: Analysis by EIC from data provided by NBTC, TRUE, 3BB, TOT and AIS

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(2) Support from public sector

Supports includes public internet (Internet Pracharat Project) phase 1, covering 24,700 villages, and phase 2, covering to 15,732 villages, and distant internet project, covering 3,920 villages, which is expected to complete in 2020. These are positive factors that promote fixed broadband accessibility of people in distant area. EIC forecasts that, users of government internet in 2020, which are distant internet project and Internet Pracharat project – phase 2 will reach 500,000 persons.

(3) Price competition

Intense price competition encourages customers to use internet service. Full penetration of AIS in fixed broadband market in 2015 stimulated competition of this market; it is evident that average revenue per unit (ARPU) continuously decline.

Average Revenue Per User (ARPU)

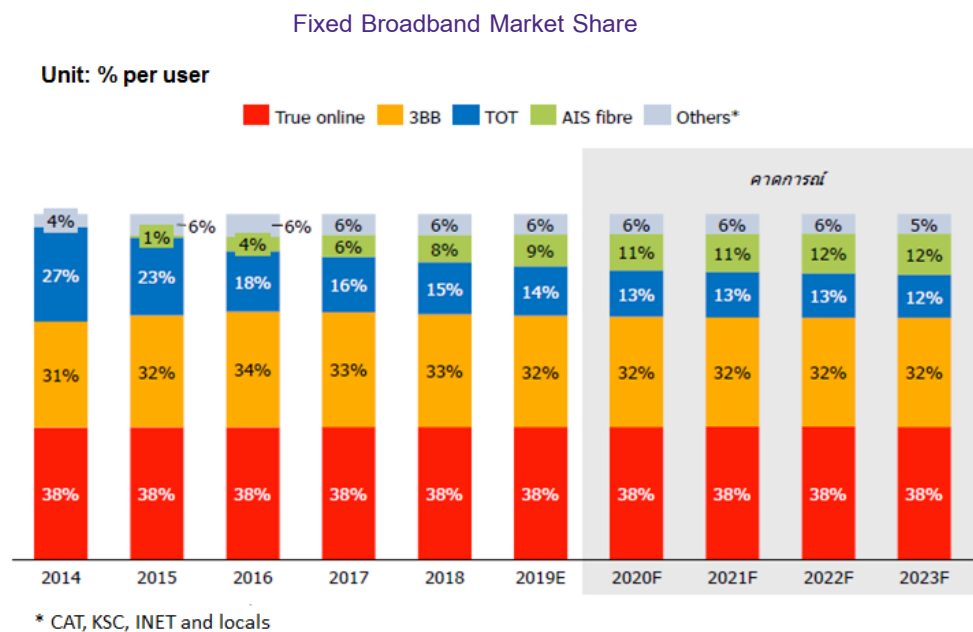


Source: Analysis by EIC from data provided by NBTC, TRUE, 3BB, TOT and AIS

5G technology which is forecasted to operate commercially in Thailand in 2021 can be influential factor that interrupts growth of fixed broadband business in the medium run. With specifications that are comparable to fixed broadband, 5G technology is an option for users in distant area.

Trend of fixed broadband competition

In the medium run, TRUE and 3BB are likely to occupy major proportion of market share, forecasted to ensure 38 and 32 percent respectively during 2020-2022, while TOT is likely to lose market share to AIS. According to full penetration of AIS in fixed broadband market in 2015, FTTx is the key service that leads more market share to AIS annually. EIC forecasts that AIS can occupy 12 percent of fixed broadband market share in the medium run.



Source: Analysis by EIC from data provided by TRUE, JAS, AIS and NBTC

3.2 Factors affecting the Fund's future rent

Rents that the Fund stands to enjoy can be classified into two categories: (1) rent from True Group; and (2) rent from other tenants. Factors affecting rents from these two sources of tenants may be different since conditions in the lease agreement executed between the Fund and True Group may be varied from those to be signed with other tenants. However, factors that can affect the Fund's potential rents can be summarized as follows.

I. Increase of rents based on agreements

- **Telecommunication towers** – For rental rates of telecommunication towers of True Group, both the rates and their increase have been fixed till the end of the lease term (Properties from True tower assets until 2027 and properties from TUC towers for additional investment no. 2 until 2033). For rents offered to other tenants, this depends on negotiation between the Fund and new tenants.

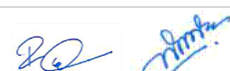
Factors affecting rental rates of telecommunication towers are supply and demand of telecommunication towers at the time and cost of building new towers and land lease (since the tenant will calculate related costs from constructing new towers by its own as well as the cost of land lease before comparing with the rent of tower. As such, a monthly rent of the telecommunication tower should be cheaper than the monthly cost in case the operator will build his own tower to induce him to rent rather than to build).

- **The main FOC** - The rental rate of the Fiber Option Cable (FOC) has already been set at THB 350 per core kilometer per month for True Group and THB 500 per core kilometer per month for other tenants. This rate is fixed and won't be increased till 2026 for properties from the initial telecom infrastructure assets and the additional investment No.1 and till 2033 for the additional investment no.2..
- **Transmission equipment relating to the core FOC and the upcountry broadband systems which are active telecommunication assets** - Based on the agreement the Fund has signed with True, the rental rate of this asset was THB 317 million in 2014, and will be increased by 5% per annum in 2015 before being based on the Consumer Price Index (CPI) of the previous year as announced by Thailand's Ministry of Commerce for the years that follow. The calculation will start on January 2016. The rate must not exceed 3.5% and in case the CPI is a minus figure, there shall be no adjustment to the rental rate.

II. Extent the towers and equipment are rented

- **Telecommunication towers:** True Group has signed an agreement to rent the minimum of the following:
 - Properties from True Tower Assets as part of the Initial Telecom Infrastructure Assets
 - 6,619 slots on 3,000 telecommunication towers starting from January 1, 2015
 - 13,993 slots on 6,000 telecommunication towers starting from January 1, 2016; and
 - 15,249 slots on 6,000 telecommunication towers starting from January 1, 2017
 - Properties from TUC Towers for Additional Investment No. 2
 - 700 slots on 350 telecommunication towers starting from November 28, 2017

However, there are as many as 26,032 slots on 6,350 towers. As a result, 10,083 slots are still available for rent to other tenants. If the Fund can rent them, it will be able to generate more incomes.



- **The main FOC:** As of March 31, 2015 after the Fund invested in its 1st additional investment in the telecommunication infrastructure assets, its main FOC totals 426,427 core kilometers which True Group, as an anchor tenant, promises to rent a minimum of 271,980 core kilometers (around 64%) in 2015 which will increase to 302,290 core kilometers in the final year of the lease agreement or in 2026 (around 71%). The FOCs additionally invested in the Telecom Infrastructure Assets for Additional Investment No. 2 comprises 259,754 core kilometres on November 28, 2017 which True Group, as an anchor tenant, promises to rent a minimum of 207,803 core kilometers (around 80%) til 2033. As a result, if the Fund can secure other tenants to rent the FOC not yet leased by True Group, it will enjoy a higher rent income from this FOC.

- **Transmission equipment relating to the core FOC and the upcountry broadband systems which are active telecommunication assets:** An agreement has been entered with True Group to lease the equipment up to 2018, resulting in THB 317 million worth of income from this asset in 2014. Incomes from the asset after 2018 will depend whether or not the Fund renews the lease agreement with True Group and at which rate.

3.3 Marketing policy and competitions faced by the project

a) The telecommunication tower rental business

Thailand's major mobile operators including AIS, DTAC, CAT Telecom and TOT all have telecommunication towers of their own. They may separate their tower assets in order to set up a company to operate them, or they may transfer the assets to independent operators who will run the telecommunications towers business for them. However, at present, there is no independent telecom owner who rent his own slot in Thailand. The telecommunications towers business in Thailand may face possible merger and acquisition and investment by foreign companies that could result in strong competitors.

Since sites of the Fund's telecommunication towers are in Bangkok which is highly populated and where anchor tenants and managers are confront with intensive use of network by their clients, the Fund therefore believes that the anchor tenants, like other mobile operators who are the Fund's tenants, are likely to renew their sub-lease, operation and management contracts when they expire in order to avoid service interruption in the area and to prevent the loss of opportunity and expenses to be incurred from the relocation of antenna and other infrastructure required in the operation.



As described under the previous topic of forecasted demand and supply of telecommunication towers, at present, only towers belonged to the Fund and CAT Telecom are marketed for rent. In terms of price, the Fund has a policy not to compete directly with CAT Telecom but would rather set the price to be lower than that to be invested by the operator if he is to build his own tower in order to induce him to rent rather than build.

b) The FOC system rental business

Thailand's major mobile operators including AIS, DTAC, CAT Telecom and TOT all have the FOC of their own. Only wholesale FOC operators such as the Provincial Electricity Authority (PEA) and the Electricity Generating Authority of Thailand (EGAT) lease the channel capacity of fiber optics on their own FOC system. Meanwhile, upcountry broadband system operators include TOT, CAT Telecom, United Information Highway Co Ltd, United Broadband Technology Co Ltd, Advance Data Network Communications Co Ltd and Jasmine International Public Company Limited. Symphony Communication Public Company Limited is another significant competitor in the FOC and broadband system business.

Regarding the lease of the FOC business, at present, the Fund has a competitor; namely, the Jasmine Broadband Internet Infrastructure Fund (JASIF), of which the same FOC system covers the entire country. As a result, the Fund has to highlight the strength of its products and services which are:

1. One-stop solution – the Fund not only offers the FOC for rent like JASIF but also both the FOC and telecommunication towers required for use in the mobile business and the wireless broadband business. Regarding the FOC, the Fund has both core and access networks for rent. In other words, tenants may materialize the end-to-end network when renting the Fund's system if needed.
2. Adaptability to adjust the FOC to respond to tenant's demand – the Fund, for example, may consider building additional FOC to link an existing network with the site required by a tenant. This however will be agreed on a case-by-case basis.

c) The upcountry broadband network

True Group has entered into an exclusive lease agreement with the Fund which grants an exclusive right to the Group for five years as well as an option for True Group to retain this right by another five

years. The Fund therefore has no marketing and competition plan for this particular asset at the moment.

3.4 Nature of products and services

Nature of products can be categorized based on types of assets and operation statistics which are summarized in the following table:

(A) Capacity and Tenancy Rate

Ground-based telecommunications towers with a height of more than 32 meters and rooftop-based self-supporting towers can generally accommodate two or more tenants. Many of our towers have the capacity to support two or more tenants. Following the termination of certain exclusive rights in relation to the BFKT Towers, AWC Towers and AWC Towers for Additional Investment No. 1 and the AWC Towers for Additional Investment No. 2, the average potential total capacity per tower (that is, total capacity divided by total number of towers) on our portfolio is 3.70. Following the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 4, the average potential total capacity per tower on our portfolio will be 3.70. The tenancy rate on our portfolio is 1.80 slots per tower prior to the investment in the Telecom Infrastructure Assets for Additional Investment No. 4 and 1.81 slots per tower following the investment in the Telecom Infrastructure Assets for Additional Investment No. 4 (assuming tenancy of one slot per tower on the BFKT Towers given certain exclusivity arrangements with CAT Telecom).

The following table sets forth the hosting capacity and slots available for lease to third-party tenants excluding idle slots on approximately 1,500 telecommunications towers leased to third-party telecommunications operator.

	Prior to Additional Investment No. 3				Additional Investment No. 3				Post- Additional Investment No. 3			
	Number of towers	Total capacity ⁽¹⁾	Tenancy ⁽²⁾	Slots available for lease to third-party tenants	Number of towers	Total capacity ⁽¹⁾	Tenancy ⁽²⁾	Slots available for lease to third-party tenants	Number of towers	Total capacity ⁽¹⁾	Tenancy ⁽²⁾	Slots available for lease to third-party tenants
Towers that are available for lease to third party tenants												
Total	8,939	35,095	21,127	13,968	788	2,877	1,576	1,301	9,727	37,972	22,703	15,269
- Ground-based towers	6,988	29,473	15,906	13,567	749	2,760	1,498	1,262	7,737	32,233	17,404	14,829
- Rooftop based towers	1,951	5,622	5,221	401	39	117	78	39	1,990	5,739	5,299	440
Towers under HSPA Agreements and not available for lease to third party tenants												
Total	6,332	21,369	6,332		-	-	-	-	6,332	21,369	6,332	
- Ground-based towers	5,205	16,690	5,205		-	-	-	-	5,205	16,690	5,205	
- Rooftop-based towers	595	1,389	595		-	-	-	-	595	1,389	595	
- DAS	532	3,290	532		-	-	-	-	532	3,290	532	
Total towers	15,271	56,485	27,459		788	2,877	1,576		16,059	59,341	29,035	

Notes: (1) Capacity refers to the total number of slots on each tower multiplied by the number of towers to be transferred or from which we are entitled to the net revenues generated from, as applicable.

(2) Tenancy refers to the total number of slots occupied on the towers by True Group entities and does not include the slots on approximately 1,500 towers leased to third parties.

The following table sets forth the tenancy rate and ratio of the slots available for lease to third party tenants to the total slots

	Prior to Additional Investment No. 4		Additional Investment No. 4		Post-Additional Investment No. 4	
	Tenancy rate/ total slots (slots/ tower)	slots available for lease to third party tenants/ total slots (slots/ tower)	Tenancy rate/ total slots (slots/ tower)	slots available for lease to third party tenants / total slots (slots/ tower)	Tenancy rate/ total slots (slots/ tower)	slots available for lease to third party tenants / total slots (slots/ tower)
Towers that are available for lease to third party tenants						
Total	2.36 / 3.93	1.56 / 3.93	2.00/3.65	1.65/3.65	2.33/3.90	1.56/3.90

	Prior to Additional Investment No. 4		Additional Investment No. 4		Post-Additional Investment No. 4	
	Tenancy rate/ total slots (slots/ tower)	slots available for lease to third party tenants/ total slots (slots/ tower)	Tenancy rate/ total slots (slots/ tower)	slots available for lease to third party tenants / total slots (slots/ tower)	Tenancy rate/ total slots (slots/ tower)	slots available for lease to third party tenants / total slots (slots/ tower)
- Ground -based towers	2.28 / 4.22	1.94 / 4.22	2.00/3.68	1.68/3.68	2.25/4.16	1.91/4.16
- Rooftop -based towers	2.68 / 2.88	0.21 / 2.88	2.00/3.00	1.00/3.00	2.66/2.88	0.22/2.88
Towers under HSPA agreements that are not available for lease to third party tenants						
Total	1.00/ 3.37				1.00/ 3.37	
- Ground -based towers	1.00/ 3.21				1.00/ 3.21	
- Rooftop -based towers	1.00/ 2.33				1.00/ 2.33	
DAS	1.00/ 6.19				1.00/ 6.19	
Total	1.80 / 3.70				1.80 / 3.70	

(B) Fiber Optic Cable and Upcountry Broadband System Businesses

Under the Amended and Restated Master Lease, Operation and Management Agreements between TUC and TICC, we lease to TICC as the anchor tenant part of the dark fiber on the FOC and the AWC FOC for Additional Investment No. 1. The remaining dark fiber in (i) the core grid, initially 49,415 core kilometers, or approximately 40 percent and (ii) the AWC FOC for Additional Investment No. 1, 106,213 core kilometers, or 35 percent of the AWC FOC for Additional Investment No. 1. In each case, the dark fiber will decrease during the term of the relevant Amended and Restated Master Lease, Operation and Management Agreements as TICC's reserved utilization increases. The Fund will be able to lease dark fiber capacity to third-party mobile operators, cable operators and data and voice service providers that choose to install their own transmission equipment, subject to TICC's rights of first refusal to lease or sub-lease the dark

fiber of TICC and without infringing TICC's reserved utilization. With respect to the FOC for Telecom Infrastructure Assets for Additional Investment No. 2 and Telecom Infrastructure Assets for Additional Investment No. 3, the remaining dark fiber capacity following the lease by TUC and TICC will account for approximately 20 percent of total capacity. Following the lease of parts of the FOC for Additional Investment No. 2 Operation and Management Agreements, the Fund will be able to lease dark fiber capacity to third-party mobile operators, cable operators and data and voice service providers that choose to install their own transmission equipment, subject to TUC and TICC's rights of first refusal (as the case may be) to lease or sub-lease the dark fiber of TICC and without infringing TUC and TICC's reserved utilization. Both the passive and active telecommunications infrastructure in the upcountry broadband system, as well as the transmission equipment in the FOC, will not be available to third-party mobile operators for at least five years since the Fund Registration Date. The BFKT FOC Transmission Grid is not available for leasing to third-party tenants due to CAT Telecom's certain right to use it under the HSPA Leasing Agreement and may not be available for co-location leasing following the expiration of the HSPA Leasing Agreement and our exercise of the call option to purchase the BFKT FOC Transmission Grid because of limitations imposed by contractual arrangements in relation to the BFKT FOC Transmission Grid.

	Current Telecommunications Asset			
	Coverage (kilometer)	Core kilometers	Number of leased FOC under current agreements (core kilometres)	Percentage of leased FOC
FOC which can be leased out to third-party	48,310	2,192,199	1,693,899	77.3
FOC which is under HSPA which cannot be leased out to third-party	53,364	878,485	878,485	100.0(1)
Total	101,674	3,070,684	2,572,384	83.8

Capacity available to third-party tenants	Current Telecommunications Asset	
	Capacity available to third party tenants (core kilometers)	Percentage of capacity available for lease to third party tenants
Total	498,300	16.2

(1) FOCs under HSPA Agreements are subject to HSPA Agreements entered into prior to the Fund's investment in the assets and entry into the relevant Asset and Revenue Sale and Transfer Agreement

4 Risk Factors

4.1 Risks Relating to the Fund

4.1.1 Risks of the Fund due to True Group

- (a) The Fund's business, prospects, results of operations, cash flows and financial condition will depend heavily on True Group.

We depend significantly on True Group, as all of the Founding Lessees, which are responsible for the maintenance and operations of the Telecom Infrastructure Assets under the Amended and Restated Master Lease, Operation and Management Agreements, and BFKT, which is responsible for the operation and maintenance of the BKFT Telecom Infrastructure Assets under the HSPA Leasing Agreement, and TUC, which is responsible for the operation and maintenance of the AWC Towers, AWC Towers for the Additional Investment No. 1 and the AWC Towers for the Additional Investment No. 2, under the AWC Leasing Agreement, Additional AWC Leasing Agreement No. 1 and Additional AWC Leasing Agreement No. 2, are members of True Group. The Founding Lessees are the tenants leasing all of our telecommunications towers, FOC and related equipment and upcountry broadband system under the Amended and Restated Master Lease, Operation and Management Agreements. BFKT collects revenues under the HSPA Leasing Agreement, a portion of which it (in connection with the revenues under the HSPA Leasing Agreement), and AWC (in connection with the revenues under the AWC Leasing Agreement, Additional AWC Leasing Agreement No. 1 and Additional AWC Leasing Agreement No. 2) are obligated to pay to us subject to the terms and conditions of the Asset and Revenue Sale and Transfer Agreements with BFKT and AWC. Consequently, we are dependent on the Founding Lessees and BFKT and AWC as the primary source of our revenues.

In addition, under the Amended and Restated Master Lease, Operation and Management Agreements, we have granted the Founding Lessees certain exclusivity and first-refusal rights, including a right of first refusal to lease any available slots or capacity in respect of the Telecom

Infrastructure Assets, which if the Founding Lessees, who are members of the True Group, exercised such rights, it may hinder our ability to attract and service other third-party operators that also perform operation and management functions as tenants, and could adversely affect our anticipated portfolio expansion plans and our future revenue growth. If this were to happen, we cannot assure that we will be able to find other customers to drive our business growth. Even if our efforts to diversify our business outside True Group are successful, we still expect, for the foreseeable future, to remain significantly dependent upon True Group for most of our business and revenues. Our Founding Lessees are also contractually obligated under the Amended and Restated Master Lease, Operation and Management Agreements to perform regular maintenance on the Telecom Infrastructure Assets they lease. Any default in their obligations to perform maintenance on the Telecom Infrastructure Assets may decrease their value and affect the value of your investment. For further details of the Amended and Restated Master Lease, Operation and Management Agreements.

Although the terms of our leases or sub-leases with our Founding Lessees for FOC are for long terms, which is approximately 14 years (to be expired on 15 September 2033) and subject to the conditions set out under the relevant lease agreements, and we have the option for an extension of a ten year term or a period equal to the remaining term of the telecommunications business licence of an Founding Lessee which is a member of True Group, whichever is earlier, if the conditions under the relevant agreements have not been fulfilled, or where there is no need for True Group to use the leased FOC as previously projected, True Group may decide not to extend the leases upon the expiration of the lease term. In addition, although True Group has an undertaking, not to build any new FOC on the same routes as those of the FOC which was sold or will be sold to the Fund and/or was leased or will be leased by any member of True Group as part of the Initial Telecom Infrastructure Assets, AWC FOC for Additional Investment No. 1, FOC for Additional Investment No. 2, FOC for Additional Investment No. 3 and FOC for Additional Investment No. 4, under the relevant Amended and Restated Master Lease, Operation and Management Agreements in relation to the FOC, without the prior written consent of the Fund (referred to as the “non-competition undertaking of True Group”), such non-competition undertaking of True Group is subject to certain exceptions, such as, at the time that the technical capacity of the FOC we leased to True Group is insufficient to meet service demands of companies under True Group or where the parties cannot agree on the terms for the lease. In such cases where True Group does not extend the leases upon expiration of the lease term or the exceptions under the non-competition undertaking apply, we might face the risk of finding new Founding Lessees which could materially and adversely affect our business, prospects, results of operations, cash flows and financial condition.



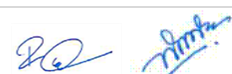
Similar to the risk associated with the renewal of the FOC lease above, although the lease term of the telecommunications towers by the Founding Lessees is long-term, which is approximately 14 years (to be expired on 15 September 2033), True Group may not renew the lease once the lease term expires or at that time True Group's slot tenancy requirement may be different from originally estimated or True Group and the Fund may not be able to agree on the terms of the new lease. As a result of any of the foregoing events, we may not be able to find new Founding Lessees, which could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

In addition, if in the future, True Group's or the Founding Lessees' or AWC's or BFKT's businesses experience performance and financial problems, it could adversely affect their ability to perform their respective obligations under the Amended and Restated Master Lease, Operation and Management Agreements and the Asset and Revenue Sale and Transfer Agreements, including payments of amounts owed to us. Moreover, the Founding Lessees and/or AWC and/or BFKT could seek to re-negotiate the terms on which they do business with us such as those reflected in the Amended and Restated Master Lease, Operation and Management Agreements, as well as, by seeking to introduce terms and arrangements that are more economically favorable to them and that may not be in our best commercial or financial interest. Because of their importance to our business, and, because True directly and indirectly holds a significant portion of the Investment Units, True Group, the Founding Lessees and AWC and BFKT could have significant leverage over us in any such negotiations.

In addition, our results of operations depend significantly on the performance of and demand for the mobile telecommunications business and the fixed broadband business of True Group.

(b) True Group can exercise significant influence over the Fund's activities

True is a major Unitholder of DIF holding 28.902 percent of the total number of outstanding Investment Units as of December 31, 2019, and members of the Investment Advisory Committee of the Fund appointed by the Management Company include members of the board of directors and/or senior management of True Group. Although True is not allowed to vote on matters in which it or any of its subsidiaries has a special interest or a conflict of interest, True can vote as a Unitholder on all other matters in which it or any of its subsidiaries does not have a special interest and is therefore still in a position to exercise significant influence on certain matters which require, and are subject to, the approval of other Unitholders. In addition, members of the Investment Advisory Committee of the Fund appointed by the Management Company include members of the board of directors and/or senior management of True Group. The Investment Advisory Committee of the Fund is generally responsible for providing opinions to and for advising the Management Company on investments in



Infrastructure Assets to be made by DIF. True also exercises influence over the removal of the Management Company so long as True holds a significant amount of Investment Units.

In addition, in other matters where True is allowed to vote as a Unitholder, True Group can exercise its votes according to its own interests. Further, True Group and the anchor tenants could attempt to exert their influence under the Amended and Restated Master Lease, Operation and Management Agreements in a manner that hinders our ability to do business with their competitors, which we believe to be important to the growth and development of our business. We cannot assure you that the interests of True Group will not be different from, and will not conflict with, the interests of DIF and our other Unitholders.

(c) True Group will control the Telecom Asset Manager, which will provide certain administrative and sales and marketing services in relation to the Fund's Telecom Infrastructure Assets

True Group has a 99.99 percent shareholding interest in the Telecom Asset Manager through TUC and certain executive officers of True are also directors or executive officers of the Telecom Asset Manager. In addition, under the Master Services Agreement, Telecom Asset Management Company Limited, as the Telecom Asset Manager is responsible for certain administrative services and the marketing of co-location leases, operations and management of the Telecom Infrastructure Assets to additional tenants, and the Telecom Asset Manager receives certain commissions and fees for the services provided under the Master Services Agreement. Consequently, True Group continues to exert substantial control over the management of the Telecom Infrastructure Assets, through which we primarily generate all of our revenue.

(d) The Fund has no credit support or guarantee from True Group and the anchor tenants may terminate the leases under certain conditions.

A substantial part of our Telecom Infrastructure Assets are leased to the anchor tenants, which are our main tenants. For payment of the revenues sold to us under the Asset and Revenue Sale and Transfer Agreements, we rely on BFKT and AWC, respectively, to deliver such revenues to us. We are heavily dependent on lease payments and revenues generated by the anchor tenants and AWC and BFKT, as the case may be, to generate our revenue, pay our operating costs and make distributions to Unitholders. Any failure, delay or interruption by the anchor tenants and AWC or BFKT, as the case may be, in making required payments to us under the Amended and Restated Master Lease, Operation and Management Agreements or the Asset and Revenue Sale and Transfer Agreements or other default by the anchor tenants and/or AWC and/or BFKT of their respective



obligations under the terms of the Amended and Restated Master Lease, Operation and Management Agreements and/or the Asset and Revenue Sale and Transfer Agreements could materially and adversely affect our ability to make payments or distributions that Unitholders are otherwise entitled to receive. In addition, if True Group is not able to maintain its certain licenses related to the provision of telecommunication and broadband Internet services, the anchor tenants may have to terminate the Amended and Restated Master Lease, Operation and Management Agreements, where underlying leased assets are in connection with such licenses, which could materially and adversely affect our business, prospects, results of operations, cash flows and financial condition.

Except for support from TUC to BFKT under a letter of support, True Group does not provide and will not be providing any form of guarantee, security or other credit enhancement to support our obligations to Unitholders or our other creditors, or to support the obligations of the anchor tenants under the leases in the event that the anchor tenants default under the Amended and Restated Master Lease, Operation and Management Agreements or to support the obligations of AWC, BFKT or other Transferring Entities under the Asset and Revenue Sale and Transfer Agreements or to support the obligations of the Telecom Asset Manager under the Master Services Agreement. Accordingly, any default by the anchor tenants under the Amended and Restated Master Lease, Operation and Management Agreements or AWC, BFKT and/or other Transferring Entities under the Asset and Revenue Sale and Transfer Agreements or the Telecom Asset Manager under the Master Services Agreement could materially and adversely affect our business, prospects, results of operations, cash flows and financial condition, and severely limit or even prevent us from making payments or distributions to Unitholders.

(e) We depend significantly on the telecommunications business of True Group.

Our ability to generate revenue from the Telecom Infrastructure Business depends heavily on demand for the mobile telecommunications and the fixed broadband services of True Group, including the anchor tenants, and the performance of their related telecommunications businesses. Accordingly, factors affecting the telecommunications business of True Group, including the anchor tenants, could materially and adversely affect our business, prospects, results of operations, cash flows and financial condition. Furthermore, our future expansion plans are based primarily upon True Group's and the anchor tenants' plans to expand their respective voice and data services through their wireless and FOC networks, which may be subject to change or which may not materialize. Although we have sought to expand our telecommunications infrastructure leasing businesses to other telecommunications service providers with the ability to operate and manage

telecommunications infrastructure assets within the Thai telecommunications industry that are outside of True Group, for example, since October 2014, the Fund has leased a number of slots on the True Tower Assets to one of the major telecommunications operators in Thailand, we cannot assure you that we will be successful in our efforts to diversify our revenue base generally.


Our dependence on True Group, including the anchor tenants, subjects us to a number of significant risks related to the telecommunications business of True Group and the anchor tenants, including, but not limited to:

- a reduction in consumer demand and/or in usage charges for mobile and fixed-line telecommunication services;
- increased competition among both mobile and fixed-line voice and data service providers;
- delays or changes in the deployment of 4G services or the commercialization of other cellular technologies in Thailand;
- ongoing litigation and disputes with telecommunications regulatory authorities and State-owned Enterprises;
- the status of telecommunications licenses; and
- telecommunications, municipal, environmental, health and other government laws and regulations.

We may not be able to find new, or replace, tenants for our Telecom Infrastructure Assets on terms similar to those of our anchor tenants or on otherwise commercially acceptable terms. As a result, any of the foregoing events, and any disputes we might have with True Group, the Telecom Asset Manager, the Transferring Entities or any of our anchor tenants, or a general deterioration in our relationship with True Group, the Telecom Asset Manager, the Transferring Entities or our anchor tenants, for any reason whatsoever, could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

- (f) Our ability to provide services may be interrupted due to system failures or a shutdown of True Group's information technology systems.

Under the Amended and Restated Master Lease, Operation and Management Agreements and the Asset and Revenue Sale and Transfer Agreements, we rely extensively on True Group's information technology systems to provide connectivity across our business functions through software, hardware and network systems. We rely on these systems to, among other things, monitor the performance of our towers and FOC and other facilities such as electricity and air-conditioning



systems, maintain our internal controls and enable our business planning. Any failure in information technology or loss of connectivity or any loss of data arising from such failure, over which we have only a limited degree of control, could have a material adverse effect on our business, prospects, results of operations and financial condition.

Our telecommunications towers, FOC, upcountry broadband system and related infrastructure may be affected by natural disasters and other unforeseen damage for which our insurance may not provide adequate coverage.

Our telecommunications towers, FOC and broadband assets and related infrastructure are subject to risks associated with natural disasters, such as wind storms, floods, earthquakes, as well as other unforeseen damage. For instance, severe floods similar to those that occurred in Thailand between September and December 2011 could adversely affect our telecommunications infrastructure assets, as well as the Thai economy as a whole. The Government has stated its intention to improve flood prevention measures in an effort to prevent future flooding. However, no assurance can be given that the Government's flood prevention measures will be adequate to protect low-lying areas and other parts of Thailand where our assets may be located from flooding in the future.

Any damage or destruction to the telecommunications towers, FOC or related infrastructure we will lease or derive revenue from or any disruption of, or negative impact on the Thai economy as a whole as a result of these or other risks could adversely impact our ability to provide services to our customers and could impact our results of operations and financial condition. While we, AWC and BFKT maintain customary insurance for the respective Telecom Infrastructure Assets, we, AWC and BFKT may not have adequate insurance to cover the associated costs of repair or reconstruction and/or certain risks might not be insurable. Further, the business interruption insurance we will have on certain assets may not adequately cover all of our lost revenues and potential revenues from new tenants that could have been added to our towers but for the damage or other consequential losses. If we are unable to provide services to our tenants that also perform operation and management functions as a result of any damage to our telecommunications towers, FOC and related infrastructure, it could lead to loss of such tenants, resulting in a corresponding adverse effect on our business, prospects, results of operations and financial condition.

(g) Our telecommunications towers, FOC, upcountry broadband system and related infrastructure may be affected by natural disasters and other unforeseen events for which our insurance may not provide adequate coverage

Our telecommunications towers, FOC and broadband assets and related infrastructure are subject to risks associated with natural disasters, such as wind storms, floods, earthquakes, as well as other damages due to unforeseen events which are beyond control of us and the Management Company.




For instance, severe floods similar to those that occurred in Thailand between September and December 2011 could adversely affect our telecommunications infrastructure assets, as well as the Thai economy as a whole. The Government has stated its intention to improve flood prevention measures in an effort to prevent future flooding. However, no assurance can be given by us and the Management Company that the Government's flood prevention measures will be adequate to protect areas of Thailand where our assets may be located from flooding in the future.

Any damage or destruction to the telecommunications towers, FOC or related infrastructure we will lease or derive revenue from or any disruption of, or negative impact on the Thai economy as a whole as a result of these or other risks could adversely impact our ability to provide services to our customers and could impact our results of operations and financial condition. While we, AWC and BFKT maintain customary insurance for the respective Telecom Infrastructure Assets, we, AWC and BFKT may not have adequate insurance coverage for the damages and/or the associated costs of repair or reconstruction of such assets and/or revenues from new tenants that also perform operation and management functions additionally procured for tower leases that we would have been received but for such events or consequential damages due to such events, and/or certain risks might not be insurable. If we are unable to provide services to our tenants that also perform operation and management functions as a result of any damage to our telecommunications towers, FOC and related infrastructure, it could lead to loss of such tenants, resulting in a corresponding adverse effect on our business, prospects, results of operations, cash flows and financial condition. Also we cannot assure Unitholders that there will be no significant increase in insurance premium in the future or we can renew the exiting insurance contract at the premium rates which are commercially or economically acceptable; in case where such insurance contract cannot be renewed, we cannot assure that we will be able to procure the new insurance contract with equivalent or more favourable coverage compared to the existing insurance contract at the premium rates which are commercially or economically acceptable.

- 4.1.2 We may not have legally enforceable ownership over the future revenue sold to us pursuant to the Asset and Revenue Sale and Transfer Agreements with BFKT and AWC, and the other creditors of BFKT and AWC may challenge or make claims against such future revenue under the Asset and Revenue Sale and Transfer Agreements.

Under the Asset and Revenue Sale and Transfer Agreements with BFKT and AWC, BFKT and AWC have sold us revenue generated and to be generated from the rental of the HSPA Telecom Infrastructure. Such sales are governed by the laws of Thailand, and limitations and restrictions under such laws may materially and adversely affect the effectiveness of transfer of ownership of the future revenue and such sale may be subject to challenges under Thai law. For example, under the laws of



Thailand, any transfer of ownership of a property requires that such transferred property be ascertainable on the date of such transfer. As the revenue transferred under the Asset and Revenue Sale and Transfer Agreements with BFKT and AWC are future revenues which may not be ascertainable at the time of transfer, such transfer of future revenue may be subject to challenges under Thai law.

In addition, existing or future creditors of BFKT and AWC, or any administrator, official receiver, or liquidator or other persons, may make claims against BFKT and AWC with respect to obtaining the cash from BFKT and AWC composing the purchased revenue from the rental of the BFKT and AWC Telecom Infrastructure. If a creditor or another party makes a claim against BFKT or AWC, our right to claim against BFKT or AWC, respectively, for the value of the purchased revenue may not have priority over the rights of BFKT's or AWC's other unsecured creditors, or any administrator, official receiver, or liquidator. Any successful challenge to the transfer of future revenue purchased from BFKT and AWC pursuant to the Asset and Revenue Sale and Transfer Agreements or the enforceability of the Asset and Revenue Sale and Transfer Agreements will result in the loss of this revenue source, which would have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, and on the Unitholders' rights to distributable payments.

As of December 31, 2018, BFKT has accounts payable for the amount of THB6,999 million. The rights of the Fund under the Asset and Revenue Sale and Transfer Agreement with BFKT are in the same class as accounts payable.

As of December 31, 2018, AWC has accounts payable for the amount of THB16.00 million. The rights of the Fund under the Asset and Revenue Sale and Transfer Agreement with AWC are in the same class as accounts payable.

4.1.3 The Asset and Revenue Sale and Transfer Agreements subject us to certain commercial risks.

The Asset and Revenue Sale and Transfer Agreements with BFKT and AWC, provide that, if BFKT or AWC fails to deliver the net revenues due to us under the Asset and Revenue Sale and Transfer Agreements for three consecutive payment periods, BFKT or AWC, as the case may be, will be obligated to pay us the net present value of all future unpaid revenue due to us under such agreements and the terminal value of the assets. Such a payment by BFKT or AWC following a failure to perform or a trigger event may not accurately represent the full economic value of our investment in the True Tower Assets, BFKT Telecom Assets, AWC Towers, AWC Towers for Additional Investment No. 1 and AWC Towers for Additional Investment No. 2 and may materially and adversely affect the value of your investment in the Investment Units. In the event of such a default or an acceleration of revenue payments, there can be no assurance that True, BFKT or AWC will have

enough liquidity or otherwise be in a position to comply with such obligations. The obligations of True, BFKT or AWC to make payments of certain pre-agreed amounts to us upon a default or a trigger event could be reviewed and adjusted or reduced at the discretion of a court. In addition, BFKT and AWC have agreed that, until the expiration of the HSPA Leasing Agreement or, as applicable, the AWC Leasing Agreement (each on August 3, 2025 if not extended), they will each make revenue payments to us monthly. BFKT or AWC could default in its obligations to make revenue payments to us, which would in turn reduce our recurring revenue. Any reduction in the pre-agreed amount of damages or contracted revenue that we expect to receive from True, BFKT or AWC would have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

Our future growth strategy and revenue largely depend on the benefits we are entitled to under the Asset and Revenue Sale and Transfer Agreements and hence on the Transferring Entities meeting certain obligations and conditions set out therein. There can be no assurance that the Transferring Entities will be able to meet all of the obligations and conditions under these agreements or comply with all the obligations therein. Any inability of the Transferring Entities to meet the conditions or comply with the obligations in our favor under the Asset and Revenue Sale and Transfer Agreements may affect our ability to receive the benefits under such agreements and our ability to benefit from third-party co-location leases at the times we expect, which would have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

4.1.4 We depend on a small number of anchor tenants for our Telecom Infrastructure Assets and we may not be able to collect payments due from such tenants or AWC and BFKT on time or at all in the event any of them were to declare bankruptcy or encounter severe financial difficulties.

A substantial part of our Telecom Infrastructure Assets are leased to and operated and managed by our anchor tenants. The lease payments from these tenants and revenues delivered to us by AWC and BFKT represent a significant portion of our revenues. As a result, the financial return on our Telecom Infrastructure Assets and the viability of our business model is materially dependent on the business and financial stability of the anchor tenants as well as AWC and BFKT.

In the event any of our anchor tenants or AWC or BFKT encounters severe financial difficulties, it may be difficult or impossible to collect amounts payable to us pursuant to the Amended and Restated Master Lease, Operation and Management Agreements or the Asset and Revenue Sale and Transfer Agreements, as the case may be, on time or at all, which could adversely affect our cash flows and results of operations. Furthermore, if any of them default on their obligations under the above



agreements, we may incur substantial costs in protecting our investment and/or finding additional tenants to re-let the freed-up capacity of our towers.

If an anchor tenant or AWC or BFKT declares bankruptcy, we may be unable to collect balances due under the relevant Amended and Restated Master Lease, Operation and Management Agreements or the Asset and Revenue Sale and Transfer Agreements. Pursuant to Thai bankruptcy law, if one of our anchor tenants or AWC or BFKT is under receivership, unpaid balances due by such tenant, AWC or BFKT to us at the time an anchor tenant or AWC or BFKT is placed under receivership become an ordinary, unsecured bankruptcy lump-sum claim that will be paid only after certain priority claims are paid, and pro rata to claims of other non-secured creditors. Claims made by creditors of the anchor tenants or AWC or BFKT could in certain circumstances have priority over our claims against the anchor tenants or AWC or BFKT with respect to their obligations to us under the Amended and Restated Master Lease, Operation and Management Agreements or the Asset and Revenue Sale and Transfer Agreements, as applicable. In the event that a creditor's claim against the anchor tenants or AWC or BFKT is senior in right of payment to our right to receive any outstanding amounts due to us under the Amended and Restated Master Lease, Operation and Management Agreements or the Asset and Revenue Sale and Transfer Agreements, we may only be partially compensated, or may not be compensated at all for outstanding amounts. In addition, we will not be able to receive any future amounts that we would have been entitled to under the Amended and Restated Master Lease, Operation and Management Agreements or the Asset and Revenue Sale and Transfer Agreements and thus will not receive the full economic benefit of such agreements. Moreover, any failure, delay or interruption by CAT Telecom to make rental and other fee payments to BFKT under the HSPA Leasing Agreement could adversely impact AWC's and BFKT's obligations to deliver sales revenues due to us, AWC's and BFKT's respective financial condition and their ability to perform other obligations under the Asset and Revenue Sale and Transfer Agreements. An occurrence of any of the foregoing events could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

4.1.5 Tower sharing and co-location tenants that also perform operation and management functions on our telecommunications towers and FOC may not develop in the manner we anticipate.

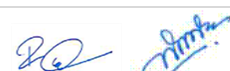
Our business model is based on increased sharing and co-locations on the Telecom Infrastructure Assets by telecommunications service providers, as the addition of operators at existing towers and FOC results in better capacity utilization at relatively low incremental capital expense, enhancing our cost and operational efficiencies. Increasing the co-location rates on the Telecom Infrastructure Assets is a key element of our growth strategy. The increased cost of building new telecommunications towers and the time to bring such towers to market could incentivize potential

clients to rely more on co-location on existing telecommunications towers. The success of this business model, however, depends on a number of factors including, but not limited to, the quality of True Group's portfolio mix (e.g. with respect to geographical coverage, type of tower, competitive rental rate and other factors), geography, population density in rural and urban areas, financial conditions affecting operators and customer behavioral patterns that are specific to the telecommunications industry and regulatory limitations. In addition, not all of our Telecom Infrastructure Assets allow for their sharing and co-location. The HSPA Telecom Infrastructure Assets, from which we purchased the net revenue to be generated therefrom, are subject to an exclusivity agreement that gives CAT Telecom a certain exclusive right to use them. The increase of tenancies on the BFKT Towers, AWC Towers, AWC Towers for Additional Investment No. 1 and AWC Towers for Additional Investment No. 2 is limited until such assets are transferred to us in accordance with the terms of the Asset and Revenue Sale and Transfer Agreements. Furthermore, the BFKT FOC Transmission Grid may not be available for co-location leasing following the expiration of the HSPA Agreement and its transfer to us because of limitations imposed by contractual arrangements in relation to the BFKT FOC Transmission Grid. Even if CAT Telecom consents to waive exclusivity, the sharing of certain telecommunications infrastructure may also be subject to technological and regulatory limitations, and such uncertainty may further limit our ability to seek co-location tenants.

There can be no assurance that telecommunications service providers will seek to reduce costs by increasing their reliance on shared towers or FOC, either with other wireless telecommunications service providers or with third-party stand-alone tower and FOC providers like us. In particular, telecommunications service providers may be unwilling to lease, operate and manage towers or FOC from third parties because they may not consider it to be economically beneficial or may be unwilling to surrender what they believe to be competitive advantages offered by ownership of proprietary networks, or for other reasons. Any failure of tower or FOC-sharing to develop in the way that we anticipate may adversely affect our business, prospects, results of operations, cash flows and financial condition.

- 4.1.6 The Management Company may not be able to continue to successfully implement our investment strategies and may agree to amendments or modifications to the Transaction Documents, grant waivers or grant consents without seeking consent from the Unitholders.

The Management Company undertakes the day-to-day management and control of our business, which is monitored by the Fund Supervisor. DIF depends on the Management Company's performance and the ability of the Management Company to operate and manage DIF. Failure by the Management Company to perform or operate and manage DIF in an effective and efficient manner or



comply with requirements and conditions of applicable laws could have a material adverse effect on our ability to pay dividends to, and on the rights and benefits of, the Unitholders.

The Management Company has engaged the Telecom Asset Manager to undertake certain administrative tasks and the marketing and selling of co-location leases on the Telecom Infrastructure Assets to additional tenants that also perform operation and management functions. The Unitholders may not have the opportunity to evaluate the Management Company's decisions regarding specific strategies used or the investments made by us or the terms of any such investment. The failure of the Management Company to continue to successfully implement our strategies could have a material adverse effect on our business, financial condition, results of operations and prospects.

In particular, DIF's investment mandate allows us to invest in a wide range of Infrastructure Businesses that are not related to the telecommunications industry and/or which are located outside Thailand, so long as such Infrastructure Businesses are beneficial to or provide services to the general public of Thailand, and in which DIF may not have any investment or operating experience. While such permitted Infrastructure Businesses include electricity generation and distribution, waterworks, toll roads, airports, deep-sea ports, mass transit, alternative energy, water management systems or irrigation and natural disaster prevention systems and any other type of infrastructure businesses that the Securities Law may allow in the future, we expect to focus on telecommunications infrastructure. In addition, if DIF were to invest in any such businesses, we expect DIF would require the engagement of a third-party service provider to operate and/or provide services for such business. We cannot assure you that DIF would be able to engage an appropriate third-party service provider or operator with the necessary experience on commercially acceptable terms or at all.


In addition, the Management Company has the right to exercise, or to consent to the exercise of, certain rights and remedies to be taken with respect to the Telecom Asset Manager and the Telecom Infrastructure Business or to consent to certain amendments and modifications (other than amendments and modifications requiring consent from Unitholders) or to grant waivers to any of the conditions in the Transaction Documents, Transaction Documents for Additional Investment No. 1 and Transaction Documents for Additional Investment No. 2 in its sole discretion, which may not be consistent with the interests of all Unitholders. Any such actions taken by the Management Company will be binding on the Unitholders and may not be in the best interests of a particular Unitholder.

- 4.1.7 We may fail to acquire additional telecommunications infrastructure assets on acceptable terms or successfully integrate them or we may be unable to identify suitable targets, or our growth strategy and expansion plans may otherwise not be successful.



Our growth strategy relies significantly on our ability to pursue selective acquisitions of or investments in additional telecommunications infrastructure assets from the Transferring Entities, other True Group entities or other third parties, such as our proposed acquisition of the Telecom Infrastructure Assets for Additional Investment No. 4. See “– Expected proceeds from the Combined Offering may be affected by prevailing financial and capital market conditions, and we may be unable to raise net proceeds from the Combined Offering sufficient to cover the acquisition cost of the Telecom Infrastructure Assets for Additional Investment No. 4 and the various processes that have been undertaken and are proposed to be completed prior to and after the transfer of the Telecom Infrastructure Assets for Additional Investment No. 4 to us may be delayed or may not be completed; should we be unable to invest in the Telecom Infrastructure Assets for Additional Investment No. 4 due to whatever reason, we may have to reduce our capital without delay.” This strategy presents risks inherent in assessing the value, strengths and weaknesses of potential acquisitions and investment opportunities, in integrating and managing newly acquired telecommunications infrastructure assets and maximizing or improving their operating efficiency. In addition, such asset acquisitions and investments can divert our resources and consume significant management time. Our ability to successfully implement our growth strategy will depend on, among other factors, our ability to identify suitable investment opportunities that meet our investment criteria, the availability of sufficient capital and/or debt financing on acceptable terms and our compliance with the covenants contained in any debt instruments we may be subject to at the time.


There can be no assurance that acquisitions or investments can be made in a timely manner or on the terms and conditions acceptable to us, nor can there be any assurance that the telecommunications infrastructure assets available for acquisition or investment from the Transferring Entities, other True Group entities or other third parties in the future will be attractive acquisition candidates and will generate returns to us from benefit-seeking as expected. We expect for the foreseeable future that acquisitions of substantial telecommunications infrastructure assets will be from the Transferring Entities or other True Group entities, which will continue to be related parties. Although under Thai law True and Real Move, which are a related party of the Fund owing to True’s holding of more than 10 percent of outstanding Investment Units and Real Move is a subsidiary of True (that is, as at December 31, 2018, True holds, directly and indirectly, 99.77 percent of shares in Real Move) and thus is considered being controlled by True, is not able to vote on a related party



transaction if the Unitholders' approval is required or may be otherwise subject to related party transaction restrictions, it or True Group may nonetheless influence the negotiation of the terms of future acquisitions from the Transferring Entities or other True Group entities. Although we will be granted with the right to receive a first offer to purchase certain passive telecommunications infrastructure assets from True Group that True Group wishes to sell to third parties, True Group may decide not to sell any additional telecommunications infrastructure assets or may decide to reduce the number of assets to be sold. In addition, after the expiration of the right to receive a first offer, which expires five years after the later of (i) the closing of the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 4 or (ii) the closing date of the Combined Offering for capital increase No. 2, True Group will be able to sell such passive telecommunications infrastructure assets to any third parties, and consequently we may not be able to purchase such telecommunications assets from True Group in the future. Furthermore, there can be no assurance that we will be successful in selecting and acquiring telecommunications infrastructure assets that further our strategic goals or that we can acquire such telecommunications infrastructure assets at the rate required to achieve our desired expansion plans. There can be no assurance that we will be able to continue to successfully implement our expansion plans or realize the expected benefits of our future growth strategy, either of which may have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

- 4.1.8 The failure of the Management Company to manage us and/or the Telecom Asset Manager to provide relevant services in relation to the Telecom Infrastructure Business in an effective and efficient manner could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are managed by the Management Company. In turn, the Management Company depends on the Telecom Asset Manager for certain administrative tasks and the marketing and selling of co-location leases on the Telecom Infrastructure Assets to additional tenants that also perform operation and management functions. The anchor tenants are responsible for the operation and maintenance of the Telecom Infrastructure Assets and BFKT will continue to be responsible for the operation and maintenance of the HSPA Telecom Infrastructure Assets. The failure of the Telecom Asset Manager to properly perform its obligations in respect to the Telecom Infrastructure Business may adversely affect our revenue, and, together with any failure by the Management Company to supervise and monitor the Telecom Asset Manager, the anchor tenants' performance and the performance of other



tenants that also perform operations and management functions in the operation of the Telecom Infrastructure Assets, and/or to manage DIF in an effective and efficient manner, could affect our business, financial condition, results of operations and prospects, and our ability to generate distributable income and pay dividends out of the Fund's distributable income to Unitholders and pay amounts due on any indebtedness incurred. Any adverse changes in the Management Company's relationship with the Telecom Asset Manager could hinder its ability to expand DIF's benefits from the Telecom Infrastructure Business. In addition, if the Telecom Asset Manager is unable to perform its duties pursuant to the Master Services Agreement, DIF may be unable to appoint another entity to manage the Telecom Infrastructure Business and market and sell co-location leases with a corresponding duty to conduct operations and management of the Telecom Infrastructure Assets as effectively as the Telecom Asset Manager or at all, which could have an adverse effect on our business, financial condition, results of operations and prospects.

4.1.9 The operation, administration, maintenance and repair of the FOC telecommunication systems and upcountry broadband systems require significant expenses and are subject to risks.

Each of our systems is **subject** to the risks inherent in large-scale, complex FOC telecommunications systems and upcountry broadband systems, including: (i) equipment breakdowns; (ii) service interruptions; (iii) power outages; (iv) software defects; (v) security breaches; (vi) physical damage to access lines and equipment; and (vii) natural disasters. More specifically, a majority of the FOC is aerial, and therefore is subject to damage from inclement weather, and the remainder of the FOC is in underground ducts, which also could be damaged, either of which could result in a temporary reduction or interruption of service. The operation and maintenance of the FOC, which is the responsibility of our anchor tenants and BFKT, as applicable, require the coordination and integration of a sophisticated and highly specialized apparatus of hardware and software technologies and equipment located throughout Thailand, and require significant operating and capital expenses. Any default in TUC's, TICC's and BFKT's obligations to perform maintenance on the FOC and upcountry broadband system may decrease their value and affect the value of your investment. Our systems may also not continue to function as expected in a cost-effective manner. For example, when our transmission equipment becomes obsolete or reaches its design-life capacity, we may have to incur significant capital expenses depending on the nature and extent of replacements required. The failure of hardware or software to function as required or as expected could render a cable system unable to perform at design specifications, or at all, which could have a material adverse impact on our business, results of operations and financial condition. In addition, because our services are critical to the business of our tenants that also perform operations and management functions, a



significant interruption in service could result in lost profits or other loss to such tenants, which could negatively affect our business, results of operations and financial condition and possibly expose us to legal liability.

- 4.1.10 Any inability to obtain consents from landlords and permission or approval from right of way grantors or to protect our rights to the land on which our telecommunications towers and FOC are located may adversely affect our business, prospects, results of operations, cash flows and financial condition.

Substantially all of the land and property on which the telecommunications towers we lease to our tenants are located is leased from private and public landowners or landholders, and most of the FOC we acquired from TUC, AWC, True Move and TICC is laid pursuant to contractual rights of way that the Public Utilities Authorities have granted to TUC or TICC which are telecommunications operators in True Group and are or will be anchor tenants of our telecommunications infrastructure assets. The relevant Transferring Entities under the Asset and Revenue Sale and Transfer Agreements and TICC and TUC as anchor tenants of certain FOC under the relevant Amended and Restated Master Lease, Operation and Management Agreements, procure or will procure that we and our tenants have a right of use and access to the leased premises and rights of way (as the case may be). Although the majority of the lease agreements for which the relevant Transferring Entities are lessees contain standard provisions which allow the relevant Transferring Entities as lessees to allow any third party to use the leased premises or to sub-lease the leased premises without having to notify the lessors, as well as allow the relevant Transferring Entities to transfer the rights and/or obligations under the lease agreements to any third party without obtaining consent from the lessors as long as prior written notice is delivered, certain lease agreements may not contain such provisions and the relevant Transferring Entities are required to obtain consent from the landowners or landholders who are the lessor for the Fund's rights of use and access to the leased premises. Accordingly, there can be no assurance that the landowners or landholders will not object to this or prohibit our co-location tenants from installing equipment on the towers or entering the premises. If this were to happen and the Transferring Entities are unable to secure consent for third parties to use the premises or if the sites on which any of the Telecom Infrastructure Assets are located cannot be used or accessed due to certain legal imperfections and limitations, the Transferring Entities would be obligated pursuant to the terms of the relevant Asset and Revenue Sale and Transfer Agreements to relocate or replace such towers or, if unable to relocate or replace such towers within an agreed period, to purchase back such towers from us. The repurchase price the Transferring Entities would pay for such towers is equal to the terminal value of such affected assets, plus interest at the rate of 7.5 percent per annum from the date the transfer of such assets is completed, less rental payments

received by us for the leasing, operation and management of such towers, plus interest at the rate of 7.5 percent per annum from the date on which the relevant rental payments for the affected assets were received by us from the anchor tenants in accordance with the relevant Amended and Restated Master Lease, Operation and Management Agreements, which may not accurately represent the full economic value of otherwise owning the towers for the remainder of their lives. In addition, if any towers are repurchased, we will lose the benefit of the future rental income stream from any such towers, which may in turn reduce the value of our units.

The PEA has issued a letter to True Group confirming that the rights of way for certain segments of the FOC outside the BMA and upcountry broadband system and the BFKT FOC Transmission Grid are in compliance with applicable rules and regulations and has been issuing invoices to True Group for expenses and costs in relation to the use of the rights of way. However, if the contractual rights of way are not later granted and the PEA subsequently objects to our access and use of such segments, our anchor tenant's or BFKT's ability to operate such segments may be interrupted, in which case we or BFKT might be required to relocate the affected segments at considerable cost and delay.

A majority of the FOC in the BMA have been laid or installed pursuant to approvals from the NBTC in accordance with the TBA Act, but without the grant of contractual rights of way by the MEA and other relevant Public Utilities Providers, which may give rise to potential tort actions. The MEA or any other Public Utilities Providers may have a legal right to claim for removal of FOC and/or damages. However, under the Amended and Restated Master Lease, Operation and Management Agreements, TUC and TICC as anchor tenants are (subject to compliance with certain conditions) responsible for relocation of FOC and liable for and will indemnify us against, costs, expenses, damages, losses, claims and liabilities to be incurred by us regarding the FOC acquired as parts of the FOC for Additional Investment No. 2 arising out of or resulting from the anchor tenants' failure to obtain necessary legal and contractual rights of way including any claims from any Public Utilities Providers. Any failure or delay by the anchor tenants in making required payments to or indemnifying us could materially and adversely affect our ability to make payments or distributions that Unitholders are otherwise entitled to receive.


The current owners of the properties on which our telecommunications towers are located may contest the Transferring Entities' ability to grant us a right to use and access the leased premises. Such owners may seek to force the Transferring Entities or companies in True Group to sub-lease or assign to us the leaseholds and demand increased rental rates or other payments in exchange for their consent to such subleasing or assignment or to name us as lessee upon the expiry of the relevant lease. Since we were not initially named as lessee under the leaseholds and only expect to



be named as lessee once the consent of each of the relevant landowner is obtained or the relevant leases expire, subject to agreement with each relevant landowner, and although the relevant Transferring Entities and anchor tenants undertake in the Asset and Revenue Sale and Transfer Agreements and the relevant Amended and Restated Master Lease, Operation and Management Agreements to procure our use and access to the rights of way and leases in respect to the applicable Telecom Infrastructure Assets, our remedies might be limited if the lessor of the property on which the Telecom Infrastructure Assets are located terminates the agreement pursuant to specified notice periods because the lessee is in arrears of lease rental payments.

A majority of the leaseholds for towers have a term of three years, with the remaining leaseholds having a term of less than three years up to a term of 10 years, and most contain an option to renew. The Transferring Entities or other True Group companies remain as lessees under their respective leaseholds until the relevant landowner consents to the change of lease in the name of the Fund as lessee and have used and will use commercially reasonable efforts to renew the leaseholds, except for leaseholds where the towers owned by BFKT and AWC are located, which will remain in the name of the Transferring Entities or other True Group entities until the transfer of ownership of the relevant HSPA Telecom Infrastructure Assets to us. However, a lessor might refuse to renew or extend any lease at its expiration or the Transferring Entities or companies in True Group might be in default of their obligations, in which case we might be required to relocate the affected Telecom Infrastructure Assets. Under the Amended and Restated Master Lease, Operation and Management Agreement, TUC as an anchor tenant is or will be, at its own costs and expenses, responsible for relocating towers which are True Tower Assets, TUC Towers for Additional Investment No. 2 from the properties where the relevant towers are located to a new location if the existing leases cannot be renewed or extended. We will pay TUC a monthly compensation for tower relocation at a rate specified in the relevant Amended and Restated Master Lease, Operation and Management Agreement. However, failure or delay to comply with such obligation by TUC could have a material adverse effect on our cash flows and financial condition.

A loss of our leasehold interests or rights of way, including through actual or alleged non-compliance with the terms of the lease arrangements or rights of way contracts, the termination of leaseholds or rights of way contracts by lessors or grantors, as applicable, or any inability to renew, or refusal of a landlord or Public Utilities Authorities to grant renewal thereof on commercially reasonable terms, or at all when they expire or any objection by the landlords, Public Utilities Authorities, CAT Telecom or relevant local authorities to our access or use of the leased premises or rights of way, would interfere with our anchor tenants' and BFKT's ability to operate our Telecom Infrastructure Assets and our ability to generate revenues from such assets.



Furthermore, we derive revenues from a number of towers located in plots of land whose legal title may be difficult to ascertain, may be disputed or may be subject to certain restrictions that may not permit BFKT to operate the towers or may render the leaseholds of the underlying lands invalid. If any problems were to arise with respect to such towers, BFKT or AWC could be forced to relocate such towers, which could be costly and would result in service interruptions for BFKT Towers and AWC Towers. Moreover, if BFKT or AWC is unable to relocate any such towers, revenues generated by those towers will be lost, which in turn will affect the recurring revenue we would derive from those towers under the relevant Asset and Revenue Sale and Transfer Agreements.

If any infrastructure assets are relocated or replaced, any third-party co-location tenants that also perform operation and management functions on such infrastructure assets will face potential service interruptions in the areas where such assets are located. If the relevant Transferring Entity is unable to relocate such infrastructure assets and instead repurchases them from us, the leases with our third-party co-location tenants that also perform operation and management functions will be terminated and they will have to remove their equipment from the affected assets. This may subject us to indemnity claims and litigation for the cost of relocating and reinstalling the equipment of such tenants and for loss of future profits. Furthermore, any service interruptions or third-party co-location tenant lease, operation and management agreement terminations due to the Transferring Entities' or True Group anchor tenants' inability to secure consents for third parties to use or access leased premises or to novate leaseholds or rights of way to us or because of legal imperfections or limitations relating to any sites in accordance with the terms and conditions of the Asset and Revenue Sale and Transfer Agreements may negatively affect our reputation as a telecom infrastructure sharing provider and make it more difficult to find new co-location tenants that also perform operation and management functions. Any such events could materially and adversely affect our business, prospects, results of operations, cash flows and financial condition.

In addition, we may not always have the ability to access, analyze or verify all information regarding titles and other issues in respect of the sites on which the Telecom Infrastructure Assets that we acquired or will acquire are located, and to the extent there is any defect in the titles of, rights of way or right to use or access any such sites, our tenants' abilities to continue operating at such sites may be adversely affected. Consequently, any loss or impairment of our leasehold interests or rights of way affecting our interests over the land or site on which our Telecom Infrastructure Assets are located could materially and adversely affect our business, prospects, results of operations, cash flows and financial condition.



4.1.11 The experts' reports that the Management Company relies upon to assess the telecom infrastructure assets are limited in scope and may be subject to inaccuracies and deficiencies.

The experts' reports that the Management Company relies upon to assess the Telecom Infrastructure Assets, in particular the FOC (including the technical consultant's report and the appraisal reports), are limited in scope and may be subject to inaccuracies and deficiencies. For example, the asset appraisers did not verify the existence of, or undertake inspection of, all the FOC owned or to be invested in by the Fund. The inspection or appraisal of the Telecom Infrastructure Assets were made on a random basis due to the limitations in the scope of inspections and wide geographic distribution of the telecom infrastructure assets, particularly, the FOC which are high in number and are widely dispersed. In addition, certain defects and deficiencies are difficult or impossible to ascertain due to limitations inherent in the scope of the inspections, the technologies or techniques used and other factors.

In addition, the representations, warranties and indemnities granted in favor of the Fund by the relevant Transferring Entities are subject to limitations as to the amount and timing of claims. There is no assurance that the fund would be entitled to be reimbursed under such representations, warranties and indemnities for any loss or liabilities suffered or incurred by it as a result of the investment in the Telecom Infrastructure Assets. The defects or deficiencies or non-existence of such Telecom Infrastructure Assets may affect the value of the Fund's assets and could materially and adversely affect our business, prospects, results of operations, cash flows and financial condition.

4.1.12 We may face repayment and refinancing risks with respect to existing and any future debt and may not be able to obtain any required future financing on acceptable terms or at all.

At present, we have obtained financing for the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 1 and the Telecom Infrastructure Assets for Additional Investment No. 2 and may also need to obtain the financing for the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 3 (if any). Pursuant to the facility agreements, certain interest rates are floating rate. We have managed to control the interest rate sensitivity to be in a suitable level by entering into the interest rate swap agreement to exchange the floating rate for a fixed rate interest. However, interest rate volatility may adversely affect on our profits, cash flow as well as our ability to make distributions to Unitholders.

We may need to expend capital periodically for replacement of the Telecom Infrastructure Assets. In addition, we may require a significant amount of capital or debt financing in order to fund the further acquisition of additional investments, including the exercise of DIF's right to purchase and/or right of



first offer under the Asset and Revenue Sale and Transfer Agreements. Refinancing and additional debt or equity funding may not be available as and when required or on terms acceptable to us. Although we were able to finance the acquisitions of the Telecom Infrastructure Assets for Additional Investment No. 1 and Telecom Infrastructure Assets for Additional Investment No. 2, the terms of any refinancing arrangements undertaken may be less favorable to us than the terms of the original borrowings they are meant to refinance. We may also be subject to certain covenants that may limit or otherwise adversely affect our ability to make distributions to Unitholders or enter into additional financing arrangements. Such covenants may also restrict our ability to undertake additional investments and may require us to set aside funds for maintenance or repayment of security deposits. DIF is subject to a debt to equity ratio limit of no more than three times (3:1) or such other ratio as may be prescribed by the Thai SEC from time to time. In addition, our debt service obligation may increase in the future because of rising interest rates and the impact thereof to our financings with floating rates of interest. If principal amounts and interest payments due at maturity cannot be refinanced, extended or paid with proceeds from other capital sources, such as the issuance of new Units, we will not be able to pay distributions at expected levels to Unitholders or to repay our debt obligations as they become due. Any failure by us to service our debt obligations, maintain any required security interests or otherwise perform our obligations under financing agreements could lead to a termination of one or more of our credit facilities, trigger cross-default provisions, penalties or acceleration of amounts due under such facilities, any or all of which may adversely affect our business, financial condition, results of operations and prospects.

4.1.13 The Fund's rights and the rights of Unitholders to recover claims against the Management Company and the Fund Supervisor are limited.

The Commitment between the Management Company and the Unitholders and the Fund Supervisor Appointment Agreement between the Management Company and the Fund Supervisor limit the liability of the Management Company and the Fund Supervisor, as the case may be, to any matter or thing done or suffered or omitted to be done by them in good faith in the absence of fraud, willful default, breach of trust or where the Management Company or the Fund Supervisor fails to exercise due care. In addition, the Commitment and the Fund Supervisor Appointment Agreement provides that the Management Company and the Fund Supervisor are entitled to be indemnified against actions, costs, claims, damages, expenses or demands to which it may be subject as the manager or supervisor of DIF, respectively, so long as such action, cost, claim, damage, expense or demand is not occasioned by fraud, willful default, breach of trust or where the Management Company or the



Fund Supervisor fails to exercise due care. As a result, the Fund's rights and the rights of Unitholders to recover claims against the Management Company and the Fund Supervisor may be limited.

4.1.14 Risk from Covid-19 that could lead to stock market volatility worldwide, which may materially affect the fund's profit-seeking activity, financial status and performance

Worldwide epidemics during the past several decades such as SARS, H5N1 and the current Covid-19 may trigger adverse impacts to the economy in various ways. It could negatively affect the economy around the world, affect investment decisions and expose equity markets around the world to extensive volatility. In addition, the new pandemic may impose travel restriction and restricted use of public transportation. Tourist sites and office buildings will have to be shut down. Any change to the equity markets or the economy at the regional or global levels with material implications due to the outbreak will have an adverse negative impact to the fund's ability to seek profits, its financial status and performances. The effect could be expansive and does not necessarily limit to Thailand.

4.2 Risks Relating to the Telecom Infrastructure Business

4.2.1 Risks Relating to Regulatory Environment

(a) Future changes in licensing requirements in Thailand or any other requirement for the Fund to obtain a license could adversely affect us

In the future, the NBTC may issue a notification or may adopt an interpretation of its rules and regulations requiring entities holding titles to certain telecommunications assets (including the Fund) to be regulated by the NBTC or to obtain a telecommunications license for any reason and pay the associated license fee and Universal Service Obligation fee ("USO Fee"). It is currently unclear if and when such notification or interpretation of the rules and regulations will be introduced, whether the Fund will fall within the category of entities which will be required to obtain such a license and whether the Fund will be eligible to obtain such license. Accordingly, although under SEC regulations, the Fund is not permitted to undertake the operation of an infrastructure business on its own, it is possible that the Fund may in the future be required to obtain and hold a telecommunications license.

If any such notification or interpretation of the laws and regulations requires the Fund or the Management Company to obtain a telecommunications license in the future for any reason, there is no assurance that the Fund would be able to obtain or be eligible to obtain such license under the relevant laws and regulations. The total income of the Fund would be subject to the then applicable rate of license fee and USO Fee for telecommunications licenses, which are currently set at approximately 1.5 percent and 2.5 percent of gross income, respectively. Such notification or



interpretation of the rules and regulations, if imposed, could have a materially adverse effect on our cash flows, business, financial condition and results of operations and the Fund's ability to make distributions to Unitholders.

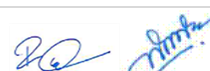
- (b) Thailand's communications industry is highly regulated, which could lead to a degree of uncertainty regarding the regulatory environment.

The National Broadcasting and Telecommunications Commission (the "NBTC") is the sole regulator of the telecommunications sector in Thailand, which is one of the most highly regulated industries in the country. The NBTC has broad powers over the telecommunications and broadcasting industries under the grant of powers by the 2010 Frequency Allocation Act, the Radio and Television Broadcasting Act B.E. 2551 (2008) and the TBA Act.

The regulations governing the telecommunications business cover, among other things, (i) the categories of, and licensing requirements for, various types of telecommunications services, (ii) eligibility requirements and application procedures for the three categories of telecommunications licenses available in Thailand, (iii) measures for allocating telecommunication numbers, (iv) telecommunications license fees, (v) foreign dominance, (vi) number portability, (vii) anti-monopoly and unfair competition rules in the broadcasting and telecommunications sectors, (viii) interconnection regulations, (ix) procedures for receiving and considering subscribers' complaints, (x) the standard for telecommunications service contracts, (xi) price caps and prepaid collection, (xii) consumers' personal data privacy protection rules, (xiii) domestic roaming, (xiv) infrastructure sharing, and (xv) mobile virtual network operators. In terms of spectrum assignment, the 2010 Frequency Allocation Act generally requires the NBTC to use an "auction" as a method to assign telecommunications frequencies to telecommunications operators except in circumstances that the spectrum is sufficient for use or used in non-profit making activities in which case the other methods may be used.

The 2010 Frequency Allocation Act vests the NBTC with the power to, among other things:

- set policies and prepare master plans for the telecommunications and broadcasting businesses and for the allocation of radio frequencies for use in telecommunications and broadcasting businesses in accordance with the provisions of the Thailand Digital Economy and Society Development Plan and implement such plans;
- set up the structure for calculating the fees and tariffs to be charged to subscribers by telecommunications and broadcasting service providers, and for calculating the charges for network interconnection;



- grant licenses and oversee the use of radio frequencies for the telecommunications and broadcasting businesses;
- prescribe the criteria and procedures for the granting of licenses to operate a telecommunications and broadcasting business in Thailand, and the terms, conditions and fees of such licenses, as well as supervise the operation of telecommunications and broadcasting business in Thailand;
- prescribe the technical standards and specifications for telecommunications and broadcasting businesses and the criteria and procedures for network interconnection and network access;
- provide a telecommunications numbering plan, allocate such numbers to service providers and prescribe the criteria and procedures for number portability;
- promote fair competition in the telecommunications industry;
- prescribe measures for the prevention of anti-competitive conduct or unfair competition;
- recall radio frequencies not being utilized, not being optimally utilized, or for optimizing their utilization for the purpose of re-assignment;
- coordinate matters relating to frequency management, both at the national and international levels as well as support activities of the country in order to obtain satellites or acquire the right of utilization of satellite orbits;
- impose universal service obligations, including the provision of services to remote areas; and
- prescribe criteria and procedures for protecting the rights of subscribers of telecommunications and broadcasting services.

Accordingly, there is a certain degree of uncertainty with respect to the introduction of new regulations concerning the telecommunications industry or changes in interpretation or policies of the NBTC which may be applied to the industry in the future. We cannot assure you that any changes to the regulatory environment will not adversely affect our or True Group's business, financial condition, results of operations and prospects.

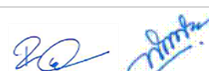


- (c) Licenses and permits required in the telecommunication infrastructure business are varied and may be difficult to obtain, and, once obtained, may be amended, restricted or revoked or may not be renewed.

The rollout of telecommunications towers, FOC and upcountry broadband systems requires approvals or permits from various authorities, including the NBTC, the Public Utilities Authorities and local officials (for construction permits in the case of towers). These licenses or approvals are subject to review, interpretation, modification, restriction or termination by the relevant authorities and, as a result of any such actions, we may be unable to utilize our Telecom Infrastructure Assets in the manner expected. Further, the procedures for granting permission to deploy towers and lay FOC vary widely across civic authorities and local governments although they are governed by the same national laws. As a result, each civic authority or local government often create ad hoc and overlapping policies, comprising different terms and conditions, annual fees, tariff bases, local taxes, levies and differing environmental standards. Significant uncertainty resulting from a lack of any uniform provincial level policies may result in our involvement in a number of disputes.

The Telecom Infrastructure Business may require various permits, licenses and approvals from various authorities as and when the Fund is required or obligated to obtain them or when they are due for renewal, which could have an adverse effect on our prospects, business, result of operations and financial conditions. If the Fund is required to obtain any such permits, licenses or approvals, there can be no assurance that the relevant authorities will issue such permits, licenses or approvals to us or that they will be issued in a timely manner or as expected. Further, these permits, licenses and approvals are subject to conditions and we cannot assure you that we will be able to meet these conditions on an ongoing basis, which may lead to cancellation, revocation or suspension of the relevant permits, licenses or approvals. Failure to renew, maintain or obtain the required permits, licenses or approvals may result in the interruption of our tenants' operations and may have a material adverse impact on our business. We cannot assure you that the relevant authorities will not take any action or impose any conditions in relation to such licenses that could materially and adversely affect our operations. In addition, if we are unable to obtain certain of these approvals and permits, the Fund may be required to seek alternative sites and incur considerable effort and expense where a suitable alternative site is not available.

Furthermore, towers located in restricted zones of a height of 10 or more meters from the base level, and with a weight of 40 kilograms or more, require construction permits from local officials. While we rely on the Transferring Entities and our service providers for procuring these permits or approvals, in the event that this changes, we may need to obtain these permits or renew them for towers or any



other telecommunications infrastructure assets that we may acquire or procure in the future or any that we may be forced to relocate, which could increase our costs of operation.

In addition, the health and aesthetic effects of the installation of large numbers of telecommunications towers, particularly in metro and urban areas of Thailand, as well as rising concerns about the effects of electromagnetic radiation on the human body, could raise concerns by local authorities. As a result, certain conditions or limitations could be imposed by various civic authorities for the deployment of towers, which could materially restrict our ability to expand our business or force us to relocate existing towers, which we would only be able to do at considerable expense.

4.2.2 A decrease in demand for telecommunications infrastructure assets in Thailand could materially and adversely affect our operating results.

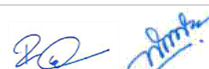
Our business consists primarily of owning telecommunications towers and related infrastructure, FOC and upcountry broadband systems, providing access to these towers and FOC and upcountry broadband systems to mobile and other telecommunications service providers. We also have the right to revenues to be generated from BFKT's and AWC's rental of the HSPA Telecom Infrastructure Assets. Factors adversely affecting the demand for telecommunications tower space, use of active and passive telecommunication infrastructure and FOC and upcountry broadband systems in Thailand in general, and space on towers, capacity on FOC and our right to revenues generated from the rental of HSPA Telecom Infrastructure Assets, in particular, would adversely affect our prospects, financial condition and operating results. Such factors could include:

- a decrease in consumer demand for mobile telecommunications and broadband services due to adverse general economic conditions or other factors;
- a lack of growth in the procurement of new customers;
- a deterioration in the financial condition of mobile telecommunications service providers generally due to declining tariffs, media convergence or other factors or their access to capital;
- mergers or consolidations among mobile telecommunications, resulting in reduced capital expenditure and a reduction in demand for new towers or additional space at existing sites;
- the ability and willingness of mobile telecommunications service providers to maintain or increase capital expenditures;
- a lack of growth in the demand for mobile data or broadband traffic by consumers;
- a decrease in the overall growth rate of mobile telecommunications or of a particular segment of the mobile telecommunications sector;



- the development and implementation of new technologies that enhance the efficiency of telecommunications networks, including those that enhance spectral capacity and encourage the sharing of active infrastructure;
- adverse developments with respect to licensing of spectrum and changes in telecommunications regulations;
- unstable infrastructure, including frequent power failures, which may affect operations;
- increased use of network sharing, roaming or resale arrangements by mobile service providers among themselves;
- delays or changes in the deployment of 4G or other telecommunications technologies;
- delays in regulatory changes that would permit tower infrastructure providers to use towers for other revenue-generating purposes;
- changing strategies of mobile service providers with respect to owning or sharing towers;
- low tenancy ratios or low renewal rates for tenants that also perform operations and management functions of our passive telecommunications infrastructure;
- decrease of demand in telecommunications infrastructure assets due to deployment of network-roll out by mobile service providers or fixed Internet service providers;
- a lack of growth in the demand by mobile operators for FOC and other passive telecommunications infrastructure;
- adverse developments with regard to taxation, zoning, environmental, health and other government regulations;
- technological changes, including alternatives to mobile communication such as satellite communication;
- the loss of key management and other qualified personnel at the Telecom Asset Manager and the anchor tenants; and
- labor activism and unrest.

Our business and strategic plans are based partly on the assumption that the subscriber base for mobile telecommunications services in Thailand will grow at a rapid pace and that the mobile telecommunications service providers in Thailand will adopt the tower sharing model on a widespread basis. If the mobile telecommunications services market of Thailand does not grow or grows at a slower rate than we expect, or the behavior of market players does not meet our current expectations, the demand for our telecommunication infrastructure assets will be adversely affected,



which in turn would have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

4.2.3 We are heavily dependent on factors affecting the mobile telecommunications and broadband industry in Thailand, in particular the growth of True Group and the anchor tenants.

Our operations and performance are directly related to the performance of the telecommunications industry in Thailand, and are therefore affected by factors that generally affect that industry. The telecommunications industry is sensitive to factors such as consumer demand and telecommunications service providers' debt levels, their ability to service their debt and other obligations and general economic conditions. In addition, the telecommunications industry of Thailand may face policy changes in response to recent industry developments, including the liberalization of the industry and issuance of new service licenses by the Regulatory Authorities, coupled with increasing competition, slow ARPU growth and high intensity of capital expenditure.

Such adverse industry conditions and increased cost pressure on tenants that also perform operation and management functions, in particular, on the anchor tenants at our telecommunications towers and our FOC and upcountry broadband system, may result in us having to reduce lease fees in excess of those contemplated in our business plans, and any deterioration in the creditworthiness of such tenants could adversely affect their financial condition and growth prospects, which in turn could adversely affect our results of operations and financial condition. Please refer to more details in “– Our business, prospects, results of operations, cash flows and financial condition depends heavily on True Group” and “– The Fund has no credit support or guarantee from True Group.” There can be no assurance that we will continue to be able to successfully collect payments due from our tenants that also perform operations and management functions. In addition, similar adverse industry conditions and cost pressures could affect the revenues we receive from BFKT's and AWC's rental of the HSPA Telecom Infrastructure Assets. In the event of a decrease or stagnation in demand for telecommunications services in Thailand, any developments that make the provision of telecommunications infrastructure less economically beneficial, or our inability to collect payments or revenue due to us from our tenants, AWC or BFKT, as applicable, may materially and adversely affect our business, prospects, results of operations, cash flows and financial condition.

There can be no assurance that other new telecommunication technologies in Thailand will be deployed or adopted as rapidly as we expect, or that these new technologies will be implemented in the manner that we anticipate. Any of these factors could have a material adverse effect on the growth of telecommunications service providers in Thailand like us.



4.2.4 Increasing competition in the telecommunications infrastructure business may create pricing pressures that may adversely affect our business, prospects, results of operations, cash flows and financial condition.

The telecommunications infrastructure business in Thailand is highly competitive in nature. We face competition in the market from the telecommunications infrastructure assets provided by Jasmine Broadband Internet Infrastructure Fund (“JASIF”), mobile telecommunications service providers and potentially in the future from independent telecommunications infrastructure companies. Certain established mobile telecommunications service providers such as AIS and DTAC have their own telecommunications infrastructure portfolios, and may be contemplating offering similar services as those of DIF or transferring these to independent infrastructure companies. Such mobile telecommunications service providers might also be required to share their passive telecommunications infrastructure assets, including towers, with other mobile operators pursuant to the Infrastructure Sharing Notification, which might reduce demand for the leasing, operating and managing of our Telecom Infrastructure Assets. Thailand’s incumbent telecommunication providers, CAT Telecom and TOT, may also, subject to regulatory and governmental approvals, establish independent infrastructure businesses that could compete directly with ours. In addition, we may face competition in the future from independent tower or FOC infrastructure companies, including service providers, as well as competition from power transmission operators, who may lease their existing infrastructure to other telecommunications service providers. There can be no assurance that telecommunications service providers or power transmission operators in Thailand will not increasingly share existing and new telecommunications infrastructure, which could result in increased competition and in turn could adversely affect our business, prospects, results of operations, cash flows and financial condition.

Certain of True Group’s and the anchor tenants’ competitors may have access to greater financial resources than they do, or may act in unison with each other to our disadvantage. Further, independent domestic tower operators may enter the market, which may lead to consolidation and the emergence of stronger competitors. We operate only in the Thai market and have a limited number of tenants that also perform operating and management functions and in the event we lose any such tenants due to any competitive pressures or otherwise, or such tenants choose to use the services of other telecommunications infrastructure asset providers in the expansion of their networks, we may not be able to find new tenants that also perform operating and management functions for our Telecom Infrastructure Assets and may not benefit from the rollout plans of such potential tenants, which may adversely affect our business, prospects, results of operations, cash flows and financial condition. Increasing competition could also make securing the rights to land for

our telecommunications towers more costly. We cannot assure you that we will be able to successfully compete within this increasingly competitive industry.

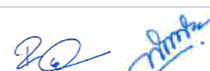
4.2.5 New technologies could make our business less desirable to current and/or potential customers and result in decreasing revenues.

The development and implementation of new technologies designed to enhance the efficiency of networks could reduce the use of and need for telecommunications tower-based wireless transmission and reception services, as well as FOC networks, which would likely have the effect of decreasing demand for our telecommunications towers and FOC. Examples of such technologies include technologies that enhance spectral capacity. In addition, the emergence of new technologies could reduce the need for telecommunications tower-based broadcast services transmission and reception and FOC networks. For example, the growth in delivery of mobile services by direct broadcast satellites or the development and commercialization of new technologies designed to improve and enhance the range and effectiveness of cellular telecommunication networks may significantly decrease demand for our Telecom Infrastructure Assets. The development and implementation of any of these and similar technologies to any significant degree could reduce and even eliminate the demand for the business services that we provide and could have a material adverse effect on our business, prospects, results of operations and financial condition.

To respond successfully to technological advances and emerging industry standards, we may be required to make substantial capital expenditures and obtain access to related or enabling technology. Our ability to fund these capital expenditures in the future will depend on our future operating performance, which is subject to prevailing economic conditions, levels of interest rates and financial, business and other factors, many of which are beyond our control, and upon our ability to obtain additional external financing. We cannot assure you that additional financing will be available to us on commercially acceptable terms, or at all. Even if we have sufficient capital resources to fund these capital expenditures, we may not be successful in obtaining access to the latest technology in a timely and cost-effective manner, or at all. This could adversely affect our quality of services, business, financial condition, results of operations and prospects.

4.2.6 If mobile service providers consolidate or merge with each other to any significant degree, our revenue and ability to generate positive cash flows could be adversely affected.

The Thai mobile telecommunications industry has experienced consolidation in the past and may experience further consolidation in the future, which may result in the consolidation of mobile



telecommunication networks and reduced capital expenditures due to the potential overlap in network coverage and in expansion plans. Significant consolidation among our tenants and potential co-location tenants, both of which would perform operation and management functions on our telecommunications infrastructure assets, may result in reduced capital expenditures in the aggregate because the existing networks of many mobile carriers overlap, as do their expansion plans. Pursuant to any such consolidation, certain parts of our actual or potential tenants' merged networks may be deemed to be duplicative and these tenants may attempt to eliminate these duplications. Our future results of operations could be negatively impacted if a significant portion of our lease revenue or the right to revenue under the Amended and Restated Master Lease, Operation and Management Agreements and the Asset and Revenue Sale and Transfer Agreements is eliminated from our ongoing contractual revenues. There can be no assurance that there will not be further consolidation of Thai mobile telecommunication operators in the future, which could decrease our revenue from our tenants that also perform operation and management functions and may adversely affect our business and financial condition.

4.2.7 Litigation costs and expenses could have a material adverse effect on our prospects, business, results of operations and financial condition.

Costs and expenses relating to any litigation or other proceedings that we or the anchor tenants may incur relating to the Telecom Infrastructure Business and the Telecom Infrastructure Assets, including any damages awarded against us or the anchor tenants in any such proceedings, could be significant. Any such costs and expenses would affect the amount of lease and other revenue that we receive and, if significant, could have a material adverse effect on our prospects, business, results of operations and financial condition.

4.3 Risks Relating to True Group's Telecommunications Business

4.3.1 True Group competes with its previous concession grantors, which are State-owned Enterprises, and this has led to and could continue to lead to disputes with them.

True Group was partially dependent on concessions granted by TOT to provide wireline and related services. TOT and CAT Telecom are also two of True Group's major competitors. TOT provides, among other things, domestic wireline telecommunications, public payphone, data, broadband and



multimedia services, including leased lines and Internet access, international telephone, and mobile communications services in Thailand. CAT Telecom provides, among other things, international telephone, data and mobile communications services in Thailand.

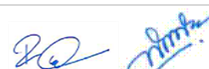
Competing with True Group's previous concession grantors, TOT and CAT Telecom, which are State-owned Enterprises, has resulted and may continue to result in significant conflicts of interest that can lead to disputes. These disputes can adversely affect True Group's business. In addition, disputes with TOT and CAT Telecom create uncertainty that can significantly interfere with the formulation and execution of True Group's business strategy, and its efforts to resolve these disputes result in a substantial diversion of management and other resources. True Group has several pending disputes with TOT and CAT Telecom on various matters.

We cannot assure you that any ongoing or new disputes will not affect True Group's relationship with TOT and CAT Telecom, nor can we assure you that any of these disputes will be successfully resolved in True Group's favor, and if True Group is unsuccessful, its business, financial condition, results of operations and prospects could be adversely affected. Even if True Group obtains a final and non-appealable arbitral award or court judgment in its favor, True Group may not be successful in enforcing its rights to collect any damages or other remedies awarded to it in full or at all, or on a timely basis. For descriptions of certain disputes True Group is involved in with TOT and CAT Telecom.

4.3.2 Any refusal by CAT Telecom to make payments under the HSPA Leasing Agreement or the exercise of certain options by Cat Telecom could affect the Fund's business.

Any refusal by CAT Telecom to make payments to BFKT under the HSPA Leasing Agreement could render BFKT and AWC unable to pay revenues to us with respect to the lease or use of BFKT Telecom Assets and one-slot lease of the AWC Towers, the AWC Towers for Additional Investment No. 1 and the AWC Towers for Additional Investment No. 2, respectively, under the Asset and Revenue Sale and Transfer Agreements with BFKT and AWC. In addition, any refusal by CAT Telecom to make or receive interconnection payments with other mobile telecommunication operators could also subject CAT Telecom to accrued default interest, and CAT Telecom may seek reimbursement from Real Move. Any refusal to make payments under any agreement to which CAT Telecom and BFKT or Real Move is a party or any attempt by CAT Telecom to seek reimbursement from Real Move could affect the Fund's business, prospects, results of operations, cash flows and financial condition.

CAT Telecom also has call options to purchase approximately 667 of the BFKT Towers and BFKT FOC Transmission Grid that BFKT have sold the rights to the net revenues generated from the HSPA Leasing Agreement to the Fund pursuant to the Asset and Revenue Sale and Transfer Agreement



with BFKT. In order to exercise its call option, CAT Telecom must pay the purchase price for the actual cost of the towers and FOC and transmission equipment plus interest thereon at the rate of the average minimum lending rate of four major Thai banks if the call option is exercised during the initial six months following the date of which such towers and FOC and transmission equipment are leased or 1 percent per month if the call option is exercised after the initial six months. As a State-owned Enterprise, CAT Telecom may also be required to obtain approval from certain Independent Agencies and the Cabinet before exercising its call option.

If CAT Telecom were to exercise its call options to purchase the towers and FOC and transmission equipment owned and operated by BFKT, BFKT would be obligated under the Asset and Revenue Sale and Transfer Agreement to replace such assets prior to the expiration of the HSPA Leasing Agreement, failing which BFKT will pay us the terminal value of such assets, which may not accurately represent the full economic value of otherwise owning such assets for the remainder of their useful lives.

4.3.3 TRUE is at risk as NBTC has required it to deliver the income during the period of 1800 MHz consumer protection and due to a dispute with TOT Public Company Limited over the high-speed internet service (ADSL)

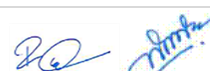
On 11 October 2018, TRUE filed a petition with the Central Administrative Court to request the Court to revoke the decision of the Arbitral Tribunal, which will take 3-5 years for the Central Administrative Court to decide the case. DIF cannot guarantee that this dispute or any disputes that may arise in the future will not affect the relationship between TRUE and TOT and cannot guarantee that the dispute will be awarded in favor of TRUE. If TRUE does not meet with success in this dispute case, its business, financial position, operating results, and business opportunities may be significantly affected.

4.4 Risks Relating to the Investment Units

4.4.1 The price of the Investment Units could fluctuate significantly and you may not be able to resell the Investment Units at or above the offering price.

The trading price of the Investment Units after the Combined Offering may be at prices significantly below the offering price of the Investment Units. The price of the Investment Units will depend on factors including:

- the perceived prospects of our performance and investments and the Thai telecommunications industry;



- difference between our actual financial and operating results and those expected by investors and analysts;
- the issue of new or changed securities analysts' reports or recommendations;
- changes in general economic, political or market conditions;
- the market value of our assets;
- the perceived attractiveness of the Investment Units against those of other equity securities, including those not in the telecommunications sector;
- the balance of buyers and sellers of the Investment Units;
- any sale or intended sale of a substantial amount of Investment Units by existing Unitholders;
- the future size and liquidity of the Thai telecommunications sector or other infrastructure businesses;
- legal and regulatory developments and changes, including the tax system, both generally and specifically in relation to Thai infrastructure funds and investments in Thailand or overseas;
- foreign exchange rate fluctuations;
- litigation and governmental investigations;
- broader market fluctuations, including any weakness of the equity market and increases in interest rates; and
- any inability on our part to implement successfully our investment and growth strategies.

These and other factors may cause the market price and demand for our Investment Units to fluctuate substantially, or may result in the Investment Units trading in the secondary market at prices that are higher or lower than the NAV per Investment Unit. To the extent we retain profits for additional investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of our underlying assets higher than the NAV if we do not retain profits, may not correspondingly increase the market price of the Investment Units. Any failure on our part to meet market expectations with regard to future earnings and distributions may adversely affect the market price of the Investment Units, which may limit or prevent you from readily selling our Investment Units and may otherwise negatively affect the liquidity of our Investment Units. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company or entity that issued the stock. If any of the holders of Investment Units were to bring a lawsuit against us, we could incur substantial costs



defending the lawsuit or if the lawsuit is ultimately resolved against us, we could incur substantial costs in damages. Such a lawsuit could also divert the time and attention of the Management Company from our business.

In addition, the Investment Units are not capital-safe products and there is no guarantee that Unitholders can regain the amount invested. If we are dissolved or liquidated, it is possible that you may lose all or a part of your investment in the Investment Units.

Furthermore, the current tax regulations in Thailand do not impose any corporate taxes on the income of mutual funds, including DIF. If there are any changes to the tax regulations, other laws or regulations such that DIF and/or the Unitholders become subject to taxes, such tax payments may have a material and adverse effect on our business, financial condition, results of operations and prospects and the Unitholders' investment in DIF and may also result in a lower level of distributions to Unitholders and/or higher tax liabilities to the Unitholders, which may in turn adversely affect the price of the Investment Units.

4.4.2 The Fund may have to be dissolved upon the occurrence of an event which requires dissolution by law.

The occurrence of any one or more of the following events may require the Management Company to dissolve DIF:

- the number of Unitholders is less than 35, unless a waiver from the Office of the SEC is obtained;
- the Fund's capital is less than THB2,000,000,000 (calculated based on the par value) as a result of a capital reduction by using proceeds from the disposition of Infrastructure Assets;
- when Infrastructure Assets are disposed and the Management Company is unable to make any further investment to meet the required investment ratio in Infrastructure Assets (that is, no less than THB1,500,000,000, amounting to at least 75 percent of the total value of assets of the Fund) within one year from such disposition;
- upon the expiry of the term of the Fund (if any) or any other cause of dissolution that has been specified in advance;
- the Fund is unable to appoint a new Management Company within 90 calendar days from the date on which the resignation of the Management Company is notified;
- resolution of the Unitholders to dissolve the Fund; and
- the Office of the SEC orders the cancellation of the Fund according to Section 128 of the Securities and Exchange Act.



If DIF is dissolved, depending on the circumstances under which we are wound up or dissolved and the terms upon which our assets are disposed of, we cannot assure you that you will recover all or any part of your investment. Furthermore, upon a dissolution of DIF, the Unitholders may not be refunded in full for their subscription payment for the purchase of Investment Units, as DIF would be required to undergo a liquidation process under which, among others, expenses related to the establishment and management of DIF will be deducted before a capital return is made to the Unitholders.

4.4.3 Future sales of the Investment Units, and the availability of large amounts of Investment Units for sale, could adversely affect the trading price of the Investment Units.

True owns approximately 28.902 percent of the total number of outstanding Investment Units as of December 31, 2019.

Under the Lock-Up Agreement, True has agreed with the Fund that, from the Fund Registration Date until the date that is five years from the Fund Registration Date, subject to certain exceptions, True Group's holding of Investment Units will not fall below 18 percent of the total number of Investment Units issued in the Initial Public Offering. Further, True has agreed pursuant to the Amendment Agreement to the Lock-up Agreement dated November 24, 2017 and the Amendment Agreement to the Lock-up Agreement No. 2 between True and the Fund to hold and maintain, at all times (a) from the date of the registration of the capital increase of the Fund for the first combined offering (the "First Fund Capital Increase Date") until the date that is three years from the First Fund Capital Increase Date, the newly issued Investment Units from the first combined offering subscribed by True in the portion of up to 18 percent of all Investment Units newly issued under the first combined offering; and (b) from the First Fund Capital Increase Date until the date that is 1 year from the First Fund Capital Increase Date, the newly issued Investment Units from the first combined offering subscribed by True in the portion exceeding 18 percent of all Investment Units newly issued under the first combined offering. And True has agreed pursuant to the Amendment Agreement to the Lock-up Agreement No. 3 to hold and maintain, at all times (a) from the date of the registration of the capital increase of the Fund for the second combined offering (the "Second Fund Capital Increase Date") until the date that is three years from the Second Fund Capital Increase Date, the newly issued Investment Units from the second combined offering subscribed by True in the portion of up to 18 percent of all Investment Units newly issued under the second combined offering; and (b) from the Second Fund Capital Increase Date until the date that is 1 year from the Second Fund Capital Increase Date, the newly issued Investment Units from the second combined offering subscribed by True in the portion exceeding 18 percent of all Investment Units newly issued under the second combined offering, if any.



Following the lock-up period, significant sales of the Investment Units by True, or the perception that significant sales may occur, could adversely affect the trading price of the Investment Units. We cannot predict the effect, if any, that future sales, or the availability of Investment Units for future sale, will have on the market price of the Investment Units prevailing from time to time. Sales of substantial amounts of Investment Units in the public market following the lock-up period, or the perception that such sales may occur, could adversely affect the market price of the Investment Units on the SET. These sales may also make it more difficult for us to raise capital through the issue of new investment units at a time and at a price we deem appropriate.

4.4.4 TUC's letter of support is neither legally binding nor a guarantee, and TUC is not legally obligated to support BFKT in the manner contemplated by the letter of support.

The letter of support that TUC provided to BFKT is not legally binding and is not a guarantee by TUC and payments obligations of BFKT under the Asset and Revenue Sale and Transfer Agreement with BFKT are not backed by the credit of TUC pursuant to the letter of support. Accordingly, we cannot assure you that TUC will provide support to BFKT in the manner contemplated in the letter of support. Furthermore, the letter of support does not create any binding obligation on TUC to provide BFKT with direct financial support to meet BFKT's payment obligations in general and under the relevant Asset and Revenue Sale and Transfer Agreement. Finally, neither the Fund, the Management Company, the Unitholders nor BFKT will be able to bring any action against TUC to enforce the letter of support.

4.4.5 We cannot assure you that we will be able to make distribution payments on the Investment Units or maintain any given level of distributions.

The revenue that we receive depends on, among other factors, the amount of revenues received and the amount of operating and other expenses incurred in relation to the Telecom Infrastructure Business. If the Telecom Infrastructure Assets and any other assets that we may acquire or hold from time to time do not generate sufficient income, our income, cash flow and ability to make distributions will be adversely affected.

We cannot provide any assurances that we will be able to pay distributions or maintain distribution levels pursuant to our stated distribution policy. Nor can we provide you with any assurance that the level of distributions will increase or be maintained over time, or that there will be increases in revenue, or that future acquisitions of investments (if any) will increase our income available for distribution payments to Unitholders.

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



As DIF is a closed-end infrastructure fund, Unitholders are not able to require the Management Company to repurchase their Investment Units. Therefore, we cannot assure you that you will be able to dispose of your Investment Units at the price at which you purchased the Investment Units or any price, or at all. Accordingly, you may only be able to liquidate or dispose of your Investment Units through a sale of such Investment Units to third parties on the SET or a matching off-exchange transaction.

4.4.7 The Management Company may, among other things, be removed by a resolution of Unitholders representing more than 50 percent of the Investment Units outstanding or by the Thai SEC.

Under the Fund Scheme, the Management Company may, among other things, be removed by Unitholders by way of a resolution of Unitholders representing more than 50 percent of the Investment Units outstanding. All Unitholders will be able to vote on the resolution to remove the Management Company. However, True, because of its ownership of approximately 28.902 percent of the total number of outstanding Investment Units as of December 31, 2019, will have significant influence over any resolution to remove the Management Company. In addition, the SEC can remove the Management Company in the event that (A) the Management Company does not adhere to the Fund Scheme, (B) the SEC considers such breach to have an adverse effect on the interest of the Unitholders and (C) the Management Company fails to remedy such breach as ordered by the SEC or the Management Company is no longer qualified as a mutual fund manager.

4.4.8 The market price of the Investment Units may decrease if the value of additional Investment Units offered for sale has a lower price than the value of the Investment Units before such offering.

We may issue additional Investment Units at an offering price lower than the market price of the Investment Units before such offering. A lower offering price may cause the market price of the Investment Units to decrease.

4.4.9 There are risks associated with the trading and delivery of our Investment Units on the SET

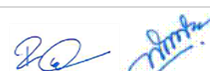
Our outstanding Investment Units are listed on the SET. We intend to apply to have the New Investment Units approved for listing and trading on the SET promptly after the increase of our capital represented by the Investment Units offered in the Combined Offering and the Preferential Public Offering has been registered with the SEC. While registration is expected to occur within approximately eight business days after the day we receive payment for the Investment Units, registration could be delayed due to factors beyond our control. Under Thai law, the status of investors in our Investment Units in the period between the time investors pay for Investment Units and the time the increase in our capital is registered with the SEC is uncertain. During this period, investors may not be unitholders and instead would be considered our unsecured creditors.



In addition, although we expect to receive the SET's approval of our application to list our New Investment Units shortly after receiving payment, the SET is entitled to consider a listing application for up to seven days after we submit a completed application to the SET. As a result, our New Investment Units may not be listed on the SET until 22 May 2018, if no Investment Units are placed under the Thai Offering or the International Offering, or otherwise. Unless and until listing approval is given for our New Investment Units, none of our New Investment Units sold in the Combined Offering may be traded on the SET and holders of our New Investment Units may only be able to sell them, if at all, in matching off exchange transactions.

4.4.10 Individual Unitholders may be subject to tax on dividends received from us on a self-declaration basis unless certain conditions are met and certain identifying information is provided.

Pursuant to the Royal Decree No. 544 dated October 9, 2012 and the Notification of Director General (DGN) dated March 7, 2013 issued thereunder pursuant to the Thai Revenue Code, the Management Company and infrastructure funds must comply with certain requirements and conditions and must provide certain identifying information of each of individual Unitholders to the Revenue Department in order for the individual Unitholders to enjoy personal income tax exemptions on dividends received from infrastructure funds for a period of 10 years from the registration of such infrastructure funds. The Management Company and DIF attempt to comply with these requirements to the extent that they are able to do so. However, in order for the Management Company and DIF to comply with the requirements, individual Unitholders are required to provide certain identifying information. While under current Thai law no withholding would apply to dividend distributions if the Management Company or DIF cannot comply with these requirements and conditions or the identifying information is not provided, individual Unitholders may be subject to full income tax on distributions received in respect of the Investment Units on a self-declaration basis. In such a case, a failure to report and pay Thai tax may expose the individual Unitholders to civil and criminal penalties.



5 Legal disputes

During the past fiscal year, the Fund had no legal or arbitration dispute. Neither did it have any other legal dispute that was materially and directly related to the Fund's business the Management Company believes there would be an adverse effect to the business, financial status, operating result and future operation.

Note: True and its affiliates are litigants in several litigations and disputes. Major legal disputes, either at court or under arbitration, are unpredictable and therefore nothing can be affirmed that True and its affiliates will win a particular case. True Group cannot predict result of the litigation or dispute as well as their financial impact. If the outcome is negative, this will affect True Group's financial status, operating result and business opportunity which may also affect True and its affiliates' ability to repay the Fund under the Master Sub-lease, Operation and Management Agreement, as the case may be. Investors can find more information about this in True's 2019 Annual Report.

6 Other important information

-None-




6.1 Mutual Fund Supervisory Opinion



Dear The Unitholders of the Digital Telecommunications
Infrastructure Fund

Mutual Fund Supervisor Opinion

We, The Kasikornbank Public Company Limited, as the Mutual Fund Supervisor of the Digital Telecommunications Infrastructure Fund by the SCB Asset Management Company Limited from January 1, 2019 until December 31, 2019 would like to inform you that the SCB Asset Management Company Limited has well performed and fully completed its duties pursuant to its project and Securities and Exchange Act B.E. 2535.

 
.....
Mutual Fund Supervisor

January 17, 2020

Section 2 Fund Management and Supervisor



7 Information of Investment Unitsof the Fund

7.1 Investment Units ofthe Fund

I. Investment Unit Information

The Fund Capital	THB 106,316,537,450.00
Par Value	THB 10.00
Number of Investment Units	Unit 10,631,653,745
Investment Unit Type	Entered in a name certificate
IPO Price	THB 10.00
Offering price for additional investment no.3	THB 13.90
Offering price for additional investment no.4	THB 15.90
Current Authorized Capital	THB 106,316,537,450.00
Current Unit Price (as of December 31, 2019)	THB 16.2482

II. Investment Unit Price Information

Close price as of December 30, 2019	THB 16.40
Maximum Price in 2019	THB 18.00
Minimum Price in 2019	THB 14.30
Market Capitalization as of December 30, 2019	THB 174,359,124,418
Average Trading Value per Year (AOM Value)	THB 55,422.52 million
NAV of the Fund as of December 31, 2013	THB 10.0471 per unit
NAV of the Fund as of December 31, 2014	THB 12.4161 per unit
NAV of the Fund as of December 31, 2015	THB 12.3241 per unit
NAV of the Fund as of December 31, 2016	THB 14.6191 per unit
NAV of the Fund as of December 31, 2017	THB 15.5630 per unit
NAV of the Fund as of December 31, 2018	THB 15.1556 per unit
NAV of the Fund as of December 31, 2019	THB 16.2482 per unit

7.2 Unitholder Information

Overview as of March, 3 2020 Rights Type: XM

(1) Top 10 major unitholders

Rank	Major Unitholders	# Shares	% Shares
1.	TRUE CORPORATION PUBLIC COMPANY LIMITED	3,072,764,534	28.902
2.	SOCIAL SECURITY OFFICE	252,352,925	2.374
3.	LAND AND HOUSES BANK PUBLIC COMPANY LIMITED	210,000,000	1.975
4.	TMB PROPERTY INCOME PLUS FUND	183,310,193	1.724
5.	SOUTH EAST ASIA UK (TYPE C) NOMINESS LIMITED	181,490,142	1.707
6.	THE BANK OF NEW YORK MELLON	157,445,480	1.481
7.	STATE STREET EUROPE LIMITED	135,381,599	1.273
8.	LH FINANCIAL GROUP PUBLIC COMPANY LIMITED	125,000,000	1.176
9.	KRUNGTHAI AXA LIFE INSURANCE PUBLIC COMPANY LIMITED	114,213,194	1.074
10.	SCB INCOME PLUS FUND	92,493,608	0.870

(2) Major unitholder (holding investment unit more than or equal to 10%, including the same group of person)

Rank	Major Unitholder	# Shares	% Shares
1.	True Corporation Public Company Limited	3,072,764,534	28.902

(3) Groups of unitholders having influence on materially assigning the policies related to management or operation of the Management Company

Rank	Major Unitholder	# Shares	% Shares
1.	True Corporation Public Company Limited	3,072,764,534	28.902

7.3 Total Payout Summary

1) Dividend Distribution Policy

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

- a) unrealized gain from the appraisal of the infrastructure assets of the Fund and other adjustment items in accordance with the guidelines of the Thai SEC, to be in line with the cash basis of the Fund;
- b) capital reserve for the repair and improvement of the Infrastructure Business of the Fund, including the Telecom Infrastructure Assets, in accordance with the plans specified in the Fund Scheme and the Prospectus, as notified in advance by the Management Company to Unitholders from time to time or as approved by a resolution of the Unitholders; and
- c) capital reserve for repayment of any loan or commitment of the Fund according to the borrowing policy expressly specified in the Fund Scheme and Prospectus or notified in advance by the Management Company to Unitholders.

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

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

2) Historical dividend payments

	2019 (as paid)	2018 (as paid)	2017 (as paid)	2016 (as paid)	2015 (as paid)	2014 (as paid)	2014 (as paid minus dividend from the 2013 operating result)
(1) Dividend per unit (THB)	1.0355	1.0155	0.9750	0.9560	0.9460	0.9384	0.9144
- Paid from Q1 performance	0.2600	0.3375 ^{/1}	0.2420	0.2380	0.2350	0.2643*	0.2403*
- Paid from Q2 performance	0.3469 ^{/3}	0.1580 ^{/2}	0.2460	0.2390	0.2365	0.1938	0.1938
- Paid from Q3 performance	0.1656 ^{/4}	0.2600	0.2420	0.2390	0.2370	0.2603	0.2603
- Paid from Q4 performance	0.2610	0.2600	0.2450	0.2400	0.2375	0.2200	0.2200
(2) Dividend payout ratio in comparison with the IPO price (THB 10 per unit)	10.34%	10.16%	9.75%	9.56%	9.46%	9.38%	9.14%
	<p>Note: * First-time dividend payment already included dividend from Q1/2014 performance (totaling 90 days) and 2013 starting from the Fund's inception date up to the end of the year totaling 9 days. As a result, if the dividend of the nine-day period in 2013 hadn't been included, Q1/2014 dividend would have been THB 0.2403 per unit.</p> <p>/1 Dividend paid based on fund performance for the period of January - April 2018</p> <p>/2 Dividend paid based on fund performance for the period of May - June 2018</p> <p>/3 Dividend paid based on fund performance for the period of April - July 2019</p> <p>/4 Dividend paid based on fund performance for the period of August - September 2019</p>						

8 Fund Management Structure

8.1 The Management Company

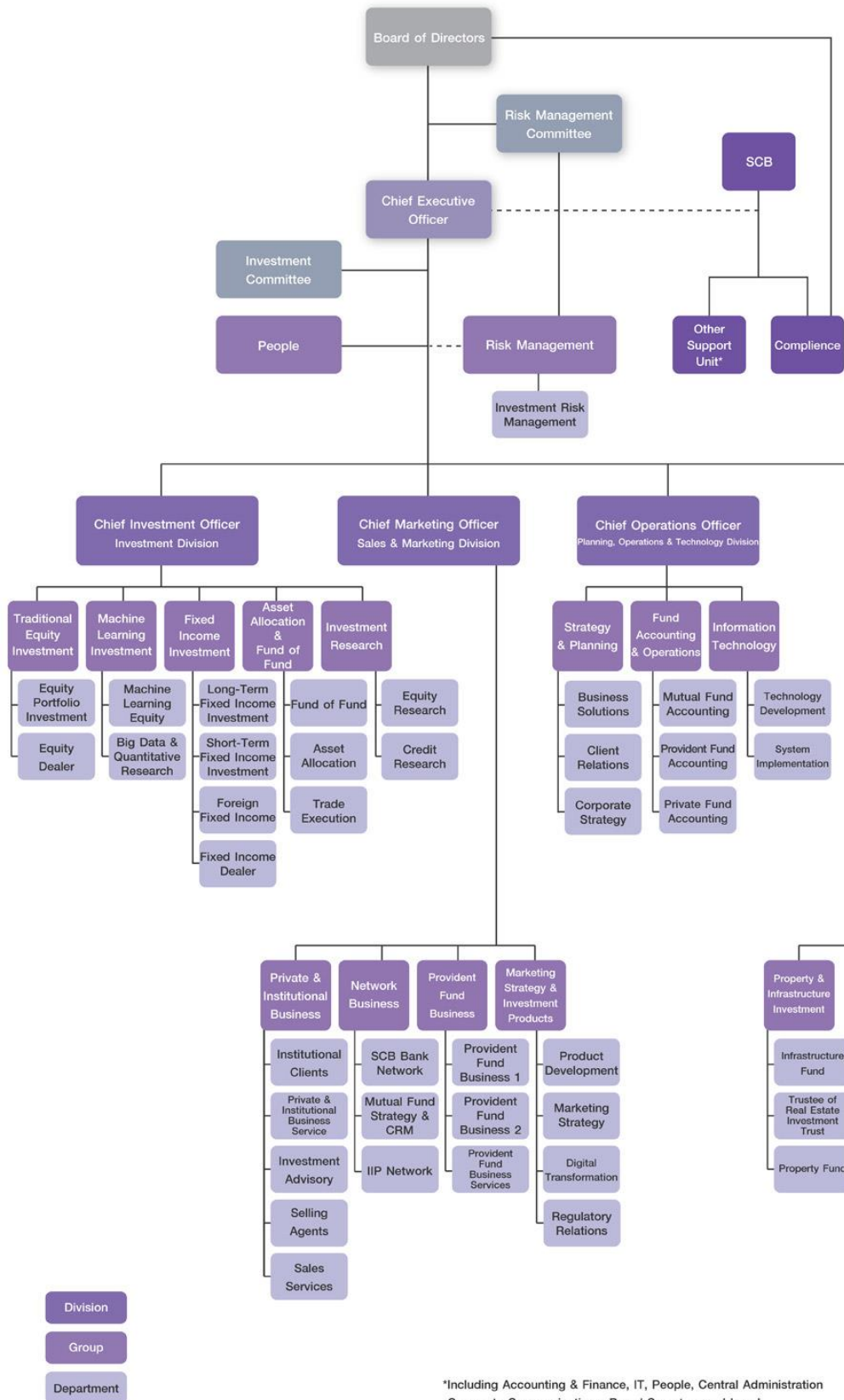
I. Name, Address, Registration Code, Office Number and Fax Number

Name	SCB Asset Management Co., Ltd.
Address	7-8 th Floor. SCB Park Plaza 1 18 Ratchadapisek Road, Chatuchak, Bangkok 10900Thailand
Registration Code	0105535048398
Office Number	0-2949-1500
Fax Number	0-2949-1501
Company Website	http://www.scbam.com

II. Management Structure, List of Shareholders, List of Directors, Executives and Fund Managers

The fact that Siam Commercial Bank (SCB) is a major shareholder of the Management Company (holding 100% of its shares) does not have any impact to the Management Company's controlling power since the company itself has a Board of Directors to oversee its management with absolute power in its administration with no Unitholder's intervention.

Organization Structure



Based on the internal organization structure above, the operation of the Property and Infrastructure Department has been separated from others, and commands independence. The Department has clear procedures and work regulations and is supervised by the Risk Management Committee and the Compliance and Internal Audit Department, which is independent from the Company's management and which directly reports to the Board of Directors, to prevent fraud, corruption or malpractice.

Board of Directors as of December 31, 2019

- | | | |
|----|------------------------------|--|
| 1) | Mrs. Kittiya Todhanakasem | Chairman and Chairman of the Risk Management Committee |
| 2) | Mrs. Salinee Wangtal | Director and Chairman of the Audit Committee |
| 3) | Dr. Yunyong Thaicharoen | Director |
| 4) | Ms. Salisa Hanpanich | Director |
| 5) | Ms. Patiphan Lertprasertsiri | Director |
| 6) | Mr. Chalitti Nuangchamnon | Director and Member of the Audit Committee |
| 7) | Mr. Narongsak Plodmechai | Director and Chief Executive Officer |

Management Team as of December 31, 2019

- | | | |
|-----|----------------------------------|--|
| 1) | Mr. Narongsak Plodmechai | Chief Executive Officer |
| 2) | Mrs. Nunmanus Piamthipmanus | Chief Investment Officer, Investment Division |
| 3) | Mr. Achawin Asvabhokin | Chief Marketing Officer, Sales & Marketing Division |
| 4) | Mrs. Pinsuda Phuwichadawat | Chief Operations officer, Planning,
Operations & Technology Division |
| 5) | Ms. Charupatra Tonglongya | Executive Director, Equity Investment Group,
Investment Division |
| 6) | Dr. Poonsuk Lohsoonthorn | Executive Director, Machine Learning Investment
Investment Division |
| 7) | Mr. Yuttapon Wittayapanitchagron | Executive Director, Fixed Income Investment Group,
Investment Division |
| 8) | Mr. Supakorn Tulyathan | Executive Director, Asset Allocation & Fund of Funds
Group, Investment Division |
| 9) | Mr. Pornthep Jubandu | Executive Director, Investment Research Group,
Investment Division |
| 10) | Mrs. Pinkeo Saieko | Executive Director, Private & Institutional Business Group
Sales & Marketing Division |

- | | |
|------------------------------------|--|
| 11) Mr. Korkid Srinoi | Executive Director, Network Business Group,
Sales & Marketing Division |
| 12) Ms. Amorman Ampornpisit | Executive Director, Provident Fund Business Group,
Sales & Marketing Division |
| 13) Ms. Suparat Areewong | Executive Director, Marketing Strategy & Investment
Product Group, Sales & Marketing Division |
| 14) Mr. Somphong Hirunkajonrote | Executive Director, Accounting and Operations Group,
Planning, Operations & Technology Division |
| 15) Ms. Kunakorn Jiranukornsakul | Executive Director, Information Technology Group,
Planning, Operation & Technology Division |
| 16) Mrs. Tipaphan Puttarawigorn | Executive Director, Property & Infrastructure Investment
Group |
| 17) Ms. Naparatana Kanchanasomwong | Executive Director, People Group. |
| 18) Mrs. Punyanuch Klangsap | Executive Director, Risk Management Group |

List of infrastructure fund manager as of December 31, 2019

- 1) Mr. Narongsak Plodmechai

List of property fund managers as of December 31, 2019

- | | | |
|----|---------------|---------------|
| 1) | Mrs. Tipaphan | Puttarawigorn |
| 2) | Miss Phiraya | Wannakiri |
| 3) | Mr. Navabool | Thongongarj |

List of liquidity management fund managers as of December 31, 2018

- | | | |
|----|----------------|-------------------------|
| 1) | Mr. Yuttapon | Wittayapanitchagorn |
| 2) | Miss Mayura | Tinthanasan* |
| 3) | Mrs. Tuwadara | Isarankura Na Ayutthaya |
| 4) | Miss Naphaphan | Lapworrakijchai* |
| 5) | Mr. Woraphot | Khunaprasit |
| 6) | Miss Watchara | Satitpornumnuay |
| 7) | Miss Kanlayada | Na Pattalung |
| 8) | Mr. Eakaluck | Krasaesian |
| 9) | Mr. Pitiphat | Charoensuk |

- 10) Mrs. Pimraphon Thongpraser
- 11) Miss Kamolrat Tangtanawat*
- 12) Miss Sineenart Porkaew
- 13) Mr. Pruet Mongkolkoso

Remark : * Derivative Fund Manager

III. Duties and Responsibilities of the Management Company and the Fund Manager

The Management Company and the Fund Manager are to manage the Fund, its assets and liabilities with accountability, prudence and integrity for the benefit of unitholders and ensure that the fund administration is in compliance with the Fund Scheme, commitments between Unitholders and the Management Company, resolutions adopted by unitholders, prospectus, securities laws and agreements that the Fund or the Management Company (for the purpose of fund management) or both are counterparties, or are about to enter as counterparties.

Their roles and responsibilities are as follows:

I. Fund Administration and Management

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

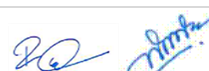
- a) to strictly manage the Fund as stipulated in the Fund Scheme which has been approved by the Office of the SEC, the Commitment, Unitholders' resolutions, the Prospectus, Securities Law and other agreements into which the Fund will enter, as well as to comply with the duties as stipulated under Section 125 of the Securities and Exchange Act;
- b) to procure that the Commitment, the Fund Supervisor Appointment Agreement, and the Prospectus, be in place once the SEC approves the Fund's establishment, and the contents of each shall not be different from the draft Commitment, draft fund supervisor appointment agreement, and draft Prospectus submitted to the Office of the SEC;
- c) to keep the features and characteristics of the Fund not different from the material essence previously reviewed by the Office of the SEC at all times during the life of the Fund, and in case of any change in the features or characteristics of the Fund, to ensure that the Fund is still in compliance with the requirements under Thor Nor. 38/2562;



- d) to alter or modify the Fund Scheme or the management procedures in accordance with the terms, conditions, and criteria as specified in the Fund Scheme and to ensure that any alteration or modification of the Fund Scheme or management procedures complies with Section 129 of the Securities and Exchange Act;
- e) to deliver, distribute and make available the Prospectus and details of the Fund Scheme and the Commitment (which form parts of the Prospectus) according to the following criteria and procedures:
 - 1) prior to the offering of the Investment Units, the Management Company shall make available to investors through an accessible channel, the draft Prospectus submitted to the Office of the SEC which contains information that is complete, accurate, sufficient and not misleading;
 - 2) prior to the offering of the Investment Units, the Management Company shall deliver the Prospectus to the Office of the SEC not less than one Business Day prior to the delivery or distribution of the Prospectus to the investors and submit such Prospectus through the Mutual Fund Report and Prospectus System (MRAP); and
 - 3) the Management Company shall deliver or distribute the Prospectus to interested investors and allow investors a reasonable period of time to review and study the information contained in the Prospectus before making an investment decision, the period of which in aggregation with the period required for the disclosure of the draft Prospectus as stipulated in (I) above shall not be less than 14 calendar days;
- f) in the case of distributing information in relation to the offering of the Investment Units by means of advertisement, to ensure that the information provided through the advertisement is accurate and not misleading and that the advertisement complies with requirements as prescribed by the Office of the SEC;
- g) if the Management Company appoints an underwriter to underwrite the Investment Units, the underwriter shall not be a Person within the Same Group of any person who agrees to sell, dispose of, transfer, lease or grant the right in relation to the Infrastructure Assets in which the Fund will invest;
- h) to undertake extensive public relations in relation to the offering of the Investment Units so that the information in relation thereto is dispersed to the public;



- i) to manage Infrastructure Assets in accordance with and monitor the management thereof to be in compliance with the material terms of the Fund Scheme and to ensure that the agreements or documents entered or to be entered into in relation to the management of Infrastructure Assets contain the terms requiring that upon the occurrence of any event or change which may affect the value of the Infrastructure Assets, the lessee, the grantee or the contractor who seeks benefit from the Infrastructure Assets shall report the fact and reasons thereof to the Management Company without delay;
- j) to acquire and dispose of Infrastructure Assets in accordance with the Fund Scheme and the Securities Law;
- k) in seeking benefits from Infrastructure Assets, to ensure that the Fund shall not operate the Infrastructure Business itself but shall utilize such assets only by means of lease, conveyance of rights or third party operation, and to manage the Fund to obtain benefits from Infrastructure Assets in accordance with the Fund Scheme and the Securities Law;
- l) to proceed according to the relevant notifications of the SEC or the Office of the SEC in the case of any person, and its Persons within the Same Group, holding Investment Units in aggregate of more than one-third of the total number of Investment Units sold;
- m) to take necessary actions to monitor and ensure that the holding of Investment Units by Foreign Investors at any moment after the offering of Investment Units does not exceed the applicable limit;
- n) to increase or decrease the capital of the Fund in accordance with the Fund Scheme and with the rules and procedures prescribed under Thor Nor. 38/2562 and other applicable rules prescribed by the SEC, the Office of the SEC or the SET;
- o) to pay the Fund's distributable income to Unitholders in accordance with the criteria and procedures prescribed in the Fund Scheme and the Commitment and in compliance with the Securities Law;
- p) to arrange for the Appraisal of Infrastructure Assets to be acquired by the Fund and subsequent appraisals with respect to assets to be transferred to the Fund in accordance with the Asset and Revenue Sale and Transfer Agreements that will be entered into between the Fund and the Transferring Entities or otherwise, and subsequent appraisals with respect to those Infrastructure Assets, each in accordance with the Fund Scheme and as required by the Securities Law;



- q) to proceed with the dissolution of the Fund as specified in the Fund Scheme and the Securities Law;
- r) to set up and maintain systems appropriate for the administration and management of the Fund, at least with regard to the following matters:
 - 1) the election or appointment of persons who have knowledge and competency appropriate for the administration and management of the Fund and ensuring that such persons so appointed have appropriate knowledge and competency to administer and manage the Fund;
 - 2) the completion of an analysis and feasibility study for the Fund's establishment and due diligence in respect of Infrastructure Assets to be invested in, as well as the disclosure of information relating to the Fund establishment and Infrastructure Assets which is accurate and sufficient for investors to make an investment decision; and
 - 3) the supervision, administration and management of risks relating Infrastructure Assets in order to be in accordance with the Fund Scheme and to protect the Unitholders' interests;
- s) to administer and manage the Fund by itself and not to delegate its power to anyone except that the Management Company may delegate its power to other persons only in respect of investments in, and the seeking of benefits from, non-infrastructure assets and/or back office tasks, and such delegation (if any) must comply with the requirements under the Securities Law;
- t) to oversee the management of the Infrastructure Assets of the Fund, including the Telecom Infrastructure Assets, which include certain telecommunications towers and related infrastructure and equipment for mobile telecommunications services, an FOC grid and upcountry broadband system, to be transferred to the Fund in accordance with the Asset and Revenue Sale and Transfer Agreements which will be entered into between the Fund and the Transferring Entities, as well as determine the rental rates, fees for the granting of rights or other related remuneration and the conditions of the agreements for the purpose of utilizing the Infrastructure Assets in order to maximize the benefits to the Fund in a manner as could be expected from an ordinary person under similar circumstances;

- u) in the case where the Infrastructure Asset is the right to future revenues or the right to revenue transfer, including, but not limited to, the right to revenues that the Fund purchases from BFKT and AWC:
 - 1) to procure that BFKT, AWC and any party to an agreement who undertakes the Infrastructure Business (i) has a mechanism pursuant to which the Management Company or its designated persons are able to review or audit the revenues or revenue transfers to be received by the Fund; and (ii) submits reports or related information to the Management Company for the purposes of monitoring and reviewing the accuracy and completeness of such revenues or revenue transfers; and
 - 2) to regularly monitor and audit the accuracy and completeness of the revenues or revenue transfers to be received by the Fund. If the Management Company finds any errors or discrepancies which may cause the Fund to not receive revenues accurately or completely in accordance with the agreed arrangements, the Management Company shall procure, or shall appoint an expert to procure, that BFKT, AWC and any such person who undertakes the Infrastructure Business, as applicable, rectify such errors; and
- v) to perform other acts to accomplish the objectives of the Fund and to maintain Unitholders' benefits under the scope of duties and responsibilities of the Management Company, provided that such acts are not contrary to the Securities Law and/or any other relevant law;

II. Investments

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

- a) to enter into an agreement to acquire Infrastructure Assets on behalf of the Fund within six months from the Fund Registration Date, the value of which shall not be less than THB1,500,000,000 and no less than 75% of the value of the Fund's total assets;
- b) to maintain the Fund's total investment value in Infrastructure Assets as at the end of each financial year at no less than 75% of the value of the Fund's total assets (except for the last financial year of the Fund's term, or as approved by the SEC);
- c) to maintain the Fund's total investment value in Infrastructure Assets of not less than THB1,500,000,000 and no less than 75% of the value of the Fund's total assets within one year after the disposition of Infrastructure Assets; and



- d) to ensure that the Fund has no investment in non-infrastructure assets other than assets permitted for the Fund's investment by the SEC and that the Fund's investment in such assets complies with the required investment limits;

III. Receipt and Payment of Money on Behalf of the Fund

To arrange for the receipt and payment of fees and expenses and/or any other remuneration as stipulated in the Fund Scheme;

IV. Appointment of Relevant Persons for the Management of the Fund

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

- a) to establish the Investment Advisory Committee in accordance with Thor Nor. 38/2562 and replace members by appointing new members who meet the requirements under the Securities Law and in accordance with the conditions as specified in the Fund Scheme;
- b) to appoint persons who have the qualifications as prescribed under the relevant notifications issued pursuant to the Securities and Exchange Act and are approved by the SEC or Office of the SEC to act as the Fund Managers who shall perform and act in accordance with the law and regulations issued in relation to the establishment and management of an infrastructure fund to which the Management Company is subject and in accordance with the code of conduct and professional standards approved by the Office of the SEC. The Management Company shall report to the Office of the SEC on the appointment and termination of the Fund Managers in accordance with the relevant notification issued by the Office of the SEC and shall disclose the list of Fund Managers in a report or document to be submitted to the Unitholders at least once a year and on the website of the Management Company which must be updated within 14 days should there be any change in the list;
- c) to appoint the Fund Supervisor and, upon a Unitholders' resolution, replace the Fund Supervisor by appointing another fund supervisor whose qualifications comply with the Securities Law, and is in accordance with the conditions as specified in the Fund Scheme;
- d) to appoint a Registrar, and replace the Registrar by appointing another Registrar, whose qualifications comply with Securities Law, and to notify the relevant authorities of



such appointment and to monitor that the Registrar so appointed complies with the Unitholder register requirements under the notification of the Office of the SEC regarding the rules and procedures for preparing a unitholder register and the terms and conditions of the Registrar Appointment Agreement;

- e) to appoint a juristic person having experience and expertise in Infrastructure Assets as an appraisal firm who shall appraise the value of the Fund's Infrastructure Assets in accordance with the Securities Law;
- f) to appoint advisors (if any) to perform the duties of advisors of the Management Company and/or the Fund, or any other relevant and necessary persons to perform duties concerning the Fund, such as financial advisors and legal advisors;
- g) to appoint an Auditor of the Fund, provided that the Auditor must be a person on the approved list of the Office of the SEC, and to replace the Auditor and appoint another Auditor meeting such requirements;
- h) to appoint a liquidator of the Fund, with the approval of the Office of the SEC, in order to aggregate and distribute assets to the Unitholders and perform other duties as required under the Securities Law and as necessary for the completion of the liquidation, upon termination or dissolution of the Fund; and
- i) to appoint marketing personnel approved by the Office of the SEC to sell the Investment Units or provide advice to retail investors;

V. Miscellaneous Responsibilities

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

- a) to submit an application to register the pool of assets, which will be the proceeds from the sale of Investment Units, with the Office of the SEC within 15 Business Days from the last date of the Investment Unit offering period in accordance with Section 124 of Securities and Exchange Act and the notifications issued there under;
- b) to submit an application to the SET to approve the securities listing of the Investment Units within 30 calendar days from the Fund Registration Date or from the last date on which the newly issued Investment Units are offered;
- c) to ensure that the Commitment and the Fund Scheme at all times comply with the Securities Law and the notifications, rules and orders issued by virtue thereof and to arrange for the Commitment and/or the Fund Scheme to be amended without delay in



case that any term contradicts the Securities Law and/or such notifications, rules and/or orders;

- d) to convene a Unitholder's meeting and request a resolution from the Unitholders in accordance with the Commitment, the Fund Scheme and the Securities Law;
- e) in requesting for a Unitholders' resolution, to provide sufficient information for the Unitholders to make a decision, which shall include, among others, the opinion of the Management Company and the Fund Supervisor on the matters to be decided and the potential impact on the Unitholders as a result of the resolution on such matters;
- f) to give an opinion on matters required by the Securities Law which include, among others, the reasonableness of the appraisal of the Infrastructure Assets and the matters for which a resolution from the Unitholders is required;
- g) upon request by a Unitholder and in accordance with the terms of the Commitment, to issue or arrange for an issuance of updated investment unit certificates or other evidentiary documents containing the required and sufficient information for Unitholders to use as evidence of their rights and for asserting such rights against the Management Company and third parties;
- h) to monitor and ensure that its personnel perform in accordance with the Securities Law and any rules or procedures issued by virtue thereof as well as the applicable standards or code of conduct approved by the Office of the SEC;
- i) to facilitate the Fund Supervisor or the Fund Supervisor's representatives such that they can perform their duties in connection with the Fund efficiently;
- j) to separate accounts and keep the Fund's Assets separate from the Management Company's assets, and to deposit, as applicable, the Fund's assets and returns on investments from the Fund's Assets into the custody of the Fund Supervisor;
- k) to prepare and keep books and records of the Fund in accordance with the Securities Law;
- l) to cause a registrar book to be prepared in accordance with the rules and procedures prescribed under the Securities Law;
- m) to prepare an accurate statement of, and a report on, the Fund investments for the acknowledgment of the Fund Supervisor in accordance with the rules and procedures prescribed under the Securities Law;



- n) to calculate the asset value, NAV and Value of Investment Units of the Fund and make disclosures thereof in accordance with the rules, conditions, and procedures prescribed under the Securities Law;
- o) to prepare financial statements of the Fund in accordance with the requirements as prescribed under the Securities Law and submit such to the Office of the SEC and the SET;
- p) to prepare an annual report of the Fund which contains the particulars required under the Securities Law at the end of every financial year and deliver such annual report to the Unitholders, the Office of the SEC and the SET within four months from the end of each financial year;
- q) to report to the Office of the SEC and the SET without delay any circumstance or change which may materially affect the value of the Fund's Infrastructure Assets in accordance with the relevant notifications;
- r) to prepare, or arrange for the preparation of, submit, report and disclose information in relation to the Fund as required by and in accordance with the Securities Law;
- s) to follow up, proceed with and give instructions to persons in charge under various appointment agreements such as the appraisal firm, the Fund Managers, advisors and marketing personnel in accordance with the relevant appointment agreements and to monitor the compliance of their duties and responsibilities under the relevant appointment agreements and the Securities Law, and to perform acts as specified in the appointment agreements and/or as requested by Unitholders; and
- t) to perform other duties which are prescribed by the Securities Law as duties of management companies.

8.2 Telecom Asset Manager

I. Name, Address, Registration Code, Office Number, and Fax Number

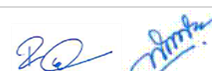
Name	Telecom Asset Management Company Limited
Address	18True Tower, Ratchadapisek Road, Huay Khwang, Bangkok, 10310, Thailand
Registration Code	0105556107920
Office Number	0-2699-2582

Fax Number

0-2699-4321

II. Duties and Responsibilities of the Management Company and the Asset Manager

- a) To contact, negotiate, coordinate, propose, sign relevant documents and/or do anything relating and necessary to materialize administration actions concerning the Infrastructure Asset under the Master Services Agreement between the Management Company and Telecom Asset Management Company Limited dated December 24, 2013, which could be revised and/or amended, including but not limit to managing, contacting, discussing, coordinating with related persons, signing related documents and/or doing anything (a) to allow the sites of the Fund's Infrastructure Asset to be used or visited; (b) to sign or renew an agreement to lease or use the site of the Fund's Infrastructure Asset between the Fund and the owner or the lessor or anyone allowing the site to be used; and to register the agreement with relevant officials if necessary; (c) relating to the payment of rent based on the lease agreement or an agreement to use the site where the Fund's Infrastructure Asset is located to the owner or the lessor or anyone allowing the use of such site; (d) in relation to insurance; (e) to acquire the right of way for the Fund's Infrastructure Asset and to pay a fee or an expense for such right; (f) in relation to the collection, follow-up and/or demand of monthly rent from tenants whom rent the Fund's Infrastructure Asset (based on the main sub-lease, operation and management agreement and other lease agreements between the Fund and its tenants); and (g) in relation to the administration of invoices and receipts issued in return for monthly rent of the Fund's Infrastructure Asset.
- b) To contact, discuss, coordinate, propose, sign related documents and/or do anything relating and necessary to realize marketing activities for the Fund's Infrastructure Asset as provided in the Master Services Agreement; including but not limited to marketing, contacting, discussing, proposing and/or signing related documents in order to lease, operate and manage slots on telecommunications towers and the capacity of the Fund's Infrastructure Asset not yet used to new tenants, and to have the tenant sign a sub-lease, operation and management contract with the Fund.
- c) To contact, coordinate, examine, control, supervise and/or to do anything considered relating and necessary to have the person the Fund has appointed or designated to manage, seek profit or provide service in connection with the Fund's Infrastructure Asset perform his duties under such agreement.



- d) To notify, demand, file grievance, accuse, negotiate, claim for damages and/or file complaint against the Fund's contractual party who has breached or violated contractual provision or an agreement or against any other person in relation to the lease, operation and management of the Fund's Infrastructure Asset; including to provide statements, sign, deliver, accept and/or certify necessary and related documents to achieve the purposes under (a), (b) and (c) above.
- e) To contact various government authorities in the subjects of including but not limited to right of way, land and housing tax and value-added tax, and to seek permissions relating to the lease, operation and management of the Fund's Infrastructure Asset.
- f) To appoint one or several sub-delegates including to appoint, change, terminate and withdraw such appointment in order to achieve all purposes and objectives previously described.

8.3 The Fund Supervisor

I. Name, Address, Registration Code, Office Number, and Fax Number

Name	KASIKORNBANK Public Company Limited
Address	1 Soi RatBurana 27/1, Rat Burana Road, Rat Burana Sub-district, Rat Burana District, Bangkok 10140
Telephone	(66 2) 470 3201
Fax	(66 2) 2470 1996 7

II. Rights, Duties and Responsibilities of the Fund Supervisor

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

- a) to receive remuneration for acting as the Fund Supervisor of the Fund at the rate specified in the Fund Supervisor Appointment Agreement;
- b) to execute the Commitment with the Management Company on behalf of the Unitholders;
- c) to certify the receipt of funds from subscription and support the establishment or registration of the Fund to be made with the Office of the SEC;

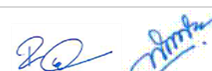


- d) to supervise the Management Company's strict compliance with the Securities Law and the
- e) Fund Scheme as well as the Commitment;
- f) if the Management Company does any act or omits from taking any action that causes damage to the Fund or fails to perform its duties under the Securities Law, to prepare a detailed report thereon and submit it to the Office of the SEC within five days from the date on which the Fund Supervisor is aware of such circumstances;
- g) to take into custody the Fund Assets and keep them segregated from the assets of the Fund Supervisor or of other persons which are under the custody of the Fund Supervisor;
- h) to monitor and ensure that the disbursement, payment and delivery of either monies, documents or other assets made by the Fund complies with the Fund Scheme, as well as with the Asset and Revenue Sale and Transfer Agreements, the Master Lease, Operation and Management Agreements and the Master Services Agreement;
- i) to prepare details of items or assets deposited into and withdrawn out of accounts of the Fund;
- j) to file a lawsuit against the Management Company to force the Management Company to perform its duties or to claim compensation for damages caused by the Management Company for the benefit of all Unitholders or upon the receipt of order from the Office of the SEC, the cost of which can be claimed by the Fund Supervisor from the assets of the Fund;
- k) to perform checks and balances over the Management Company's administration and management of the Fund in a strict manner with loyalty, due care, knowledge, competence and professional behavior for the best interests of the Fund and the Unitholders as a whole;
- l) to consider and approve or not approve the acquisition or disposal of Infrastructure Assets with a value of more than THB100,000,000 but less than 30% of the value of the total assets of the Fund at the time of such acquisition or disposition of assets in accordance with the Fund Scheme and the Securities Law, taking into consideration the opinion of the independent expert appointed at the cost of the Fund (if any);
- m) to consider and approve or not approve the entry into an agreement or amendment or termination of an agreement relating to the management or utilization of the



Infrastructure Assets with a contract value of more than THB100,000,000 but less than 30% of the value of the total assets of the Fund at the time of such entry into an agreement or amendment or termination of such agreement in accordance with the Fund Scheme and the Securities Law, taking into consideration the opinion of an independent expert (who may be appointed at the cost of the Fund);

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



8.4 Investment Committee

Investment Committee consists of 3 members as follows:

- | | |
|--------------------------------|-------------|
| 1) Mr. Narongsak Plodmechai | Chairperson |
| 2) Mrs. Tipaphan Puttarawigorm | Director |
| 3) Ms. Phiraya Wannakiri | Director |

Main Duties and Responsibilities of the Investment Committee:

- a) To consider, make decision, invest, buy, rent, sub-let, lease, dispose of, and transfer or accept the transfer of property and/or infrastructure project as the Fund Manager has proposed to the Investment Committee. The investment, however, must not be in conflict with related laws and the Fund's requirements.
- b) To consider, approve and allow payment of dividend, capital increase and/or decrease of the Fund within the framework stated under the Fund Scheme.
- c) To consider and approve budget relating to the Fund's asset management as proposed by the Fund Supervisor to the Fund in compliance with the Fund Scheme.
- d) To consider, approve and allow investment strategies of an infrastructure investment project, an investment risk management strategy, a liquidity management plan and others as proposed by the Asset Manager, as well as to consider and set investment terms and restrictions for the Fund Manager to comply. This, however, has to be in compliance with the approved investment policy and must not be conflicting with related laws.
- e) To supervise and ensure that investment strategies reflect the Fund's objectives and investment policies described in the framework under the Fund Scheme or the Fund's management contract; to supervise the management of the Fund to be within the framework stated in the Fund Scheme and as required by the laws.
- f) To supervise and review performance of the Asset Manager, the Fund Supervisor and other related persons whose duties are stated in the Fund Scheme.
- g) To consider and approve a signing of a contract which is related to the fund management of which the total contractual value is no less than THB 10 million. The contract to be subject to the Board's review will have to be revised and examined by legal experts or a supervisory agency beforehand.



- h) To supervise the investment to be in strict compliance with the policies and practices of the Fund's management already approved by the Board of Directors.
- i) To do other matters based on unitholders' resolutions which however must not be conflicting with relevant laws and the Fund's requirements.
- j) To consider other matters relating to investment decision aside from what's stated in the policy and practices of the Fund's management, and to approve and issue an order as necessary and appropriate which, however, is not conflicting with related laws.
- k) To consider and appoint a director who represents the Department to replace the original director in case the latter no longer works in the Department.

8.5 Name, Address, and Office Number – Related Parties

1) Independent Auditor

Name	PricewaterhouseCoopers ABAS Ltd.
Address	Bangkok City Tower, 15th Floor, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand
Office Number	0-2286-9999 and 0-2344-1000
Fax Number	0-2286-5050

2) Fund Registrar

Name	Thailand Securities Depository Co., Ltd.
Address	62, The Stock Exchange of Thailand Building, Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand
Office Number	0-2229-2800
Fax Number	0-2359-1259

3) Asset Appraiser

Name	Silom Advisory Company Limited
Address	CAT Telecom Building, 3rd Floor, 72 Charoenkrung Road, Sipraya, Bangrak, Bangkok 10500, Thailand

Office Number 0-2105-4668

4) Fund Consultant

Technical Consultant Analysys Mason Company Limited

Address #10-02 Robinson Centre 61 Robinson Road 068893
Singapore

Office Number +65-6493-6038

Technical Consultant Detecon Asia-Pacific Company Limited

Address Bangkok City Tower, 27th Floor, 179 South Sathon Road,
Thungmahamek, Sathon, Bangkok 10120, Thailand

Office Number 0-2634-9000

Legal Consultant Linklaters (Thailand) Ltd

Address 20th Floor, Capital Tower All Seasons Place
87/1 Wireless Road Lumpini, Pathumwan Bangkok 10330
Thailand

Office Number 0-2305-8000

Fax Number 0-2305-8010

8.6 Historical Cases of Penalty and Fine

I. Historical case of penalty and fine of the Management Company and the Fund Manager during the past five years due to offenses against the Securities and Exchange Act, B.E 2535 (1992) or the Trust Act for Transactions in Capital Market, B.E 2550 (2007)

Section 125 (Duties of securities company in managing a mutual fund)

Date being fined: April 24, 2013

Articles: 117, 125 (1) and 126 (4) incorporation with Section 90 of the Penal Code.

Amount being fined: THB 30,000

Offense:

During the fiscal period between July 1, 2011 to June 30, 2012, SCB Asset Management Co Ltd, a company who managed the SCB Saving Fixed Open End Fund (SCBSFF) that is a fixed-income funds, which is open for purchase and redemption on every business day, failed to manage the fund in accordance with the rules, conditions and procedures stated by the Capital Market Supervisory Board and the Fund Scheme approved by the SEC. To elaborate, it invested in or held deposit, Certificate of Deposit, Bill of Exchange or Promissory Notes of commercial banks and banks incorporated by special laws during the fiscal period, on average, by more than 45% of the fund's Net Assets Value (NAV) which was considered violating Section 117, Section 125 (1) and Section 126 (4) of the Securities and Exchange Act, B.E 2535 (1992).

Date being fined: **June 11, 2015**

Articles: 125 (1)

Amount being fined: THB 112,500

Offense:

SCB Asset Management Co Ltd. failed to manage (1) SCB Fixed Income Accredited Investors and Special Retail Fund 6M4 (SCBAS6M4) and (2) SCB Fixed Income Accredited Investors and Special Retail Fund 3M12 (SCBAS3M12) in accordance with the rules stated in the Fund Schemes approved by the SEC. To elaborate, both funds have an investment in foreign assets exceeding 79% of the fund's Net Assets Value (NAV).

Section 126 (Prohibition for securities company in the mutual fund management)

-None-

Section 129 (Action and amendment of the mutual fund scheme)

-None-

II. History case of penalty and fine of directors, executives and persons with controlling power of the Management Company during the past five years due to offenses against the Securities and

Exchange Act, B.E 2535 (1992) or the Trust Act for Transactions in Capital Market, B.E 2550 (2007)

-None-

9 Supervision

9.1 Supervision Policy

The Management Company strictly complies with the securities laws, notifications, rules, regulations, orders or circular letters amended or issued by the Securities and Exchange Commission (SEC), the Capital Market Supervisory Board, the Office of the SEC and the Stock Exchange of Thailand (SET). The Investment Advisory Committee and the Investment Committee have been set up to review investment details. Also, the Fund Supervisor reviews the Management Company's performance.

The Management Company has formulated supervision policies which include issuing a report of conflict of interest, a policy on practices in the investment business and the Code of Conduct for the investment business.

9.2 Sub-Committee

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

- | | |
|--------------------------------|--------------------------------------|
| 1) Mr. Vichaow Rakphongphairoj | True Group - Director |
| 2) Mr. Noppadol Dej-Udom | True Group - Chief Financial Officer |
| 3) Mr. Narongsak Plodmechai | SCBAM - Chief Executive Officer |
| 4) Mrs. Tipaphan Puttarawigorn | SCBAM - Executive Director |

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

- a) upon request by the Management Company, to provide advice and recommendations to the Management Company in relation to the Fund's investment in Infrastructure Assets as well as management of Infrastructure Assets in which the Fund has invested; and
- b) to declare to the Management Company if any member of the Investment Advisory Committee has an interest (whether directly or indirectly) in matters requiring advice or

recommendation. The member who has such an interest (whether directly or indirectly) shall not participate in the meeting to consider such matters.

II. **Investment Committee** consists of the following 3 members:

- | | |
|--------------------------------|-------------|
| 1) Mr. Narongsak Plodmechai | Chairperson |
| 2) Mrs. Tipaphan Puttarawigorn | Director |
| 3) Ms. Phiraya Wannakiri | Director |

Main Duties and Responsibilities of the Investment Committee are fully explained in Section 8.4 of this annual report.

9.3 Supervision on the use of inside information

The Management Company has issued a practice Re: Staff Dealing Policy and underlines strict compliance with the policy by every employee from directors to executives and fund manager including other persons who may have an opportunity to get access to inside information where they will be subject to harsh and written punishment in case of violation.

Employees are to prevent investment by the company, employees and various types of fund under its management from causing a conflict of interest with intention to achieve a certain advantage or otherwise. Employees are to perform duties with integrity and fairness to ensure that the fund management they administer meets its objectives while retaining investors' interest which has to come first and foremost prior to the interest of the company or personal interest of directors or employees.

The Management Company allows employees to invest in securities for personal purpose, but they are required to comply with the Code of Conduct and other notifications made by the Office of the SEC and the Association of Investment Management Companies (AIMC) including rules and regulations of the Management Company itself. Employees are to reveal such investment to allow the Management Company to supervise the employee's securities trading.

9.4 The Fund's investment decision and management

The Property and Infrastructure Investment Department will conduct due diligence analysis to analyze the feasibility and evaluate investment soundness of proposed new business opportunities such as acquisition and divestment. It will also make a decision to invest or dispose of the Fund's asset based on clear operating practices, which will subject to the Investment Committee's screening, to avoid conflict of interest. Review criteria are as follows:



Review Criteria:

1. Experiences, financial status, reliability and past reputation of the asset owner, in order to identify an ability to perform when such entity becomes a contractual party entering into investment and management transaction with the Fund.
2. Location and potential of the asset, nature of the site and entrance/exit
3. Potential for income generation
4. Past performances of the assets targeted for investment
5. Marketing possibilities and competitions faced by the assets targeted for investment

9.5 Selection of the Asset Manager

The Fund Manager will select other persons to manage the Fund's asset. The Fund underlines the importance of the selection of an asset manager where his/her qualifications and readiness to perform the task will be considered before the candidate is proposed to the Investment Committee for appointment.

Selection Criteria of the Asset Manager:

1. Experiences, regulation and reliability in performing one's job
2. Familiarity with property and performance credibility
3. Good relationship with tenants and customers
4. Good relationship with landlords
5. Good relationship with government agencies
6. Operating system and internal control
7. Fee
8. Other criteria additionally proposed by the Investment Committee and/or expert

9.6 Supervision of the Asset Manager

The Asset Manager's service will be subject to evaluation using various performance indicators stated in the Master Services Agreement. Applicable indicators include control of expenses and incomes based on anticipated budget and renewal of the lease agreement of the site. If the Asset Manager's service fails to live up to the required performance indicators, a service fee will be cut and



annual performance indicators will be updated on a mutual basis based on the terms and conditions of the Master Services Agreement.

The Fund Manager will authorize the management authority to the Asset Manager and will supervise the Asset Manager's administration activities based on recognized and acceptable criteria of the internal auditing. The Fund Manager will also monitor and supervise operating results to ensure compliance within an annual budget mutually set for the asset each year to best protect the unitholders' interest. Aside from the asset performance to be supervised by the Fund Manager, the Asset Manager will ensure that the Fund's asset remain in a good condition and ready for exploitation. The Asset Manager is to manage to have enough insurance in compliance with what's disclosed in the Fund Scheme.

9.7 Monitoring the Fund's interest

The Management Company has appointed the Fund Supervisor; namely, Kasikornbank Plc , to supervise and control disbursement, payment and delivery of money, document or other properties belonged to the Fund as stated in the Fund Scheme which, shall include the Asset and Revenue Sale and Transfer Agreement; the Master Sub-lease, Operation and Management Agreement and the Master Services Agreement. The Fund Supervisor will also prepare an account reflecting the Fund's incomes and expenses.

Assets will be audited in two manners as follows:

- **Desktop audit** – The Fund and the Fund Supervisor may audit the performance and existence of the Fund's assets through the Network Operation Control (NOC) and other related systems available at True's Office.
- **Fieldwork audit** – The Asset Manager will facilitate the Fund, the Fund Supervisor or any technical expert appointed by the Fund to survey and examine conditions of assets invested by the Fund.

Details of frequency and schedule of asset auditing are as follows.

Type of the audit	Frequency of the audit
Desktop audit	Quarterly
Fieldwork audit	Semi-Annually

9.8 The Management Company's fee

The fee paid to the Management Company is calculated by a tier basis per the table below.

Portion of Adjusted NAV	% of Fee based On Adjusted NAV
THB 0-30,000 Million	0.110%
Portion above THB 30,000 to THB 50,000 Million	0.075%
Portion above THB 50,000 Million	0.050%
<i>Note: Adjusted NAV is equal to total assets on the Fund's balance sheet minus non-interest bearing debts</i>	

The above rate excludes the value-added tax. In 2017, the Fund paid the Management Fee totaling THB 115.59 million.

9.9 Disclosure of information to unitholders

The Management Company has strictly complied with the securities laws, regulations, rules, orders or circular letters amended or issued by the SEC, the Capital Market Supervisory Board, the Office of the SEC and the SET Re: Disclosure of information to unitholders. In addition, the Fund Supervisor certifies the accuracy of information and that related laws and/or announcements have been complied with before the information is disclosed to unitholders. The information to be disclosed includes the following:

1. Calculation and disclosure of asset value, NAV and value of an investment unit on a quarterly basis within 45 days from the end of quarter: - the Management Company will reveal this information in at least one daily newspaper and will post it openly at every office of the Management Company itself and at the headquarters of the Fund Supervisor. Name, type and location of the Fund's assets must be stated in the disclosure.
2. The Management Company will prepare and disclose the calculation of the Fund's NAV, financial statements (both quarterly and annually), an annual report, significant event that could affect asset value, financial status or operating results of the Fund and other circumstances as required by the SEC, the Office of the SEC or the SET, as the case may be.

9.10 Meeting and Voting Rights of Unitholders

The Management Company has strictly complied with the securities laws, regulations, rules, orders or circular letters amended or issued by the SEC, the Capital Market Supervisory Board, the Office of the SEC and the SET Re: Meeting of unitholders. In addition, the Fund Supervisor certifies the accuracy of information and the fact that securities laws had been duly complied before the information is disclosed and a meeting is organized for unitholders.

Normally, to seek a resolution from unitholders, the Management Company is to provide enough information for unitholders to adopt a resolution. The information is to consist of opinions expressed by the Management Company and the Fund Supervisor in a matter that will later be adopted as well as possible effects to unitholders when adopting the resolution.

The Management Company may seek unitholder's resolution by either sending a letter requesting unitholders to adopt a resolution or by calling a meeting of unitholders.

The Management Company is to call a meeting of unitholders without delay from the day unitholders holding no less than 10% of the Fund's total units outstanding has signed up in writing requesting the Management Company to call for the meeting.

Failure to organize the meeting of unitholders upon a written request thereby within the deadline described above shall mean that unitholders holding no less than 10% of the total investment units outstanding may call a meeting themselves.

Rules and procedures for calling a meeting of unitholders shall correspond to a commitment between unitholders and the Management Company.

Unitholders who have their names recorded in the registrar book shall have the right to vote and to receive returns from investment. The Management Company shall inform the SET and Registrar of the registrar book closing date fourteen calendar days prior to the registrar book closing date or any other period of time as prescribed by the SET or the Registrar. If there is any change to such registrar book closing date, the Management Company shall inform the SET and the Registrar at least seven calendar days prior to the original registrar book closing date or any other period of time as prescribed by the SET or the Registrar.

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

It shall be assumed that the registrar book of the Investment Units is a correct and accurate record; therefore the payment or distribution of assets to Unitholders, and the entitlement to or restriction on

any Unitholder's rights, whose names appear in such registrar book, shall be deemed duly made by the Management Company.

A. Resolution by Circular

To obtain a resolution by circular, the resolution shall be passed by more than half of the total Units with voting rights, regardless of the nature of the matter under resolution, except for amendments to or modifications of the Fund Scheme or fund management procedures, which shall be done in compliance with the requirements.

B. Resolution by Meeting

I. Quorum requirements

- a) Except as provided in (b) below, to constitute a quorum there shall be at least 25 Unitholders, or at least half of the total number of Unitholders, holding in aggregate no less than one-third of the total Units sold.
- b) The quorum requirements as set out in (a) above are not applicable to amendments or modifications of the Fund Scheme or fund management procedures, which shall be amended or modified in compliance with the requirements.

II. Right to vote

- a) Unitholders who have a special interest in or a conflict of interest in a matter shall have no right to vote on such matter.
- b) Unitholders who hold Units in excess of the holding limits shall abstain from casting votes in respect of such excess holdings.

III. Voting requirements

- a) One Investment Unit shall be entitled to one vote.
- b) Except as provided in (c) and (d) below, resolutions of a Unitholders' meeting shall be passed by a simple majority vote of more than 50% of the total number of votes of attending Unitholders with a right to vote.
- c) Any resolutions of a meeting of Unitholders on the following matters must be passed by a vote of no less than 75% of the total number of votes of attending Unitholders with a right to vote:
 - (1) acquisition or disposition of Infrastructure Assets having a value of more than THB100,000,000 or 30% or more of the Fund's total assets at the time of such acquisition or disposition of assets, or agreement, consent or casting vote for a



company in which the Fund holds shares according to paragraph (e) under the definition of “Infrastructure Assets” to undertake such acquisition or disposition;

(2) entry into, amendment or termination of any agreement relating to the management or utilization of the Infrastructure Assets by the Fund having a value of more than THB100,000,000 or 30% or more of the Fund’s total assets at the time of such entry into, amendment or termination of such agreement, or agreement, consent or casting vote for a company in which the Fund holds shares to enter into, amend or terminate such agreements;

(3) entry into any related party transaction, or agreement, consent or casting vote for a company in which the Fund holds shares to enter into any related party transaction, which requires consent from the Unitholders;

(4) capital increase of the Fund;

(5) capital reduction of the Fund; and

(6) amalgamation or merger with another fund.

d) A resolution to amend the Fund Scheme or fund management procedures shall be in compliance with the requirements as prescribed in “– Procedures to Amend the Fund Scheme.”

9.11 Auditor’s fee

The Fund paid a total of THB 1,680,000 auditing fee to PriceWaterhouseCoopers ABAS Co Ltd from January 1, 2019 to December 31, 2019.

10 Social Responsibility

In 2019, the fund has no budget related to social/environmental responsibility activities.



11 Internal control and risk management

As the Fund Manager, the Management Company will manage, control and monitor major risks based on the following objectives:

- (1) To efficiently identify, assess, control, monitor and report major risks during the term as the Fund Manager
- (2) To allow operators to understand the risk and risk prevention and to realize their duties and responsibilities to manage operation risks in all activities

The Company manages risks using the “three-layer prevention wall” supervision framework.

- (1) Layer No. 1 refers to business units and other back-office supporting units who are responsible for managing risks associated with being a fund manager
- (2) Layer No. 2 refers to risk management units which supervise and control risks as well as provide advices to business and back-office supporting units to maximize the efficiency of their risk management tools.
- (3) Layer No. 3 refers to the audit management unit which convinces the Board of Directors that the Company has a sufficient and appropriate control environment.

12 Connected Transaction

12.1 Transaction between the Fund vs. the Management Company and other related persons/Transaction relating to the Management Company

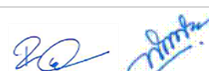
Siam Commercial Bank Public Company Limited (SCB) has 99.99% shareholding stake in SCB Asset Management Co., Ltd and 4.25% shareholding stake in the Fund. In addition, SCB is one of 5 banks who provides loan to the Fund to finance its 1st additional investment in telecommunications assets 2015 totaling THB 3,000 million, its 2nd additional investment in 2017 totaling THB 2,500 million and its 3rd additional investment in 2018 totaling THB 666.50 million

12.2 Transactions between the Fund vs. the Fund Supervisor and other persons relating to the Fund Supervisor

Kasikorn Bank Public Company Limited (KBANK) is the Fund Supervisor and in 2019, the Fund paid the fee for the Fund Supervisor totaling THB 29.22 million.

12.3 Soft commission

-None-



Section 3 Key Financial Information



13 Key Financial Information

13.1 Financial Summary Tables

The Fund was registered on December 23, 2013 to be a closed-end retail infrastructure fund with indefinite life. It was listed in the stock exchange and started trading in the Stock Exchange of Thailand on December 27, 2013.

Balance Sheet as of December 31, 2019

	2019	2018
	THB	THB
Assets		
Investments in the infrastructure business at fair value		
(at cost 2019: THB 154,682 million and 2018: THB 139,002 million)	199,266,340,000	173,020,855,760
Investments in securities at fair value		
(at cost 2019: THB 3,664 million and 2018: THB 1,530 million)	3,669,018,023	1,539,018,127
Cash at banks	480,583,706	1,959,774,384
Accounts receivable		
From the asset and revenue sale and transfer agreement	312,503,970	313,389,030
From rental	1,883,200	-
From interest	6,504,717	453,144
Value added tax receivable	5,713,912,561	4,669,470,633
Other assets	1,292,820,732	770,366,862
Total Assets	210,743,566,915	182,273,327,940

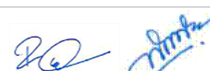
	2019	2018
	THB	THB
Liabilities		
Current Liabilities		
Accounts payable	622,247,279	491,766,134
Accounts payable – acquisition of investments	5,828,553,534	4,731,194,660
Accrued expenses	273,126,358	269,062,726
Unearned income – Current portion	3,162,228,711	2,690,914,295
Long-term borrowings	27,880,228,199	27,803,788,468
Interest rate swap payable	133,214,110	154,576,904
Other liabilities	97,565,264	62,435,669
Total Liabilities	37,997,563,455	36,203,738,856
Net Assets	172,746,003,460	146,069,589,084

Net Assets:		
Authorised units		
10,631,653,745 units, THB10 per unit		
(2018: 9,637,943,054 units, THB10 per unit)	106,316,537,450	96,379,430,540
Capital received from unitholders	127,116,208,438	111,316,208,451
Retained earnings	45,629,795,022	34,753,380,633
Net Assets	172,746,003,460	146,069,589,084
Net assets value per unit (Baht)	16.2482	15.1556
Unit outstanding (Units)	10,631,653,745	9,637,943,054

Statement of Income

For the year ended 31 December 2019

	2019	2018
	THB	THB
Investment Income		
Income from the investment in the asset and revenue sale and transfer agreement	3,104,261,796	3,120,216,168
Rental income	9,834,195,893	7,319,018,303
Interest income	36,895,350	11,302,262
Other income	14,921	40,025,424
Total Income	12,975,367,960	10,490,562,157
Expenses		
Management fee	115,594,923	100,682,967
Mutual fund supervisor fee	23,915,731	29,222,185
Registrar fee	5,043,470	5,076,790
Telecom asset manager fee	60,269,563	43,839,537
Professional fee	5,173,724	1,644,823
Operating expense	399,701,464	886,456,043
Other expenses	43,067,178	16,841,917
Finance costs	1,451,655,919	1,415,068,234
VAT payable	444,877	-
Total Expenses	2,580,497,856	2,023,201,489
Net Investment Income	8,467,360,668	10,394,870,104
Net Gain from Investments		
Net realised gain from investment	13,650,506	9,987,830
Net unrealised gain from investments	10,562,252,206	1,241,626,298
Net unrealised (loss) gain from interest rate swap	21,362,794	135,571,411
Total Net Gain from Investments	10,597,265,506	1,387,185,539
Increase in Net Assets from Operations	20,992,135,610	9,854,546,207



13.2 Financial Ratio

Key Financial Ratio	2019	2018
Net Investment Income to Total Income Ratio	80.11%	80.71%
Investment Income to Average Ending Net Assets Ratio	8.27%	8.39%
Total Expense to Average Ending Net Assets Ratio	1.65%	1.62%
Net investment income to Average Ending Net Assets Ratio	6.63%	6.77%
Percentage of Investment in Infrastructure Assets as of ending period	94.55%	94.92%

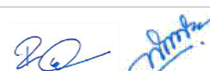
The growth of the total income in 2019 which exceeded that of the year 2018 was largely due to the following contributing factors:

- (1) An increase in rental income from certain lease agreements with True Group
- (2) Additional tower lease income resulting from a lease contract entered between the Fund and DTAC Trinet Co., Ltd. (DNT), which is a subsidiary of Total Asset Communication Public Company Limited. In 2019, additional towers were leased by DNT comparing to that of the year 2018.
- (3) Rental income and the right to net revenue from the additional investment assets no.3 invested in 17 May 2018 which full year revenue being streamed to the fund and rental income from the additional investment assets no.4 invested in 28 August 2019, resulting in an increased in total income in year 2019 compare to year 2018.

In summary, investment income in 2019 was THB 12,975.37 million, up by 23.69 percent from 2018.

Main expenses in 2019 increased from 2018 and included:

- (1) Operating expenses of THB 886.46 million, increased from THB 399.70 million in 2018, increased by THB 486.75 million or an increased of 121.78%. The expenses consisted of right-of-way costs, expenses for relocation of telecommunications towers, and land rents and property taxes related to the Telecommunications Infrastructure Assets for Additional Investment Nos. 3 and 4.



(2) Financial cost of THB 1,415.56 million, increased from THB 1,415.07 million in 2018, increased by THB 36.59 million or an increased of 2.59 %, mainly due to the additional interest under the Loan Agreement Nos. 3 which related to the Telecommunications Infrastructure Assets for Additional Investment Nos. 3.

(3) Fees including management fee, trustee fee, registrar fee, telecommunications property manager fee, and professional fee in the amount of THB 198.87 million, increased from THB 191.59 million in 2018, increased by THB 7.28 million or an increased of 3.8% due to the Telecommunications Infrastructure Assets for Additional Investment Nos. 3 and 4.

(4) Other expenses consist of the expenses related to the 2019 Annual General meeting, Extraordinary General Meeting No. 1/2019, expenses related to the unit offering and printing expenses of the documents related to meeting invitation totaling of THB 43.07 million increased from THB 16.84 million in 2018

In summary, the total expenses in 2019 were THB 2,580.50 million, an increase of 27.55 percent from 2018.

In 2019, the average net asset value was THB 156,804.35 million, an increase of 25.41 percent from 2018. When combined with the total increased revenue and total increased expenses mentioned above, the ratio of investment income to average net asset value in 2019 was at 8.27 percent, decreased from 8.39 percent in 2018, and the ratio of expenses to average net asset value in 2019 was at 1.65 percent, increased from 1.62 percent in 2018.

Due to the factors mentioned above, the net investment income in 2019 was THB 10,394.87 million, an increase of 22.76 percent from THB 8,467.36 million in 2018. The net investment income margin excluding the net gain from investment, net unrealized gain from investment, and net unrealized gain (loss) from interest rate swap (income generated from infrastructure assets only) in 2019 was at 80.11 percent, decreased from 80.71 percent in 2018, as a result of the increase in the total revenue of 23.69 percent and the increase in the total expenses of 27.55 percent.

DIF has the net gain from the total investment in 2019 of THB 10,597.27 million, increased 663.94 percent from THB 1,387.19 million in 2018 mainly due to the increase of net unrealized gain from investment in 2019 by 750.68 percent because in the quarter 4/2019 DIF conducted its asset valuation



in which the independent valuer had adjusted certain assumptions to be consistent to the current data such as discount rate which in consistit of the weighted average cost of capital (WACC) and other assumptions to reflect the agreements and fund's operation.

As per the Notification of Capital Market Supervisory Board Tor.Nor. 1/2011 re: Criteria, Condition and Method for Establishment and Management of Infrastructure Fund which stated that the Fund must maintain infrastructure assets investment proportions at accounting period ending by no less than 75% of the Fund's overall assets value. As of the end of 2019 and 2018, the proportions of the Fund's infrastructure assets investment were equal to 94.55% and 94.92%, respectively.

14 Management Discussion and Analysis

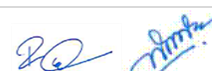
14.1 Analysis of past performance

Total income

In the year ended 31 December 2019, DIF's total revenue was THB 12,975.37 million, increased by 23.7 percent from THB 10,490.56 million in the year ended 31 December 2018. The total revenue consisted of (1) investment income of THB 12,938.46 million and (2) interest and other incomes of THB 36.90 million. The increase in investment income is mainly due to a) rental income from telecommunications towers under the existing lease contract between DIF and TRUE, b) rental income from telecommunications towers the lease agreement between DIF and other tenants, and c) rental income from telecommunications infrastructure assets of the Additional Investment Nos. 3 and 4. Also interest income increase since the fund put more investment in the fixed deposits. However, other incomes decreased mainly because, in 2018, there was other income from partial repayments from TUC, TMV, and TICC for loan provision fees related to the Telecommunications Infrastructure Assets for Additional Investment No. 3.

Total expenses

The Fund's total expenses increased by 27.55 percent from THB 2,023.20 million for the year ended December 31, 2018 to THB 2,580.50 million for the year ended December 31, 2019 which can be divided into (1) expenses relating to fees payable to investment management company, trustee, registrar, telecommunications assets manager, legal advisor, auditor and other fields of consultant totaling THB 198.87 million; (2) right of way expenses, compensation for relocation expense, land lease charge expense and operating expenses totaling THB 886.46 million; (3) Interest expense and realized front-end fee in 2019



totaling THB 1,415.66 million and (4) Other expenses totaling THB 43.51 million. An increased in total expenses was primarily a result of additional relevant costs from the Telecom Infrastructure Assets for Additional Investment No. 3 and No.4 which are (i) right of way costs, compensation for relocation and rental payments under land leases and (ii) an interest paid on the Second and Third Thai Facility Agreement obtained for the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 3 and expenses related to the 2019 Annual General Meeting and Extraordinary General Meeting No. 1/2019 .

Net investment income

In the year ended 31 December 2019, the net investment income was THB 10,394.87 million, increased by 22.76 percent from THB 8,467.36 million in the year ended 31 December 2018, mainly due to the increase in rental incomes under the lease, operation, and main management as amended and replaced with TRUE deducted by the total increased expenses as mentioned above (including the telecommunications infrastructure assets invested by DIF in the Initial Investment, and the assets in the Additional Investment Nos. 1, 2, 3 and 4).

Net Profit from Investment

The net profit from investment was THB 10,597.27 million in the year ended 31 December 2019, compared with the net profit from investment of THB 1,387.19 million in the year ended 31 December 2018, mainly due to changes in the fair value of DIF's assets as a result of asset valuation by independent valuer. In 2019, the increase from the valuation was THB 10,562.25 million while the increase from the valuation in 2018 was THB 1,241.63 million because in 2019 the independent valuer had adjusted certain assumptions to be consistent to the current data such as discount rate which in consistit of the weighted average cost of capital (WACC) and other assumptions to reflect the agreements and current fund's operation.

Increase in Net Asset from Operations

The increase in net asset from operations was THB 20,992.14 million in the year ended 31 December 2019, increased from THB 9,854.55 million in the year ended 31 December 2018 mainly due to changes in the fair value of DIF's assets as a result of asset valuation by an independent valuer as mentioned ealier.



Dividend Payment to Unitholders

Dividend payment to unitholders from the operating results between 1 January 2019 and 31 December 2019 and retained earnings was THB 10,384.73 million, increased by 22.25 percent when compared to THB 8,494.73 million in the same period in the previous year, mainly due to the increase in net investment income as a result of the Additional Investment Nos. 3 and 4 and the excess liquidity management policy. The dividends to unitholders were after the appropriation of cash for reserves to pay for loan interest and other future expenses. However, in 2019, the investment units increased from 9,637.94 million units to 10,631.65 million units, resulting in the dividend per unit from the operating results from 1 January 2019 to 31 December 2019 and retained earnings increasing by 1.77 percent to THB 1.0355 per unit, up from THB 1.0155 per unit in the same period of last year.



The following tables provide a summary of income statement, Balance sheet and statement of cash flows for the year 2019 (in comparison with the year 2018)

Digital Telecommunications Infrastructure Fund

Statement of Income

For the year ended 31 December 2019

	2019 Baht	2018 Baht	Difference Baht
Investment Income			
Income from the investment in the asset and revenue sale and transfer agreement	3,104,261,796	3,120,216,168	-15,954,372
Rental income	9,834,195,893	7,319,018,303	2,515,177,590
Interest income	36,895,350	11,302,262	25,593,088
Other income	14,921	40,025,424	-40,010,503
Total Income	12,975,367,960	10,490,562,157	2,484,805,803
Expenses			
Management fee	115,594,923	100,682,967	14,911,956
Mutual fund supervisor fee	29,222,185	23,915,731	5,306,454
Registrar fee	5,043,470	5,076,790	(33,320)
Telecom asset manager fee	43,839,537	60,269,563	(16,430,026)
Professional fee	5,173,724	1,644,823	3,528,901
Operating expense	886,456,043	399,701,464	486,754,579
Other expenses	43,067,178	16,841,917	26,225,261
Finance costs	1,451,655,919	1,415,068,234	36,587,685
Income tax	444,877	-	444,877
Total Expenses	2,580,497,856	2,023,201,489	557,296,367
Net Investment Income	10,394,870,104	8,467,360,668	1,927,509,436
Net Gain from Investments			
Net realised gain from investment	13,650,506	9,987,830	3,662,676
Net unrealised gain from investments	10,562,252,206	1,241,626,298	9,320,625,908
Net unrealised gain from interest rate swap	21,362,794	135,571,411	(114,208,617)
Total Net Gain from Investments	10,597,265,506	1,387,185,539	9,210,079,967
Increase in Net Assets from Operations	20,992,135,610	9,854,546,207	11,137,589,403

Digital Telecommunications Infrastructure Fund

Balance Sheet

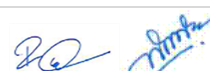
As at 31 December 2019

	2019 Baht	2018 Baht	Difference Baht
Assets			
Investments in the infrastructure business at fair value (at cost 2019: Baht 154,682 million and 2018: Baht 139,002 million)	199,266,340,000	173,020,855,760	26,245,484,240
Investments in securities at fair value (at cost 2019: Baht 3,664 million and 2018: Baht 1,530 million)	3,669,018,023	1,539,018,127	2,129,999,896
Cash at banks	480,583,706	1,959,774,384	(1,479,190,678)
Accounts receivable			
From the asset and revenue sale and transfer agreement	312,503,970	313,389,030	(885,060)
From rental	1,883,200	-	1,883,200.00
From interest	6,504,717	453,144	6,051,573
Value added tax receivable	5,713,912,561	4,669,470,633	1,044,441,928
Other assets	1,292,820,738	770,366,862	522,453,876
Total Assets	210,743,566,915	182,273,327,940	28,470,238,975



Digital Telecommunications Infrastructure Fund**Balance Sheet (Cont'd)****As at 31 December 2019**

	2019	2018	Difference
	Baht	Baht	Baht
Liabilities			
Trade accounts payable	622,647,279	491,766,134	130,881,145
Accounts payable - acquisition of investments	5,828,553,534	4,731,194,660	1,097,358,874
Accrued expenses	273,126,358	269,062,726	4,063,632
Unearned income	3,162,228,711	2,690,914,295	471,314,416
Long-term borrowings	27,880,228,199	27,803,788,468	76,439,731
Interest rate swap payable	133,214,110	154,576,904	(21,362,794)
Other liabilities	97,565,264	62,435,669	35,129,595
Total Liabilities	37,997,563,455	36,203,738,856	1,793,824,599
Net Assets	172,746,003,460	146,069,589,084	26,676,414,376
Net Assets:			
Authorised units			
10,631,653,745 units, Baht 10 per unit			
(2018: 9,637,943,054 units, Baht 10 per unit)	106,316,537,450	96,379,430,540	9,937,106,910
Capital received from unitholders	127,116,208,438	111,316,208,451	15,799,999,987
Retained earnings	45,629,795,022	34,753,380,633	10,876,414,389
Net Assets	172,746,003,460	146,069,589,084	26,676,414,376
Net assets value per unit (Baht)	16.2482	15.1556	1.0926
Unit outstanding (Units)	10,631,653,745	9,637,943,054	993,710,691



Digital Telecommunications Infrastructure Fund
Statement of Cash Flows
For the year ended 31 December 2019

	2019 Baht	2018 Baht	Difference Baht
Cash Flows from Operating Activities			
Net increase in net assets from operations	20,992,135,610	9,854,546,207	11,137,589,403
Adjustments to reconcile net increase in net assets value to net cash from operating activities:			
Purchases of investments in the infrastructure assets	(15,679,581,424)	(55,237,785,760)	39,558,204,336
Purchases of investments in securities	(10,232,859,278)	(3,900,000,000)	(6,332,859,278)
Proceeds from sales of investments in securities	8,117,000,000	3,455,000,000	4,662,000,000
Amortisation of discount on investments	(4,140,722)	-	(4,140,722)
Decrease in accounts receivable from the asset and revenue sale and transfer agreement	885,060	858,330	26,730
Increase in accounts receivable from rental	(1,883,200)	-	(1,883,200)
Increase in accounts receivable from interest	(6,051,573)	(231,828)	(5,819,745)
Increase in value added tax receivable	(1,044,441,928)	(3,838,717,233)	2,794,275,305
Increase in other assets	(522,453,876)	(759,219,712)	236,765,836
Increase in trade accounts payable	130,881,145	214,176,050	(83,294,905)
Increase in accounts payable - acquisition of investments	1,097,358,874	3,866,534,591	(2,769,175,717)
Increase (decrease) in accrued expenses	4,063,632	(37,934,003)	41,997,635
Increase in unearned income	471,314,416	807,007,825	(335,693,409)
Increase in other current liabilities	35,129,595	24,484,008	10,645,587
Net realised gain from investments	(13,650,506)	(9,987,830)	(3,662,676)
Net unrealised gain from investments	(10,562,252,206)	(1,241,626,298)	(9,320,625,908)
Net unrealised gain from interest rate swap	(21,362,794)	(135,571,411)	114,208,617
Amortisation of debt issuance costs	76,439,731	74,578,758	1,860,973
Net cash flows used in operating activities	(7,163,469,444)	(46,863,888,306)	39,700,418,862
Cash Flows from Financing Activities			
Proceeds from long-term borrowing net of cash paid for debt issuance cost	-	1,975,000,000	(1,975,000,000)
Increase in capital received from unitholders	15,799,999,987	53,236,208,451	(37,436,208,464)
Distribution to unitholders	(10,115,721,221)	(7,411,596,107)	(2,704,125,114)
Net cash flows generated from financing activities	5,684,278,766	47,799,612,344	(42,115,333,578)
Net (decrease) increase in Cash at Banks	(1,479,190,678)	935,724,038	(2,414,914,716)
Cash at banks at the beginning of the year	1,959,774,384	1,024,050,346	935,724,038
Cash at Banks at the End of the Year	480,583,706	1,959,774,384	(1,479,190,678)

14.1.1 Overview of the operation and significant changes

In the overall, the Fund has gained higher level of income in 2019 due to (a) an annual escalation of rental rate based on contract between the Fund and TRUE group (b) an incremental revenue under the lease contract between the Fund and third party (c) revenue from additional assets investment No.3 and No. 4.

Meanwhile, higher expenditures in 2019 was caused by increasing in costs which resulted from the additional telecommunications infrastructure business assets investment No.3 and No.4 such as right of way, compensation for relocation, land lease charge and property tax. Including interest expense under loan contract No. 3 that relevant to additional assets investment no.3 and also the expenses related to the 2019 Annual General Meeting and Extraordinary General Meeting No. 1/2019.

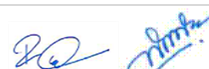
In addition, in the quarter 4/2019, DIF employed an independent valuer to assess the value of all DIF's assets since its establishment in the quarter 4/2013 and after the Additional Investment No.1 in the quarter 1/2015, Additional Investment No.2 in the quarter 4/2017, Additional Investment No. 3 in quarter 2/2018 and Additional Investment No.4 in quarter 3/2019. The independent valuer had adjusted certain assumptions to be consistent to the current data such as discount rate which in consist of the weighted average cost of capital (WACC) and other assumptions to reflect the agreements and current fund's operation., resulting in the net unrealized gain from the asset valuation 2019 amounting to THB 10,562.25 million. However, the increase in the unrealized net gain will not affect the cash flow used to consider the dividend. In addition, DIF will conduct an asset valuation once a year, unless there is an event that significantly affects its assets and estimate of certain expenses.

DIF has also invested in the Telecommunications Infrastructure Assets for Additional Investment No.4 as shown in the Statements of Investment for the Additional Investment No. 4, which was the main reason that caused the net asset value in 2019 to increase to THB 172,746 million in 2019, up from THB 146,069.59 million baht in 2018 by THB 26,676.41 million or 18.26 percent.

14.1.2 Profitability

Because most of DIF's income from investment has already been determined in the contracts that DIF made with TRUE, the ability to generate benefits from the available liquidity and the management of operating and DIF expenses therefore play an important role in DIF's profitability.

Overall, the net investment income in 2019 increased from 2018 by THB 1,927.51 million or 22.76 percent. However, if the net profit from investment was included, the increase in the net asset from



operations in 2019 would increase from the year 2018 by THB 11,137.59 million (113.02 percent), due to the asset valuation by the independent valuer in 2019 as mentioned above. However, the increase of profit was not a monetary profit which was not related to the performance of DIF and, even though DIF had the net unrealized gain from interest rate swap in 2019 of THB 21.36 million as a result of changing floating interest rate, resulting in an increase in the net asset from operations in 2019 to increase, compared to 2018.

In order to seeking benefits from on-hand cash, unused liquidity has therefore been deposited in a savings and fixed account. In 2019, the Fund's interest income earned was equal to THB 36.90 million, increased from the year 2018 during which a total of THB 11.30 million of interest income was earned. Moreover, in 2019, higher investment proportion in short-term securities with low risk but give higher return than savings account was added. The profits earned from short-term securities investment shall be recorded under net investment gains instead of interest gains under investment income. Hence, in 2019, the Fund has gained profits from short-term securities investment totaling THB 13.65 million. Furthermore, non-cash gains and losses had also been recorded and all of which have no impact on the Fund's dividend pay ability whatsoever. These gains and losses comprise of (1) unrealized losses from market-to-market valuation and the valuation of short-term, low-risk securities totaling THB 3.65 million due to fluctuations in capital market returns in 2018 (2) unrealized net profits resulting from the Fund's engagement in interest rate swap agreement to prevent risks due to interest rates fluctuations starting from Q1/2015 and Q4/2017 also, market-to-market valuation on 31 December 2019 by which a sum of THB 21.36 million of unrealized profits resulting from interest rate swap agreement was recorded; and (3) infrastructure fund assets valuation was carried out by an independent valuation firm in Q4/2019 in response to the Fund's policy which requires assets valuation to be carried out at least once a year, with the exception of a case where there is an event that may potentially cause adverse impact on the normal operation of the Fund. Following the prescribed infrastructure fund assets valuation, an increase in unrealized net profits totaling THB 10,565.90 million can be observed and resulting in total gain from investment of THB 10,597.27 million.

14.1.3 Ability to manage the assets

In Q4/2019, the Fund hired an independent valuation firm to carry out the valuation of the overall infrastructure fund assets starting from the establishment of the Fund in Q4/2013, the 1st additional telecommunications infrastructure business assets investment in Q1/2015, the 2nd additional telecommunications infrastructure business assets investment in Q4/2017, 3rd additional telecommunications infrastructure business assets investment in Q2/2018 was made and 4th additional telecommunications infrastructure business assets investment in Q3/2019. In this regards, certain figures had been modified for consistency with the figures specified in the contract



agreement as well as the operating performance of the Fund. The independent valuer had adjusted certain assumptions to be consistent to the current data such as discount rate which in consistit of the weighted average cost of capital (WACC) and other assumptions to reflect the agreements and current fund's operation. Hence, infrastructure assets valuation by an independent valuation firm and the investment in additional assets investment no.4 which show in Details of Investment increased by THB 10,562.25 million. Therefore, the main cause of an increase in the value of net assets in 2019 by a total of THB 26,676.41 million or 18.26 percent in comparison to that of the year 2018.

Digital Telecommunications Infrastructure Fund
Details of Investments
As at 31 December 2019

Details of Investments Classified by Asset Classes are as follows:

	31 December 2019		
	Cost Baht	Fair Value Baht	% of Fair Value
Investments in the Infrastructure Business (Note 5)			
Investments in the ownership of the infrastructure assets			
Investments in the ownership of 6,000 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services	16,390,555,464	30,096,630,000	14.83
Investment in the ownership of 350 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services and fiber optic cable currently used for provision of mobile services in provincial areas	3,630,408,025	3,829,180,000	1.89
Investment in the ownership of 2,589 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services and fiber optic cable currently used for provision of mobile services in provincial areas	17,002,190,457	18,802,270,000	9.26
Investment in the ownership of 788 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services and fiber optic cable currently used for provision of mobile services in provincial areas	7,423,958,425	7,460,180,000	3.68
Investments in the ownership of a core fiber optic cable grid and related transmission equipment and an upcountry broadband system	15,384,010,040	27,124,460,000	13.37
Additional investments no.2 in the ownership of core fiber optic cables for provision of mobile and internet services in Bangkok Metropolitan Area	5,312,841,346	5,515,260,000	2.72
Additional investments no.3 in the ownership of core fiber optic cables for provision of mobile and internet services in Bangkok Metropolitan Area and fiber optic cables for provision of internet and broadband internet services in provincial areas	13,466,972,168	14,236,200,000	7.01
Additional investments no.4 in the ownership of fiber optic cables for provision of internet and broadband internet services in Bangkok Metropolitan Area and provincial areas	3,552,933,046	3,562,940,000	1.75
Additional investments no.4 in the ownership of fiber optic cables for provision of internet and broadband internet services in provincial areas	4,702,689,953	4,830,300,000	2.38

Digital Telecommunications Infrastructure Fund

Details of Investments

As at 31 December 2019

Details of Investments Classified by Asset Classes are as follows:

	31 December 2019		
	Cost Baht	Fair Value Baht	% of Fair Value
Investments in the Infrastructure Business (Note 5)			
Investments in the right to the net revenues			
Investments in the right to the net revenues to be generated from the rental of telecommunications assets of BFKT (Thailand) Limited	15,241,063,842	26,973,750,000	13.29
Investments in the right to the net revenues to be generated from the rental of telecommunications towers of Asia Wireless Communication Company Limited	10,748,870,704	14,929,050,000	7.36
Addition investments no.1 in the right to the net revenues to be generated from the rental of telecommunications towers of Asia Wireless Communication Company Limited	806,897,620	1,251,990,000	0.62
Addition investment no.2 in the right to the net revenues to be generated from the rental of telecommunications towers of Asia Wireless Communication Company Limited	545,788,653	555,610,000	0.27
Investments in the leasehold right of the infrastructure assets			
Additional investments no.1 in the leasehold right of a fiber optic cable grid	12,293,102,380	10,604,870,000	5.23
Additional investments no.2 in the leasehold right of a fiber optic cable grid	3,410,742,809	3,690,600,000	1.82
Additional investments no.3 in the leasehold right of a fiber optic cable grid	24,768,623,135	25,803,050,000	12.71
Total Investments in the Infrastructure Business	154,681,648,067	199,266,340,000	98.19
Investments in Securities (Note 6)			
Unit trust			
TMB Treasury Money Fund	2,663,991,226	2,669,018,023	1.32
Certificate of Deposit			
Thanachart Capital Public Company Limited	1,000,000,000	1,000,000,000	0.49
Total Investments in Securities	3,663,991,226	3,669,018,023	1.81
Total Investments	158,345,639,293	202,935,358,023	100.00

14.1.4 Repayment ability

The Fund have entered into three key facility agreements with financial institutions having a total aggregate indebtedness of THB 27,998,000,000 which has been utilized in 6 March 2015, 28 November 2017 and 17 May 2018, as further described below.

Thai Facility Agreement

We entered into a facility agreement dated March 5, 2015 with Bangkok Bank Public Company Limited, The Siam Commercial Bank Public Company Limited and the financial institutions named therein as original lenders in respect of a THB13,100,000,000 term loan for the purpose of funding the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 1 and expenses related to such acquisition.

The term loan is unsecured, drawn in one lump sum and has a bullet repayment 5 years from the drawdown date. The interest rate is either (i) THBFIX plus 3 percent per annum or (ii) a fixed rate of 5.5 percent per annum as selected by a relevant lender. The Thai Facility Agreement contains terms and conditions that are similar to commercial terms an ordinary person would agree with any unrelated counterparty under similar circumstances (arm's length transaction). The conditions under the Thai Facility Agreement are set out by the financial institutions including, among others:

- General undertaking: we will comply with all relevant laws and provide information regarding the financial condition, business and operations of us to the lenders.
- Financial undertaking: we will maintain a ratio of interest-bearing debt to EBITDA of not more than 4 which will be calculated on a quarterly basis.
- Insurance undertaking: we shall maintain sufficient and appropriate insurances with reputable insurance companies in relation to our assets and business, in accordance with the market practice.
- Mandatory prepayment events: these include circumstances where (1) there is a change in law which renders it unlawful for lenders to provide loan and/or (2) all or any substantial part of the telecommunications infrastructure assets are damaged or destroyed, upon which we will be required to prepay the outstanding loan.

Second Thai Facility Agreement

We entered into a facility agreement dated November 24, 2017 with Bangkok Bank Public Company Limited, Krung Thai Bank Public Company Limited, The Siam Commercial Bank Public Company Limited and the other financial institutions named therein as original lenders in respect of a THB12,898,000,000 term loan for the purpose of funding the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 2 and expenses related to such acquisition.

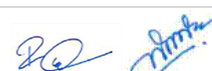
The term loan is unsecured, drawn in one lump sum and has a bullet repayment 5 years from the drawdown date. The interest rate for the initial loan period is either (i) THBFIX plus 3 percent per annum or (ii) a fixed rate of 5.07 percent per annum as selected by a relevant lender. However, after the additional assets investment No.3 has been completed, the interest rate for the initial loan period is either (i) THBFIX plus 2.75 percent per annum or (ii) a fixed rate of 5.07 percent per annum as selected by a relevant lender. The Second Thai Facility Agreement contains terms and conditions that are similar to commercial terms an ordinary person would agree to with any unrelated counterparty under similar circumstances (arm's length transaction). The conditions under the Second Thai Facility Agreement are similar to those of the Thai Facility Agreement and an event of default under the Thai Facility Agreement will trigger an event of default under the Second Thai Facility Agreement.

Third Thai Facility Agreement

We entered into a facility agreement dated May 15, 2018 with Bangkok Bank Public Company Limited, Krung Thai Bank Public Company Limited, The Siam Commercial Bank Public Company Limited and the other financial institutions named therein as original lenders in respect of a THB 2,000,00 term loan for the purpose of funding the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 3 and expenses related to such acquisition.

The term loan is unsecured, drawn in one lump sum and has a bullet repayment 5 years from the drawdown date. The interest rate for the initial loan period is THBFIX plus 2.75 percent per annum. The Third Thai Facility Agreement contains terms and conditions that are similar to commercial terms an ordinary person would agree to with any unrelated counterparty under similar circumstances (arm's length transaction). The conditions under the Third Thai Facility Agreement are similar to those of the Thai Facility Agreement and the second Facility Agreement and an event of default will trigger an event of default under the Thai Facility Agreement and Second Thai Facility Agreement.

In addition, the Fund is subject to a repayment covenant under the Second Thai Facility Agreement and the Third Thai Facility Agreement which is relevant to the Thai Facility Agreement. The Fund is required to maintain a ratio of (a) interest-bearing debt divided by (b) the result of EBITDA multiplied



by the average of the remaining lease period weighted upon the net revenue after deducing certain expenses of not more than 0.25. If the repayment covenant ratio is not complied with, the Fund is required to repay the principal amount to the lenders in instalments. The ratio is tested on a semi-annual basis.

However, in 2019, there was no additional facilities entered by Fund, since the fund issue new units as a source of capital for the additional investment No.4.

Liquidity and capital adequacy

Net Cash Flows from Operating Activities

Net cash flow used in the Fund's operating activities was THB 7,163.47 million for the year ended December 31, 2019, which has decreased by THB 39,700.42 million compared with net cash flow generated from the Fund's operating activities of THB 46,863.89 million for the year ended December 31, 2018. This is mainly due to an investment in the Telecom Infrastructure Assets for Additional Investment No. 4, amount of 15,679.6 using proceeds from the newly issued units in August 2019 compare to the Additional investment No. 3 May 2018 total value of THB 55,237.8 million which borrowed from the financial institution.

Net Cash Flows from Financing Activities

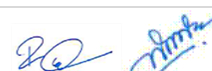
Net cash flow generated from the Fund's financing activities was THB 5,684.28 million for the year ended December 31, 2019, compared with net cash flow used in the Fund's financing activities of THB 47,799.61 million for the year ended December 31, 2018. This is mainly due to cash flow received from the newly issued unit for the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 4.

Capital Expenditure:

Since the assets invested by the Fund are quite new, no capital expenditure was reported in 2019. However, in the case where capital expenditure occurs in the future, the Fund shall use the net investment income as its capital source. In the event of insufficient capital, the Fund shall borrow from financial institutions.

14.1.5 Returns of the Fund

In regards to dividend payment, the Fund had announced its dividend payment from the operating performance in 2019 at the rate of THB1.0335 per unit or around THB 10,384.73 million (dividend payment in Q4/2019 shall be paid in Q1/2020), which is higher than that of the previous year of which the announced dividend payment rate was 1.0155 THB per unit or around THB 8,494.73 million by THB



1,890.0 million. Such high dividend payment has resulted from increased of Fund's revenue which come from an annual escalation of rental rate of existing contract and revenue from additional assets investment No.3 and No. 4.

Hence, it can be observed that the rates of dividend return for the year 2019 in comparison with IPO (THB 10.00 per unit) and market price as at the end of 2019 (THB 16.40 per unit) were equal to 10.34 percent and 6.30 percent respectively.

	(A)	(B)	(A-B)
	Based on the 2019 financial statements	Based on the 2018 financial statements	Difference
<u>Dividend actually paid from operating performance in relevant period</u>			
Total	10,384.73	8,494.70	1,890.03
Distribution to unitholders per unit	1.0335	1.0155	0.02
% of returns from dividend compared to IPO price	10.34%	10.16%	0.18%
% of returns from dividend compared to closing market price at year ended 2018	6.30%	7.05%	-0.75%
Market price at year ended	16.40	14.40	

14.2 Forward looking statement

-None-



Table illustrating the overall expenses where the Management Company has collected from Digital Telecommunications Infrastructure Fund

For the period from January 1, 2019 to December 31, 2019

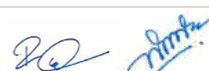
Related Expenses and Fees	Percentage of Net Asset Value	Actual Payment (THB million)
O Mutual Fund Supervisory Fee	Annual rate of 0.02% of the portion of net asset value of the Fund of up to Baht 50.0 billion and annual rate of 0.018% of the portion of the net asset value of the Fund over Baht 50.0	29.22
O Registrar Fee	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	5.04
O Telecom Asset Manager Fee	(1) Charges for the administrative services consist of: (1.1) an annual fixed charge of Baht 3 million for the year 2013 and Baht 18.3 million for year 2014, subject to annual escalation 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% commencing in year 2015; and (1.2) 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. (2) Charges for the marketing service consist of: (2.1) 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; (2.2) a charge of Baht 20 million payable on each 1 January 2015 and 1 January 2016, with respect to the new marketing assets that are the new tower assets allocated to be marketed by the telecom asset manager commencing in year 2015 and 2016, respectively.	43.84
O Operating Expense	Right of Way expenses as stipulated in the relevant agreements	886.46
O Professional Fee	Actual Payment as disclosed in the Fund's prospectus item 7.8	5.17
O Finance Cost		
- Interest Expense	Payment according to the Facility Agreement and Interest Rate Swap Agreement	1,374.41
- Amortized Front-End Fee	According to the loan tenures from the Facility Agreement	76.44
O Other Expenses	Actual Payment as disclosed in the Fund's prospectus item 7.8	44.33
O Management Fee	THB 0-30,000 Million (0.110%)	115.59
	Portion above THB 30,000 to THB 50,000 Million (0.075%)	
	Portion above THB 50,000 Million (0.050%)	
Note: Adjusted NAV is equal to total assets on the Fund's balance sheet minus non-interest bearing debts		
Total Expenses		2,580.50



*Up until now, DIF ('the Fund') has had many existing unitholders and those who express their interests in investing in, thus SCBAM have envisioned the significance of providing the accurate information to the unitholders and those who express their interests in order for them to understand the benefit seeking of the Fund correctly and thoroughly. SCBAM by the Investment Committee has considered setting an annual budget for providing related information to unitholders, those who express their interests, and analysts in 2020, totaling not more than THB 3 million (excluding VAT and disclosure-related expenses, website, and any printing materials to be submitted to the unitholders), which is categorized as part of other expenses. Such expense has been specified according to item 8.2.10 Fee and marketing expenses in DIF's prospectus. In addition, SCBAM will stipulate how to use this budget with Fund Supervisor accordingly.

Table illustrating the overall expenses where the Management Company has collected from unitholders

-None –



15. 2019 Auditor's Opinion



Independent Auditor's Report

To the Unitholders of Digital Telecommunications Infrastructure Fund

My opinion

In my opinion, the financial statements of Digital Telecommunications Infrastructure Fund ("the Fund") present fairly, in all material respects, the financial position of the Fund as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

What I have audited

The Fund's financial statements comprise:

- the balance sheet as at 31 December 2019;
- the details of investments as at 31 December 2019;
- the statement of income for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended;
- the significant financial highlights for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Fund in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

PricewaterhouseCoopers ABAS Ltd.
15th Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand
T: +66 (0) 2844 1000 F: +66 (0) 2286 5050, www.pwc.com/th

Two handwritten signatures in blue ink, one appearing to be 'PQ' and the other 'Nimha'.



Key audit matter	How my audit addressed the key audit matter
<p>Valuation of investment in telecommunication infrastructure business</p> <p>Refer to note 5 to the financial statements 'Investments in the Infrastructure Business'</p> <p>The fair value of investment in telecommunication infrastructure assets is Baht 199,266.34 million, representing 94.55% of total assets as at 31 December 2019 with an unrealised gain on investment of Baht 10,565.90 million recognised in the statement of income for the year then ended.</p> <p>I focused on this area because of the complexity of the valuation model using an income approach which was inherently subject to judgement applied by the Fund's management. The Fund's management engaged an independent external valuer to evaluate the fair value of the investment in telecommunication infrastructure assets and the appraisal is conducted yearly.</p> <p>In determining a valuation, the valuer took into accounts of the telecommunication infrastructure business, specific current information such as current tenancy agreements and rental income earned by the assets.</p> <p>Key assumptions in relation to the Fund's management's valuation of the model included the current market, tenancy agreement, revenue growth and a discount rate, based on available market data. Due to the unique nature of the assets, the assumptions applied take into consideration of individual class of assets as well as the performance of the infrastructure industry as a whole.</p>	<p>My procedures in relation to valuation of investments in the telecommunication infrastructure business included:</p> <ul style="list-style-type: none"> - evaluating the independent external valuer's competence, capabilities, independence and objectivity; - assessing the method used and appropriateness of the key assumptions, I enquired the Fund's management regarding the reasonableness of the discount rates applied being the weighted average cost of capital and, the revenue growth rate in line with the reasonable future plan. I also involved my firm's valuation experts to assess these assumptions and to check the formula of valuation model; and - testing, on a sample basis, the accuracy and relevance of the input data used such as tenancy agreements. <p>I found that the key assumptions used in determining a valuation were reasonably supported by the available evidence and the valuation was within an acceptable range of reasonable estimates.</p>



Key audit matter	How my audit addressed the key audit matter
<i>Additional investment of Infrastructure business</i>	
Refer to note 5 to the financial statements 'Investments in the Infrastructure Business'	My procedures in relation to the additional investments of infrastructure business included:
<p>During the year, the Fund acquired additional investment in infrastructure business amounting to 15,679.58 million, representing 7.87% of the fair value of investments in the infrastructure business as at 31 December 2019. The additional investment was financed by capital increase from issuing new investment units.</p> <p>I focused on this area because the amount of transaction was significant and the terms of the purchase agreements were complex.</p>	<ul style="list-style-type: none"> - obtaining and reviewing minutes of unitholders meeting that approved the acquisition of investments, capital increase in new investment units; - gaining the understanding of the terms and conditions of the purchase agreements, registration of new investment units; - testing the transaction of cash receipt from increase in new investment units in accordance with the approval of the unitholders; - testing the transaction of cash payment for the acquisition of investments; and - considering the appropriateness of accounting entries regarding the above-mentioned transactions. <p>I found that transactions of the additional investments and capital increase from issuing new investment units were incurred based on available evidences and properly recorded.</p>

Other information

The Fund's management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the Fund's management.



Responsibilities of the Fund's management for the financial statements

The Fund's management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as the Fund's management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund's management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund's management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Fund's management has a responsibility for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund's management.
- Conclude on the appropriateness of the Fund's management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



I communicate with the Fund's management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Fund's management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Fund's management, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

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

Pisit Thangtanagul
Certified Public Accountant (Thailand) No. 4095
Bangkok
27 February 2020

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

Digital Telecommunications Infrastructure Fund
Balance Sheet
As at 31 December 2019

	Notes	2019 Baht	2018 Baht
Assets	14		
Investments in the infrastructure business at fair value (at cost 2019: Baht 154,682 million and 2018: Baht 139,002 million)	5	199,266,340,000	173,020,855,760
Investments in securities at fair value (at cost 2019: Baht 3,664 million and 2018: Baht 1,530 million)	6	3,669,018,023	1,539,018,127
Cash at banks	7	480,583,706	1,959,774,384
Accounts receivable			
From the asset and revenue sale and transfer agreement	8	312,503,970	313,389,030
From rental		1,883,200	-
From interest		6,504,717	453,144
Value added tax receivable		5,713,912,561	4,669,470,633
Other assets		1,292,820,738	770,366,862
Total Assets		210,743,566,915	182,273,327,940

The accompanying notes are an integral part of these financial statements.



Digital Telecommunications Infrastructure Fund
Balance Sheet (Cont'd)
As at 31 December 2019

	Notes	2019 Baht	2018 Baht
Liabilities	14		
Trade accounts payable		622,647,279	491,766,134
Accounts payable - acquisition of investments		5,828,553,534	4,731,194,660
Accrued expenses		273,126,358	269,062,726
Unearned income		3,162,228,711	2,690,914,295
Long-term borrowings	9	27,880,228,199	27,803,788,468
Interest rate swap payable	13	133,214,110	154,576,904
Other liabilities		97,565,264	62,435,669
Total Liabilities		37,997,563,455	36,203,738,856
Net Assets		172,746,003,460	146,069,589,084
Net Assets:			
Authorised units			
10,631,653,745 units, Baht 10 per unit			
(2018: 9,637,943,054 units, Baht 10 per unit)	10	106,316,537,450	96,379,430,540
Capital received from unitholders	10	127,116,208,438	111,316,208,451
Retained earnings	10	45,629,795,022	34,753,380,633
Net Assets		172,746,003,460	146,069,589,084
Net assets value per unit (Baht)		16.2482	15.1556
Unit outstanding (Units)		10,631,653,745	9,637,943,054

Mrs. Tipaphan Puttarawigorn
Executive Director

Mr. Somphong Hirunkajonrote
Executive Director

The accompanying notes are an integral part of these financial statements.



Digital Telecommunications Infrastructure Fund
Details of Investments
As at 31 December 2019

Details of Investments Classified by Asset Classes are as follows:

		31 December 2019		
	Maturity Date	Cost Baht	Fair Value Baht	% of Fair Value
Investments in the Infrastructure Business (Note 5)				
Investments in the ownership of the infrastructure assets				
Investments in the ownership of 6,000 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services		16,390,555,464	30,096,630,000	14.83
Investment in the ownership of 350 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services and fiber optic cable currently used for provision of mobile services in provincial areas		3,630,408,025	3,829,180,000	1.89
Investment in the ownership of 2,589 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services and fiber optic cable currently used for provision of mobile services in provincial areas		17,002,190,457	18,802,270,000	9.26
Investment in the ownership of 788 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services and fiber optic cable currently used for provision of mobile services in provincial areas		7,423,958,425	7,460,180,000	3.68
Investments in the ownership of a core fiber optic cable grid and related transmission equipment and an upcountry broadband system		15,384,010,040	27,124,460,000	13.37
Additional investments no.2 in the ownership of core fiber optic cables for provision of mobile and internet services in Bangkok Metropolitan Area		5,312,841,346	5,515,260,000	2.72
Additional investments no.3 in the ownership of core fiber optic cables for provision of mobile and internet services in Bangkok Metropolitan Area and fiber optic cables for provision of internet and broadband internet services in provincial areas		13,466,972,168	14,236,200,000	7.01
Additional investments no.4 in the ownership of fiber optic cables for provision of internet and broadband internet services in Bangkok Metropolitan Area and provincial areas		3,552,933,046	3,562,940,000	1.75
Additional investments no.4 in the ownership of fiber optic cables for provision of internet and broadband internet services in provincial areas		4,702,689,953	4,830,300,000	2.38
Investments in the right to the net revenues				
Investments in the right to the net revenues to be generated from the rental of telecommunications assets of BFKT (Thailand) Limited		15,241,063,842	26,973,750,000	13.29
Investments in the right to the net revenues to be generated from the rental of telecommunications towers of Asia Wireless Communication Company Limited		10,748,870,704	14,929,050,000	7.36
Addition investments no.1 in the right to the net revenues to be generated from the rental of telecommunications towers of Asia Wireless Communication Company Limited		806,897,620	1,251,990,000	0.62
Addition investment no.2 in the right to the net revenues to be generated from the rental of telecommunications towers of Asia Wireless Communication Company Limited		545,788,653	555,610,000	0.27
Investments in the leasehold right of the infrastructure assets				
Additional investments no.1 in the leasehold right of a fiber optic cable grid		12,293,102,380	10,604,870,000	5.23
Additional investments no.2 in the leasehold right of a fiber optic cable grid		3,410,742,809	3,690,600,000	1.82
Additional investments no.3 in the leasehold right of a fiber optic cable grid		24,768,623,135	25,803,050,000	12.71
Total Investments in the Infrastructure Business		154,681,648,067	199,266,340,000	98.19
Investments in Securities (Note 6)				
Unit trust				
TMB Treasury Money Fund		2,663,991,226	2,669,018,023	1.32
Certificate of Deposit				
Thanachart Capital Public Company Limited	20 February 2020	1,000,000,000	1,000,000,000	0.49
Total Investments in Securities		3,663,991,226	3,669,018,023	1.81
Total Investments		158,345,639,293	202,935,358,023	100.00

The accompanying notes are an integral part of these financial statements.

Digital Telecommunications Infrastructure Fund
Details of Investments
As at 31 December 2019

Details of Investments Classified by Asset Classes are as follows:

	31 December 2018		
	Cost	Fair Value	% of
	Baht	Baht	Fair Value
Investments in the Infrastructure Business (Note 5)			
Investments in the ownership of the infrastructure assets			
Investments in the ownership of 6,000 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services	16,390,555,464	26,416,360,000	15.13
Investment in the ownership of 350 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services and fiber optic cable currently used for provision of mobile services in provincial areas	3,630,408,025	3,706,680,000	2.12
Investment in the ownership of 2,589 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services and fiber optic cable currently used for provision of mobile services in provincial areas	17,002,190,457	17,002,190,457	9.74
Investments in the ownership of a core fiber optic cable grid and related transmission equipment and an upcountry broadband system	15,384,010,040	25,229,450,000	14.45
Additional investments No.2 in the ownership of core fiber optic cables for provision of mobile and internet services in Bangkok Metropolitan Area	5,312,841,346	5,411,190,000	3.10
Additional investments No.3 in the ownership of core fiber optic cables for provision of mobile and internet services in Bangkok Metropolitan Area and fiber optic cables for provision of internet and broadband internet services in provincial areas	13,466,972,168	13,466,972,168	7.72
Investments in the right to the net revenues			
Investments in the right to the net revenues to be generated from the rental of telecommunications assets of BFKT (Thailand) Limited	15,241,063,842	26,444,480,000	15.15
Investments in the right to the net revenues to be generated from the rental of telecommunications towers of Asia Wireless Communication Company Limited	10,748,870,704	14,760,600,000	8.46
Addition investments no.1 in the right to the net revenues to be generated from the rental of telecommunications towers of Asia Wireless Communication Company Limited	806,897,620	1,225,990,000	0.70
Addition investment no.2 in the right to the net revenues to be generated from the rental of telecommunications towers of Asia Wireless Communication Company Limited	545,788,653	543,650,000	0.31
Investments in the leasehold right of the infrastructure assets			
Additional investments no.1 in the leasehold right of a fiber optic cable grid	12,293,102,380	10,419,660,000	5.97
Additional investments no.2 in the leasehold right of a fiber optic cable grid	3,410,742,809	3,625,010,000	2.08
Additional investments no.3 in the leasehold right of a fiber optic cable grid	24,768,623,135	24,768,623,135	14.19
Total Investments in the Infrastructure Business	139,002,066,643	173,020,855,760	99.12
Investments in Securities (Note 6)			
Unit trust			
TMB Treasury Money Fund	1,530,340,720	1,539,018,127	0.88
Total Investments in Securities	1,530,340,720	1,539,018,127	0.88
Total Investments	140,532,407,363	174,559,873,887	100.00

The accompanying notes are an integral part of these financial statements.

Digital Telecommunications Infrastructure Fund**Statement of Income****For the year ended 31 December 2019**

	Notes	2019 Baht	2018 Baht
Investment Income	14		
Income from the investment in the asset and revenue sale and transfer agreement		3,104,261,796	3,120,216,168
Rental income		9,834,195,893	7,319,018,303
Interest income		36,895,350	11,302,262
Other income		14,921	40,025,424
Total Income		12,975,367,960	10,490,562,157
Expenses	12, 14		
Management fee		115,594,923	100,682,967
Mutual fund supervisor fee		29,222,185	23,915,731
Registrar fee		5,043,470	5,076,790
Telecom asset manager fee		43,839,537	60,269,563
Professional fee		5,173,724	1,644,823
Operating expense		886,456,043	399,701,464
Other expenses		43,067,178	16,841,917
Finance costs		1,451,655,919	1,415,068,234
Income tax		444,877	-
Total Expenses		2,580,497,856	2,023,201,489
Net Investment Income		10,394,870,104	8,467,360,668
Net Gain from Investments			
Net realised gain from investment	6	13,650,506	9,987,830
Net unrealised gain from investments		10,562,252,206	1,241,626,298
Net unrealised gain from interest rate swap	13, 14	21,362,794	135,571,411
Total Net Gain from Investments		10,597,265,506	1,387,185,539
Increase in Net Assets from Operations		20,992,135,610	9,854,546,207

The accompanying notes are an integral part of these financial statements.

Digital Telecommunications Infrastructure Fund
Statement of Changes in Net Assets
For the year ended 31 December 2019

	Notes	2019 Baht	2018 Baht
Increase in Net Assets from Operations during the year			
Net investment income		10,394,870,104	8,467,360,668
Net realised gain from investments		13,650,506	9,987,830
Net unrealised gain from investments		10,562,252,206	1,241,626,298
Net unrealised gain from interest rate swap	13, 14	21,362,794	135,571,411
Net Increase in Net Assets from Operations		20,992,135,610	9,854,546,207
Increase in capital received from unitholders during the year	10	15,799,999,987	53,236,208,451
Distribution to unitholders during the year	10, 11	(10,115,721,221)	(7,411,596,107)
Net increase in net assets during the year		26,676,414,376	55,679,158,551
Net assets at beginning of the year		146,069,589,084	90,390,430,533
Net Assets at End of the Year		172,746,003,460	146,069,589,084

The accompanying notes are an integral part of these financial statements.



Digital Telecommunications Infrastructure Fund
Statement of Cash Flows
For the year ended 31 December 2019

	Notes	2019 Baht	2018 Baht
Cash Flows from Operating Activities			
Net increase in net assets from operations		20,992,135,610	9,854,546,207
Adjustments to reconcile net increase in net assets value to net cash from operating activities:			
Purchases of investments in the infrastructure assets	5	(15,679,581,424)	(55,237,785,760)
Purchases of investments in securities	6	(10,232,859,278)	(3,900,000,000)
Proceeds from sales of investments in securities		8,117,000,000	3,455,000,000
Amortisation of discount on investments		(4,140,722)	-
Decrease in accounts receivable from the asset and revenue sale and transfer agreement		885,060	858,330
Increase in accounts receivable from rental		(1,883,200)	-
Increase in accounts receivable from interest		(6,051,573)	(231,828)
Increase in value added tax receivable		(1,044,441,928)	(3,838,717,233)
Increase in other assets		(522,453,876)	(759,219,712)
Increase in trade accounts payable		130,881,145	214,176,050
Increase in accounts payable			
- acquisition of investments		1,097,358,874	3,866,534,591
Increase (decrease) in accrued expenses		4,063,632	(37,934,003)
Increase in unearned income		471,314,416	807,007,825
Increase in other current liabilities		35,129,595	24,484,008
Net realised gain from investments	6	(13,650,506)	(9,987,830)
Net unrealised gain from investments		(10,562,252,206)	(1,241,626,298)
Net unrealised gain from interest rate swap		(21,362,794)	(135,571,411)
Amortisation of debt issuance costs	9	76,439,731	74,578,758
Net cash flows used in operating activities		(7,163,469,444)	(46,863,888,306)
Cash Flows from Financing Activities			
Proceeds from long-term borrowing net of cash paid for debt issuance cost	9	-	1,975,000,000
Increase in capital received from unitholders	10	15,799,999,987	53,236,208,451
Distribution to unitholders	11	(10,115,721,221)	(7,411,596,107)
Net cash flows generated from financing activities		5,684,278,766	47,799,612,344
Net (decrease) increase in Cash at Banks		(1,479,190,678)	935,724,038
Cash at banks at the beginning of the year		1,959,774,384	1,024,050,346
Cash at Banks at the End of the Year		480,583,706	1,959,774,384

The accompanying notes are an integral part of these financial statements.

Digital Telecommunications Infrastructure Fund
Significant Financial Highlights
For the year ended 31 December 2019

	2019 Baht	2018 Baht	2017 Baht	2016 Baht	2015 Baht	2014 Baht
Information on Results from Operations (Per Unit)						
Net assets value at beginning of the year	15.1556	15.5630	14.6191	12.3241	12.4161	10.0471
Income from investing activities						
Net investment income	1.0523	0.5096	0.9791	0.9246	0.8692	0.7135
Net realised gain from investments	0.0014	0.0006	0.0018	0.0020	0.0009	-
Net unrealised gain from investments	1.0692	0.0747	0.9489	2.3214	0.0009	2.3739
Net unrealised gain (loss) from interest rate swap	0.0022	0.0082	(0.0159)	0.0005	(0.0345)	-
Total income from investing activities	2.1251	0.5931	1.9139	3.2485	0.8365	3.0874
Distribution to unitholders	(1.0325)	(1.0005)	(0.9700)	(0.9535)	(0.9285)	(0.7184)
Net assets value at end of the year	16.2482	15.1556	15.5630	14.6191	12.3241	12.4161
Ratio of Increase in Net Assets from Operation to Average Net Assets during the Year (%)						
	13.39	7.88	12.49	22.87	6.76	25.22
Significant Financial Ratios and Additional Significant Information						
Net assets at end of the year (Baht)	172,746,003,460	146,069,589,084	90,390,430,533	84,907,944,658	71,578,710,091	72,113,243,597
Ratio of total expenses to average net assets during the year (%)	1.65	1.62	1.19	1.24	1.19	0.28
Ratio of investment income to average net assets during the year (%)	8.27	8.39	7.58	7.75	8.21	6.11
Ratio of weighted average investment purchases and sales during the year to average net assets during the year (%)	9.96	43.84	14.43	0.04	18.12	0.22
Average net assets during the year (Baht)	156,804,350,052	125,033,485,595	88,965,498,352	82,481,640,004	71,848,109,638	71,114,465,306

Additional Information

The value of investment purchases and sales during the year does not include cash at bank, promissory note and sales and purchases with resale/repurchase agreement, and is calculated based on the weighted average basis during the year.

Digital Telecommunications Infrastructure Fund
Notes to the Financial Statements
For the year ended 31 December 2019

1 Description of Digital Telecommunications Infrastructure Fund

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 ("SET") 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, its registrar is Thailand Securities Depository Company Limited and its telecom asset manager is Telecom Asset Management Company Limited.

As at 31 December 2019, the Fund has invested in the telecommunications infrastructure assets as follows:

- a) the ownership of 6,000 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services of True Corporation Public Company Limited ("True");
- 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 3,727 telecommunications towers and other related passive telecommunications infrastructure 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 10,925 kilometers (approximately 422,294 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 2048;
- 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 1 Description of Digital Telecommunications Infrastructure Fund (Cont'd)

As at 31 December 2019, the Fund has invested in the telecommunications infrastructure assets as follows: (Cont'd)

- j) the ownership of FOC for FTTx system currently used for provision of internet and broadband internet services in BMA of Real Move Company Limited (“RMV”) for 315 kilometers (approximately 40,823 core kilometres);
- k) the ownership of FOC for FTTx system currently used for provision of internet and broadband internet services in provincial area of RMV for 617 kilometers (approximately 37,505 core kilometres); and
- l) the ownership of FOC for FTTx system currently used for provision of internet and broadband internet services in provincial area of TICC for 2,797 kilometers (approximately 109,704 core kilometres).

As at 31 December 2019, the major unitholder is True Corporation Public Company Limited and its subsidiary, holding 29.00% of total outstanding units (31 December 2018: 30.00%).

These financial statements have been approved for issue by the authorised persons on 27 February 2020.

2 Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards (“TFRS”) issued under the Accounting Professional Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. In particular, the Fund adopts Thai Accounting Standard no. 106 “Accounting for Investment Companies”.

The financial statements have been prepared under historical cost convention except investment which use fair value as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Accounting Policies (Cont'd)

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Fund

2.2.1 The Fund has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

- a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Fund will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, *Construction contracts*, TAS 18, *Revenue* and related interpretations.

- b) Thai Accounting Standard no.40 (revised 2018), Investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

These revised standards do not have a significant impact on the Fund.

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Fund.

- a) Financial instruments

The new financial standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

- b) TFRS 16, *Leases*

Where the Fund is a lessee, TFRS 16, *Leases* will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

2 Accounting Policies (Cont'd)

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Fund (Cont'd)

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020 (Cont'd)

- c) Accounting guidelines, criteria and methods of disclosures in notes to the financial statements for mutual and infrastructure funds and trusts

As the Office of Securities and Exchange Commission (“SEC”) released the announcement no. SEC. Jor Tor-3 (Wor). 3/2563 dated 7 February 2020 for the memorandum of understanding for preparation of financial statements of property funds, infrastructure funds and related trusts to comply with accounting guidelines, criteria and methods of disclosures in notes to the financial statements issued by Association of Investment Management Companies (“AIMC”) totaling to 4 announcements which have been effective since 30 January 2020.

The Fund’s management is currently assessing the impact of initial adoption of these standards.

2.3 Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (‘the functional currency’). The financial statements are presented in Thai Baht, which is the Fund’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2 Accounting Policies (Cont'd)

2.4 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 get such investments.

Investments in the Infrastructure Business

Investments in the infrastructure business are stated at fair value. The fair value of the investments in infrastructure business are stated at appraisal value of independent professional valuer, approved by Securities and Exchange Commission. The Fund will conduct appraisal of infrastructure business every three year from the date of the appraisal for purchase and lease of the infrastructure business and will conduct a review of appraisal every year from the date of the last appraisal.

Unrealised gain or loss from changing in fair value of investment in the infrastructure business will include in the statements of income in that period.

Investment in Securities

Investments in marketable debt securities which are freely traded on an open market are presented at their fair value, using the latest trading price as of the date of valuation.

Investments in cash at banks, bills of exchange and non-transferable promissory notes are presented at fair value, determined by the sum of principal and accrued interest as of the dates on which the investments are measured. Accrued interest portion is separately presented as "Receivables from interest" in the balance sheets.

Gains or losses on measurement of investments in cash at banks, bills of exchange and non-transferable promissory notes are recorded as unrealised gains or losses in the statements of income.

The weighted average method is used for computation of the cost of investments.

2.5 Derivative Financial Instruments

Interest rate swap agreements protect the Fund from movements in interest rates. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken to profit or loss.

Disclosures about derivative financial instruments to which the Fund is a party are provided in Note 13.

2.6 Cash at Banks

Cash at banks represents deposits held at call with banks.

2.7 Accounts Receivable from Rental

Monthly rental receivables are recognised on rental calculation report which applied the method and the rate stipulated in the amendment and restatement lease agreement.

2 Accounting Policies (Cont'd)

2.8 Accounting for Long-term Leases

Where the Fund is the Lessor

Assets leased out under amendment and restatement operating lease agreements are included in investment in the infrastructure business in the balance sheet. Rental income is recognised on a straight line basis over the contract term, regardless of payment pattern.

2.9 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.10 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.11 Revenues and Expenses Recognition

Income from the investment in the asset and revenue sale and transfer agreement and rental income are recognised on a straight line basis over the contract term, regardless of payment pattern.

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.

Accounting Policies (Cont'd)

2.12 Income Taxes

The Fund shall pay income tax according to the Revenue Code based on income under section 40 (4) (a) at the rate of 15% of income before deduction of expenses, effective from 20 August 2019.

2.13 Dividend Policy and Capital Reduction

Dividend policy

The Fund has a policy to pay dividends to unitholders at least 2 times per year as follows:

If the Fund has net profit in each year, the Fund shall pay dividend to unitholders at the rate which not less than 90% of the net profit not including unrealised profit from appraisal or reviewed appraisal of the value of the investment for the said accounting period, and capital reserve for the repair, maintenance and improvement of the infrastructure business 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.

If the Fund has retained earnings, the Fund may pay dividend to unitholders out of the retained earnings, provided that dividend payment shall not increase the Fund's accumulated loss for the accounting period when dividend is paid.

The Fund shall pay dividends to unitholders within 90 days from the day following the date of closure of the register of unitholders for dividend payment, except where there is a necessary cause which prevents the dividend payment during such period, the Management Company shall give a written notification thereof to the unitholders.

In considering the payment of dividends, if the value of interim dividends per unit to be paid is less than or equal to Baht 0.10, the Fund reserves the right not to pay dividends at that time and to bring such dividends forward for payment together with the next dividend payment.

Capital reduction

The Management Company may reduce the Fund's capital in the followings cases:

- a) the reduction of capital according to plans which may be determined by the Fund.
- b) the Fund has excess liquidity after disposal of infrastructure assets and payment of dividend to the Unitholders, provided that no retained earnings remain.
- c) the Fund incurs non-cash expenses and such expenses need not be included for the calculation of the adjusted net profit of the Fund.
- d) other cases as resolved by the Unitholders.

The capital reduction pursuant to (b) or (c) above must be passed by a resolution from the Unitholders.

3 Financial Risk Management

Financial risk factors

The Fund's activities expose it to a financial risk which is interest rate risk. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund uses derivative financial instruments to hedge certain exposures.

Interest rate risk

As the Fund invest in the additional telecommunications infrastructure assets using proceeds from borrowings from financial institutions. The interest rate are variable and uses interest rate swaps as cash flow hedges of future interest payments, which has the economic effect of converting borrowings from floating rates to fixed rates. The interest rate swaps allow the Fund to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if the Fund borrowed at fixed rates directly. Under the interest rate swaps, the Fund agrees with the other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken to profit or loss.

4 Critical Accounting Estimates and Judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair value of investment in telecommunication infrastructure business

The Fund estimate fair value of investment in telecommunication infrastructure business by engaging an independent external valuer, applying income approach model based on key relevant assumptions to derive fair value of telecommunication infrastructure business. These calculations require the use of the Fund's management judgement.

5 Investments in the Infrastructure Business

During December 2013, the Fund entered into agreements for investment in the infrastructure business as follows:

- a) The Fund entered into the asset sale and transfer agreement with True on 24 December 2013. Under the terms of the agreement, True will deliver, or procure the delivery of, 3,000 towers by 31 December 2014 and the remaining 3,000 towers by 31 December 2015. The Fund paid for the investment in the assets of Baht 16,390.56 million, excluding VAT of Baht 1,147.34 million. The Fund fully received totally 6,000 towers from True within 31 December 2015.

The Fund entered into master lease agreement for telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services with TUC, a related party, for the operation of mobile telecommunications services for a period of 13 years commencing from 1 January 2015 to 31 December 2027.

From the effective date for additional investment in telecommunications infrastructure assets no.3, the lease term was extended to 15 September 2033 according to amendment and restatement agreement to master lease agreement.

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 be delivered by 31 December 2014 and 2 years in advance for the second batch of 3,000 towers to be delivered by 31 December 2015. Therefore, in 2014, the Fund received advance rental for the expected 6,619 placements to be delivered in 2015, and received advance rental for the expected 7,374 placements to be delivered in 2016.

The advance payment was charged based on number of placement and varied upon types of the tower. In addition, it also includes revenue from the rental of the telecommunications assets in connection with or pursuant to the agreement.

- b) The Fund entered into the asset sale and transfer agreement with TICC on 24 December 2013. TICC has delivered a core fiber optic cable grid and related transmission equipment and an upcountry broadband system to the Fund on the date of the Fund's initial investment. The Fund paid for the investment in the assets of Baht 15,384.01 million, excluding VAT of Baht 1,076.88 million.

Subsequently, the Fund entered into the master lease agreement with TICC 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.

From the effective date for additional investment in telecommunications infrastructure assets no.3, the lease term was extended to 15 September 2033 for the passive telecommunications equipment and to 31 December 2021 for the active telecommunications equipment (excluding Wifi and DSLAM which lease until 31 December 2018) according to amendment and restatement agreement to master lease agreement.

5 Investments in the Infrastructure Business (Cont'd)

During December 2013, the Fund entered into agreements for investment in the infrastructure business as follows: (Cont'd)

- c) 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 and fiber optic cable grid and related transmission equipment 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 HSPA agreement (3 August 2025).

The net revenue includes revenue from the rental of the telecommunication 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) insurance premiums and costs associated with securing rights of way. Furthermore, the Fund purchased the BFKT monthly unearned rental revenue of October and November 2013 to the Fund in December 2013 and January 2014, respectively. The Fund paid for the investment in the assets of Baht 15,556.56 million.

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 to the Fund the option to purchase certain BFKT telecommunications assets at Baht 10 million exercisable at the expiry date.

- d) The Fund entered into the asset and revenue sale and transfer agreement with AWC on 24 December 2013 to acquire the net revenue to be generated from the rental of certain telecommunications towers of AWC pursuant to the lease agreement for the telecommunications tower dated 6 August 2012 and its 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).

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 Fund paid for the investment in the assets of Baht 10,748.87 million.

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 tower to the Fund at the expiry date.

5 Investments in the Infrastructure Business (Cont'd)

On 27 February 2015, the Unitholders Meeting No. 1/2015 passed a resolution to approve an investment in the additional telecommunications infrastructure assets no.1 using proceeds from borrowing from financial institutions (Note 9).

On 5 March 2015, the Fund entered into agreements for additional investment in telecommunications infrastructure assets no.1 as follows:

- a) 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 pursuant to the lease agreement for the telecommunications tower dated 6 August 2012 and its 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).

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 Fund paid for the investment in the assets of Baht 806.90 million.

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.

- b) The Fund enters into a long-term lease agreement with call option with AWC for leasing 7,981 kilometers 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). The Fund made a prepayment for rental of the assets amounting to Baht 12,293.10 million, excluding VAT of Baht 860.52 million.

Subsequently, the Fund entered into a sub-lease agreement for subleasing the assets to TICC commencing 5 March 2015 to 7 December 2026.

From the effective date for additional investment in telecommunications infrastructures assets no.3, the lease term was extended to 15 September 2033 according to amendment and restatement agreement to sub-lease agreement.

In addition to the agreement above, the Fund had reimbursed AWC for the acquisition fee of Baht 196.50 million in connection with the additional investment in telecommunications infrastructure assets transaction.

5 Investments in the Infrastructure Business (Cont'd)

On 23 November 2017, the Unitholders Meeting No. 1/2017 passed a resolution to approve an investment in the additional telecommunications infrastructure assets no.2 using proceeds from borrowing from financial institutions (Note 9). and an investment in the additional telecommunications infrastructure assets no.3 using proceeds from borrowing from financial institutions (Note 9) and capital increase through offering of new investment units of the Fund (Note 10).

On 24 November 2017, the Fund entered into agreements for additional investment in telecommunications infrastructure assets no.2 as follows:

- a) The Fund entered into the asset and revenue sale and transfer agreement with AWC on 24 November 2017 to acquire the net revenue to be generated from the rental of certain telecommunications towers of AWC, stating from the effectiveness of the 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 Fund paid for the investment in the assets of Baht 545.71 million.

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 tower to the Fund at the expiry date.

- b) The Fund entered into the asset sale and transfer agreement with TUC on 24 November 2017. TUC has delivered 350 telecommunications towers for mobile telecommunication services.

The Fund paid for the investment in the assets of Baht 1,053.55 million, excluding VAT of Baht 73.75 million. After the Fund receives a refund of the corresponding VAT from the Revenue Department, the Fund will make payment of VAT to TUC as specified in the asset sale and transfer agreement.

Subsequently, the Fund entered into the amendment and restatement agreement to master lease agreement for telecommunications towers of 350 towers totaled 700 placements with TUC for the provision of mobile telecommunications services for the period commencing from 28 November 2017 to 15 September 2033.

- c) The Fund entered into the asset sale and transfer agreement with TUC on 24 November 2017. TUC has delivered FOC currently used for the provision of mobile services in provincial areas for 1,113 kilometres (approximately 62,594 core kilometres).

The Fund paid for the investment in the assets of Baht 2,576.35 million, excluding VAT of Baht 180.34 million. After the Fund receives a refund of the corresponding VAT from the Revenue Department, the Fund will make payment of VAT to TUC as specified in the asset sale and transfer agreement.

Subsequently, the Fund entered into the amendment and restatement agreement to master lease agreement for 80 percent of total FOC for the period commencing from 28 November 2017 to 15 September 2033.

5 Investments in the Infrastructure Business (Cont'd)

On 24 November 2017, the Fund entered into agreements for additional investment in telecommunications infrastructure assets no.2 as follows: (Cont'd)

- d) The Fund entered into the asset sale and transfer agreement with TMV on 24 November 2017. TMV has delivered Core FOC for provision of mobile and internet services in BMA for 542 kilometres (approximately 117,147 core kilometres).

The Fund paid for the investment in the assets of Baht 5,312.11 million, excluding VAT of Baht 371.85 million. After the Fund receives a refund of the corresponding VAT from the Revenue Department, the Fund will make payment of VAT to TMV as specified in the asset sale and transfer agreement.

Subsequently, the Fund entered into the amendment and restatement agreement to master lease agreement for 80 percent of total Core FOC the period commencing from 28 November 2017 to 15 September 2033.

- e) The Fund enters into a long-term lease agreement with call option with TICC for leasing 670 kilometers (approximately 80,014 core kilometres) of the FOC for FTTx used for provision of internet and broadband internet services in BMA. The lease term starts from the effectiveness of the long-term lease agreement (28 November 2017) until the expiration of the agreement (31 December 2047).

The Fund made a prepayment for rental of the assets amounting to Baht 3,410.27 million, excluding VAT of Baht 238.72 million. After the Fund receives a refund of the corresponding VAT from the Revenue Department, the Fund will make payment of VAT to TICC as specified in the long-term lease agreement.

Subsequently, the Fund entered into the amendment and restatement agreement to sub-lease agreement for 80 percent of total FOC for the period commencing from 28 November 2017 to 15 September 2033.

On 17 May 2018, the Fund completed additional investment in telecommunications infrastructure assets no.3 as follows:

- a) TUC has delivered 2,589 telecommunications towers for mobile telecommunication services and 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.

The Fund paid for the investment in the assets of Baht 17,001.70 million, excluding VAT of Baht 1,190.12 million. After the Fund receives a refund of the corresponding VAT from the Revenue Department, the Fund will make payment of VAT to TUC as specified in the asset sale and transfer agreement.

Subsequently, the Fund entered into amendment and restatement agreement to master lease agreement for telecommunications towers of 2,589 towers totaled 5,178 placements with TUC for the provision of mobile telecommunications services and for 80 percent of FOC currently used for the provision of mobile services in provincial areas for the period commencing from 17 May 2018 to 15 September 2033.

5 Investments in the Infrastructure Business (Cont'd)

On 17 May 2018, the Fund completed additional investment in telecommunications infrastructure assets no.3 as follows: (Cont'd)

- b) TMV has delivered Core FOC for provision of mobile and internet services in BMA for 546 kilometres (approximately 117,871 core kilometres) and 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.

The Fund paid for the investment in the assets of Baht 13,466.59 million, excluding VAT of Baht 942.66 million. After the Fund receives a refund of the corresponding VAT from the Revenue Department, the Fund will make payment of VAT to TMV as specified in the asset sale and transfer agreement.

Subsequently, the Fund entered into the amendment and restatement agreement to master lease agreement with TUC and TICC for 80 percent of total FOC for the period commencing from 17 May 2018 to 15 September 2033.

- c) The Fund enters into a long-term lease agreement with call option with TICC for leasing 12,872 kilometers (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 Fund made a prepayment for rental of the assets amounting to Baht 24,767.92 million, excluding VAT of Baht 1,733.75 million. After the Fund receives a refund of the corresponding VAT from the Revenue Department, the Fund will make payment of VAT to TICC as specified in the long-term lease agreement.

Subsequently, the Fund entered into the amendment and restatement agreement to sub-lease agreement for 80 percent of total FOC for the period commencing from 17 May 2018 to 15 September 2033.

After the completion of additional investment no.3, TUC and TICC agreed to lease the assets from the Fund when the ownership of HSPA assets was transferred to the Fund upon the terms and conditions under relevant agreement. The lease term will end on 15 September 2033.

5 Investments in the Infrastructure Business (Cont'd)

On 21 June 2019, the Extraordinary Meeting of Unitholders No. 1/2019 passed a resolution to approve an investment in the additional telecommunications infrastructure assets no.4 using proceeds from capital increase through offering of new investment units of the Fund (Note 10).

On 27 August 2019, the Fund entered into agreements for additional investment in telecommunications infrastructure assets no.4 as follows:

- a) TUC has delivered 788 telecommunications towers and other related passive telecommunications infrastructure for mobile telecommunications services and FOC currently used for provision of mobile services in provincial areas for 1,795 kilometers (approximately 107,694 core kilometers) to the Fund pursuant to the asset sale and transfer agreement dated 27 August 2019 with TUC.

The Fund paid for the investment in the assets of Baht 7,422.53 million, excluding VAT of Baht 519.58 million. After the Fund receives a refund of the corresponding VAT from the Revenue Department, the Fund will make payment of VAT to TUC as specified in the asset sale and transfer agreement.

Subsequently, the Fund entered into amendment and restatement agreement no.2 to master lease agreement for telecommunications towers of 788 towers totaled 1,576 placements with TUC for the provision of mobile telecommunications services and for 80 percent of FOC currently used for the provision of mobile services in provincial areas for the period commencing from 27 August 2019 to 15 September 2033.

- b) RMV has delivered FOC for FTTx system currently used for provision of internet and broadband internet services in BMA for 315 kilometers (approximately 40,823 core kilometres) and FOC for FTTx system currently used for provision of internet and broadband internet services in provincial areas of RMV for 617 kilometers (approximately 37,505 core kilometres) to the Fund pursuant to the asset sale and transfer agreement dated 27 August 2019 with RMV.

The Fund paid for the investment in the assets of Baht 3,552.25 million, excluding VAT of Baht 248.66 million. After the Fund receives a refund of the corresponding VAT from the Revenue Department, the Fund will make payment of VAT to RMV as specified in the asset sale and transfer agreement.

Subsequently, the Fund entered into amendment and restatement agreement no.2 to master lease agreement with TICC for 80 percent of FOC for the period commencing from 27 August 2019 to 15 September 2033.

- c) TICC has delivered FOC for FTTx system currently used for provision of internet and broadband internet services in provincial areas for 2,797 kilometers (approximately 109,704 core kilometres) to the Fund pursuant to the asset sale and transfer agreement dated 27 August 2019 with TICC.

The Fund paid for the investment in the assets of Baht 4,701.78 million, excluding VAT of Baht 329.12 million. After the Fund receives a refund of the corresponding VAT from the Revenue Department, the Fund will make payment of VAT to TICC as specified in the asset sale and transfer agreement.

Subsequently, the Fund entered into amendment and restatement agreement no.2 to master lease agreement with TICC for 80 percent of FOC for the period commencing from 27 August 2019 to 15 September 2033.

5 Investments in the Infrastructure Business (Cont'd)

The movement of the investment in the infrastructure business is summarised below:

	2019 Baht	2018 Baht
Investment in the infrastructure business at fair value at beginning of the year	173,020,855,760	116,544,510,833
<u>Add</u> Investment in the infrastructure business No.3	-	55,237,785,760
<u>Add</u> Investment in the infrastructure business No.4	15,679,581,424	-
<u>Add</u> Unrealised gain on investment	10,565,902,816	1,238,559,167
Investment in the infrastructure business at fair value at end of the year	199,266,340,000	173,020,855,760

The Fund hired an independent appraiser, Silom Advisory Co., Ltd., to appraise its investment in the infrastructure business by using the Income Approach derived from cumulative of present value of net income based on actual contract with the major tenant and terminal value afterward which appraised at 31 December 2019. The valuation technique used significant unobservable inputs such that the Fund classified the fair value measurement as Level 3 of fair value hierarchy according to TFRS 13 Fair value measurement.

As at 31 December 2019, the Fund adjusted investment in the infrastructure business to fair value of Baht 199,266.34 million which include Investment in the infrastructure business No.4 (2018: Baht 173,020.86 million) and recognised unrealised gain from investment in the statement of income for the year ended 31 December 2019 at Baht 10,565.90 million (2018: Baht 1,238.56 million).

Changes in fair value are analysed at each reporting date by the Management Company and the Mutual Fund Supervisor. As part of this review, the Management Company presents valuation assumption of the independent valuer to explain the reasons for changes in fair value.

There were no changes to the valuation techniques during the year.

Sensitivity analysis for each significant assumptions

	Impact on fair value increase/ (decrease) 2019 Million Baht
Discount rate	
Discount rate, decrease of 0.50 percent	15,758.12
Discount rate, increase of 0.50 percent	(13,614.90)
Terminal Growth rate	
Terminal Growth rate, decrease of 0.50 percent	(3,932.55)
Terminal Growth rate, increase of 0.50 percent	4,540.97

6 Investments in Securities at Fair Value

	2019 Baht	2018 Baht
Investment in securities at fair value at beginning of the year	1,539,018,127	1,080,963,166
Additions	10,232,859,278	3,900,000,000
Disposals	(8,112,859,278)	(3,455,000,000)
Realised gain on investment	13,650,506	9,987,830
Unrealised gain on investment	(3,650,610)	3,067,131
Investment in securities at fair value at end of the year	3,669,018,023	1,539,018,127

7 Cash at Banks

	Principal		Interest Rate per annum	
	2019 Baht	2018 Baht	2019 %	2018 %
Cash at Banks				
The Siam Commercial Bank Public Company Limited				
Current account	2,337,566	2,251,708	-	-
Saving account	3,603	3,790	0.375	0.375
The Hongkong and Shanghai Banking Corporation Limited				
Current account	-	1,157,585	-	-
Bangkok Bank Public Company Limited				
Current account	20,000	20,000	-	-
Saving account	9,824	9,987	0.375	0.375
KASIKORNBANK Public Company Limited				
Saving account	478,212,713	1,956,331,314	0.30 - 0.55	0.37 - 0.87
Total	480,583,706	1,959,774,384		

8 Account Receivable from the Asset and Revenue Sale and Transfer Agreement

The outstanding balance as at 31 December 2019 of account receivable from the asset and revenue sale and transfer agreement is not yet due.



9 Long-term Borrowings

Long-term borrowings could be classified as follows:

	31 December 2019 Baht
Current	
Current portion of long-term borrowings	13,092,905,361
Non-current	
Long-term borrowings	14,787,322,838
Total	27,880,228,199
	Baht
For the year ended 31 December 2019	
Opening net book value	27,803,788,468
Amortisation of debt issuance cost	76,439,731
Closing net book value	27,880,228,199

The interest rate exposures on the borrowings of the Fund are as follows:

	31 December 2019 % per annum
Borrowings:	
- at fixed rates	4.82 - 5.50
- at floating rates	THBFIX + 2.75 - THBFIX + 3.00

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The Fund classified the fair value measurement as Level 2 of fair value hierarchy

On 5 March 2015, the Fund entered into a borrowing agreement with the Group of Financial Institutions. The borrowing is dominated in Thai Baht with total facility of Baht 13,100.00 million which was used to invest in the Additional Telecommunications Infrastructure Assets No.1 (Note 5). The borrowing carries interest at THBFIX plus 3% per annum and fixed rate of 5.5% per annum. The interest will be payable on a semi-annual basis and the borrowings will be full repayable on the final maturity date under prescribed conditions. The final maturity date will be 5 years after the first utilisation date.

On the same day, the Fund drawdown Baht 13,100.00 million from the available line of credit. Under terms and conditions of the borrowing agreement, the Fund must comply with certain condition including maintaining financial ratio.

On 24 November 2017, the Fund entered into a borrowing agreement with the Group of Financial Institutions. The borrowing is denominated in Thai Baht with total facility of Baht 12,898.00 million which was used to invest in the Additional Telecommunications Infrastructure Assets no. 2 (Note 5). The borrowing carries interest at THBFIX plus 3% per annum and fixed rate of 5.07% per annum. The interest will be payable on a semi-annual basis and the borrowings will be full repayable on the final maturity date under prescribed conditions. The final maturity date will be 5 years after the first utilisation date.

On 28 November 2017, the Fund drawdown Baht 12,898.00 million from the available line of credit. Under terms and conditions of the borrowing agreement, the Fund must comply with certain condition including maintaining financial ratio.

9 Long-term Borrowings (Cont'd)

Refer to condition in the borrowing agreement of Baht 12,898.00 million dated on 24 November 2017, the interest rate is THBFIX plus 2.75% per annum and fixed rate of 4.82% per annum after the Additional Telecommunications Infrastructure Assets no.3 was completed.

On 15 May 2018, the Fund entered into a borrowing agreement with the Group of Financial Institutions. The borrowing is denominated in Thai Baht with total facility of Baht 2,000.00 million which was used to invest in the Additional Telecommunications Infrastructure Assets no. 3 (Note 5). The borrowing carries interest at THBFIX plus 2.75% per annum. The interest will be payable on a semi-annual basis and the borrowings will be full repayable on the final maturity date under prescribed conditions. The final maturity date will be 5 years after the first utilisation date.

On 17 May 2018, the Fund drawdown Baht 2,000.00 million from the available line of credit. Under terms and conditions of the borrowing agreement, the Fund must comply with certain condition including maintaining financial ratio.

10 Unitholders' Equity

Details of investment units are as follows:

	Par value (Baht)	Number of units (Units)		Amount (Baht)	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Authorised units	10.00	10,631,653,745	9,637,943,054	106,316,537,450	96,379,430,540
Capital received from unitholders		10,631,653,745	9,637,943,054	127,116,208,438	111,316,208,451

Movements of capital received from unitholders account are as follows:

Beginning balance		9,637,943,054	5,808,000,000	111,316,208,451	58,080,000,000
Issue of investment units	15.90	993,710,691	3,829,943,054	15,799,999,987	53,236,208,451
Ending balance		10,631,653,745	9,637,943,054	127,116,208,438	111,316,208,451

	2019 Baht	2018 Baht
Retained earnings at beginning of the year	34,753,380,633	32,310,430,533
Add Net increase in net assets from operations	20,992,135,610	9,854,546,207
Less Distribution to unitholders (Note 11)	(10,115,721,221)	(7,411,596,107)
Retained earnings at end of the year	45,629,795,022	34,753,380,633

At the Unitholders Meeting held on 23 November 2017, it passed a resolution to increase capital through issuance and offer for sale of new investment units for investment in the Additional Telecommunications Infrastructure Asset No.3.

In May 2018, the Fund's registrar allocated the increase in investment units of Baht 53,236.21 million, by issuing and offering new investment units of 3,829.94 million units at offering for sale price of Baht 13.90 per unit, to the new authorised capital of Baht 111,316.21 million. The Fund registered capital increase to SEC on 17 May 2018 and SET accepted additional investment units as increased registered securities to be traded on SET from 23 May 2018.

10 Unitholders' Equity (Cont'd)

At the Extraordinary Meeting of Unitholders held on 21 June 2019, it passed a resolution to increase capital through issuance and offer to sale of new investment units for investment in the Additional Telecommunications Infrastructure Asset No.4.

In August 2019, the Fund's registrar allocated the increase in investment units of Baht 15,800.00 million, by issuing and offering new investment units of 993.71 million units at offering for sale price of Baht 15.90 per unit, to the new authorized capital of Baht 127,116.21 million. The Fund registered capital increase to SEC on 28 August 2019 and SET accepted additional investment units as increased registered securities to be traded on SET from 2 September 2019.

11 Distribution to Unitholders

At the Investment Committee Meeting No. 1/2019 of the Fund held on 30 January 2019, the Committee approved the appropriation of dividends of Baht 0.2600 per unit, amounting to Baht 2,505.86 million. The dividends were paid to unitholders in March 2019.

At the Investment Committee Meeting No. 2/2019 of the Fund held on 7 May 2019, the Committee approved the appropriation of dividends of Baht 0.2600 per unit, amounting to Baht 2,505.86 million. The dividends were paid to unitholders in June 2019.

At the Investment Committee Meeting No. 5/2019 of the Fund held on 25 July 2019, the Committee approved the appropriation of dividends of Baht 0.3469 per unit, amounting to Baht 3,343.40 million. The dividends were paid to unitholders in September 2019.

At the Investment Committee Meeting No. 6/2019 of the Fund held on 5 November 2019, the Committee approved the appropriation of dividends of Baht 0.1656 per unit, amounting to Baht 1,760.60 million. The dividends were paid to unitholders in December 2019.

12 Expenses

Management fee

The Management fee is payable to the Management Company, and is calculated based upon a progressive annual of 0.11% of the portion of adjusted net asset value of the Fund below Baht 30.0 billion, of 0.075% of the portion of adjusted net asset value of the Fund between Baht 30.0 billion to Baht 50.0 billion, and of 0.05% of the portion of the adjusted net asset value of the Fund over Baht 50.0 billion. Such rates are before VAT. (The adjusted net asset value is the total assets minus non-interest bearing liabilities).

Mutual Fund Supervisor fee

The Mutual Fund Supervisor fee is payable to the Mutual Fund Supervisor, 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 50.0 billion and 0.018% of the portion of the net asset value of the Fund over Baht 50.0 billion. Such rates are before VAT.

12 Expenses (Cont'd)

Registrar fee

The Registrar fee is payable to the Fund's registrar, 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.

Telecom asset manager fee

The Fund appointed the Telecom Asset Manager to provide certain administrative and marketing services for the relevant telecommunications infrastructure assets owned by the Fund. Subject to the terms and conditions of the master services agreement, charges for the services are as per below.

- 1 Charges for the Administrative Services consist of:
 - 1.1 an annual fixed charge of Baht 3 million for the year 2013 and Baht 18.3 million for year 2014, subject to annual escalation 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% commencing in year 2015; and
 - 1.2 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;
- 2 Charges for the Marketing Services consist of:
 - 2.1 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; and
 - 2.2 a charge of Baht 20 million payable on the first Business Day of the year 2018 and 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 2018 and year 2019, respectively.

An additional charge payable upon (i) a renewal of any lease agreement by a third party tenant in relation to the Marketing Assets, or (ii) the additional Marketing Assets allocated to be marketed by the Telecom Asset Manager, each at the rate to be agreed between the Fund and the Telecom Asset Manager.

If, in any year, the Fund's annual revenue from the Marketing Assets exceeds an amount equal to 110% of the annual long term projected revenue for the Marketing Assets for any relevant year, the Telecom Asset Manager shall be entitled to additional compensation in an amount equal to 10% of the amount in excess of such 110% threshold which is the amount stipulated in the master services agreement.

13 Financial Instruments

The Fund's activities expose it to a variety of financial risks: interest rate risk, credit risk and fair value as follows;

Interest rate risk

Interest rate risk is the risk associated with the effects of fluctuations in the prevailing levels of market interest rates. The financial asset and liability that potentially causes the Fund to subject to the interest rate risk are interest rate of deposits and interest rate of borrowing from financial institutions.

During the year 2015, the Fund had entered into an interest swap contracts with notional principal amount Baht 11,325.00 million, with the fixed interest rate of 5.45% per annum and the floating rates of THBFIX plus 3% per annum.

During the year 2017, the Fund had entered into on interest swap contracts with notional principal amount Baht 2,660.00 million, with the fixed interest rate of 2.07% per annum and the floating rates of THBFIX per annum.

The fair values of interest swap contracts instruments at the balance sheet date were:

	2019	2018
	Million Baht	Million Baht
Interest swap contracts with negative fair values	<u>(133.21)</u>	<u>(154.58)</u>

Credit risk

Credit risk is the risk that counterparties might not discharge their obligation causing the Fund to incur a financial loss. Credit risk arises from risk in the collectability of rental income from counterparties.

Fair value

Fair value of interest swap contracts are within level 2 of the value hierarchy.

The fair value of interest swap contracts as at 31 December 2019 have been calculated using the net present value technique which is the estimated amount that a bank would receive or pay to terminate the interest swap contracts.

14 Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Fund, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Fund. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Fund that gives them significant influence over the enterprise, key management personnel, including directors, officers of the Fund and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationships with related parties were as follows:

Name of Entities	Country of Incorporation/Nationality	Nature of Relationships
True Corporation Public Company Limited	Thailand	<ul style="list-style-type: none"> - The major unitholder, holding 28.90% of total outstanding units (2018: 25.79%) - The seller of the infrastructure assets - The major shareholder of Telecom Asset Manager, holding more than 5.00% of total issued and paid-up shares - The major shareholder of the seller of the right to the net revenues, holding more than 5.00% of total issued and paid-up share - The major shareholder of the seller of the infrastructure assets, holding more than 5.00% of total issued and paid-up shares - The major shareholder of the lessee of the infrastructure assets, holding more than 5.00% of total issued and paid-up shares
True Move H Universal Communication Company Limited	Thailand	<ul style="list-style-type: none"> - The unitholder, holding 0.10% of total outstanding units (2018: nil) and a subsidiary of True - The lessee of the infrastructure assets - The seller of the infrastructure assets
BFKT (Thailand) Limited	Thailand	<ul style="list-style-type: none"> - The seller of the right to the net revenue
Asia Wireless Communication Company Limited	Thailand	<ul style="list-style-type: none"> - The seller of the right to the net revenue - The lessor of the infrastructure assets
True Internet Corporation Company Limited	Thailand	<ul style="list-style-type: none"> - The seller of the infrastructure assets - The lessee of the infrastructure assets - The sub-lessee of the infrastructure assets

14 Related Party Transactions (Cont'd)

Relationships with related parties were as follows: (Cont'd)

Name of Entities	Country of Incorporation/Nationality	Nature of Relationships
Real Move Company Limited	Thailand	- The seller of the infrastructure assets
True Move Company Limited	Thailand	- The seller of the infrastructure assets
Telecom Asset Management Company Limited	Thailand	- The Fund's telecom asset manager
KASIKORNBANK Public Company Limited	Thailand	- The Fund's mutual fund supervisor
SCB Asset Management Company Limited	Thailand	- The Fund's management company
The Siam Commercial Bank Public Company Limited	Thailand	- The shareholder of management company which held 99.99% in management company - The unitholder, holding 0.00% of total outstanding units (2018: 2.44%) - The Fund's lender - Depository service and derivative

The following significant transactions were carried out with related parties:

	2019 Baht	2018 Baht	Pricing Policy
a) Revenue from the investment			
BFKT (Thailand) Limited			
Income from the investment in the asset and revenue sales and transfer agreement	1,875,023,820	1,880,334,180	Contractually agreed
Asia Wireless Communication Company Limited			
Income from the investment in the asset and revenue sales and transfer agreement	1,229,237,976	1,239,881,988	Contractually agreed
True Internet Corporation Company Limited			
Rental income	5,200,131,821	4,013,183,487	Contractually agreed
Other income	-	17,936,000	Contractually agreed
True Move H Universal Communication Company Limited			
Rental income	4,321,859,407	3,031,745,392	Contractually agreed
Other income	-	12,312,000	Contractually agreed
True Move Company Limited			
Other income	-	9,752,000	Contractually agreed
KASIKORNBANK Public Company Limited			
Interest income	9,803,071	10,443,812	0.30% - 0.55% per annum (2018: 0.37% - 0.87% per annum)
The Siam Commercial Bank Public Company Limited			
Interest income	14	14	0.375% per annum (2018: 0.375% per annum)

14 Related Party Transactions (Cont'd)

The following significant transactions were carried out with related parties: (Cont'd)

	2019 Baht	2018 Baht	Pricing Policy
b) Purchase of service			
SCB Asset Management Company Limited			
Management fee	115,594,923	100,682,967	As detailed in Note 12
The Siam Commercial Bank Public Company Limited			
Finance cost	325,438,479	318,084,378	Contractually agreed
Lead manager and placement agent fee	3,278,722	-	Contractually agreed
Net unrealised gain from interest rate swap	(31,723,158)	(57,028,260)	Contractually agreed
KASIKORNBANK Public Company Limited			
Mutual fund supervisor fee	29,222,185	23,915,731	As detailed in Note 12
Site visit expense	40,214	40,614	Contractually agreed
Telecom Asset Management Company Limited			
Telecom asset manager fee	43,839,537	60,269,563	As detailed in Note 12
Tower retrofit cost	1,500,400	-	As incurred
True Internet Corporation Company Limited			
Right of way costs	125,469,293	121,888,595	Contractually agreed
True Move H Universal Communication Company Limited			
Right of way costs	20,857,680	13,465,575	Contractually agreed
Tower retrofit cost	1,925,681	-	As incurred
Operating cost	3,386	2,327,554	Contractually agreed
Land lease and property tax cost	655,361,202	182,819,740	Contractually agreed
Compensation for relocation cost	81,338,400	79,200,000	Contractually agreed
c) Outstanding balance with related parties			
BFKT (Thailand) Limited			
Accounts receivable from the asset and revenue sales and transfer agreement	312,503,970	313,389,030	Contractually agreed
Reimbursement of the business tax	1,489,294	1,559,170	As incurred
Asia Wireless Communication Company Limited			
Reimbursement of the business tax	1,442,759	1,420,821	As incurred
True Internet Corporation Company Limited			
Trade accounts payable	502,562,538	410,356,160	Contractually agreed
Accounts payable - acquisition of assets	2,301,597,912	1,972,473,147	Contractually agreed

14 Related Party Transactions (Cont'd)

The following significant transactions were carried out with relate parties: (Cont'd)

	2019 Baht	2018 Baht	Pricing Policy
c) Outstanding balance with related parties (Cont'd)			
True Move H Universal Communication Company Limited			
Accounts receivable - advance payment	-	1,400,000	As incurred
Other assets	-	13,932	As incurred
Prepaid expense - management fee for land lease and property tax cost	1,163,729,350	750,569,787	Contractually agreed
Trade accounts payable	120,084,741	81,409,974	Contractually agreed
Accounts payable - acquisition of assets	2,212,446,935	1,444,212,826	Contractually agreed
Accrued expense - operating cost	3,386	-	Contractually agreed
Accrued expense - tower retrofit cost	2,060,479	-	As incurred
Unearned rental income	3,162,228,711	2,690,914,295	Contractually agreed
True Move Company Limited			
Accounts payable - acquisition of assets	1,314,508,687	1,314,508,687	Contractually agreed
KASIKORNBANK Public Company Limited			
Cash at bank	478,212,713	1,956,331,314	
Accounts receivable from interest	175,950	453,143	0.30% - 0.55% per annum (2018: 0.37% - 0.87% per annum)
Accrued mutual fund supervisor fee	2,916,841	2,480,449	As detailed in Note 12
Accrued expense - site visit expense	-	21,400	Contractually agreed
SCB Asset Management Company Limited			
Accrued management fee	11,206,896	9,991,223	As detailed in Note 12
The Siam Commercial Bank Public Company Limited			
Cash at bank	2,341,169	2,255,498	
Interest rate swap payable	27,686,951	59,410,109	Contractually agreed
Defer expense - lead manager and placement agent fee	44,262,743	-	Contractually agreed
Accrued expense - finance cost	54,793,185	56,055,309	Contractually agreed
Current portion of long-term borrowings	2,998,375,274	-	Contractually agreed
Long-term borrowing	3,134,843,532	6,113,643,627	Contractually agreed
Telecom Asset Management Company Limited			
Accrued telecom asset manager fee	3,976,486	3,738,876	As detailed in Note 12
Accrued expense - tower retrofit cost	1,605,428	-	As incurred

14 Related Party Transactions (Cont'd)

d) Transfer rights of use under business transfer agreement

On 1 September 2019, RMV, a major unitholder which hold 1.1% of the total outstanding units as at 31 August 2019 and the seller of infrastructure assets to the Fund has entered into a business transfer agreement to transfer all assets and to TUC. Therefore, TUC is a new major unitholder and the Fund's debt incurred from the purchase of infrastructure assets that owing to RMV become TUC too.

15 Events after the Accounting Reporting Period

At the Investment Committee Meeting No.1/2020 of the Fund held on 30 January 2020, the Committee approved the appropriation of dividends of Baht 0.2610 per unit, amounting to Baht 2,775 million. The dividends will be payable to unitholders in March 2020.



Section 4

Certification of the Accuracy of Information



CERTIFICATION OF THE ACCURACY OF INFORMATION

SCB Asset Management company limited (“the Management Company”) as the fund manager of Digital Telecommunications Infrastructure Fund (DIF) (“the Fund”) has reviewed the information in this annual registration statement carefully. The Management company hereby certifies that the aforesaid information is correct, complete, true and not misleading or lacking any material information that should have been disclosed.” In addition, the Management company hereby certifies that:

1. the financial statements and the financial information herein have been disclosed completely with regard to the materiality of the financial status and the operating results of the Fund;
2. The Management company has arranged an efficient disclosure system to ensure that the material information on the Fund has been disclosed correctly and completely, and the Management company has supervised the compliance with such disclosure system;
3. The Management company has arranged, and supervised the compliance with, an efficient internal control system, and the Management company has reported the information on assessment of the internal control system as of 31 December 2019 to the auditor of the Fund, which covers deficiencies and significant changes to the internal control system as well as wrongful acts may affect the financial reporting of the Fund;

as the evidence that all of the documents provided herein are identical to those certified by the Management company, the Management company has appointed Mrs. Tipaphan Puttarawigorm and Ms. Phiraya Wannakiri to affix signature on every page of the documents. Any part of the documents not affixed with such signatures shall not be deemed the information certified by the Management company.

Name	<u>Position</u>	<u>Signature</u>
1. Mrs. Tipaphan Puttarawigorm	Executive Director	
2. Ms. Phiraya Wannakiri	Senior Associate	

As the Management company of Digital Telecommunication Infrastructure Fund (DIF)



2019



SCBAM

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