

Independent Auditor's Report

To the Unitholders of Thailand Future Fund

Opinion

I have audited the accompanying financial statements of Thailand Future Fund (the Fund), which comprise the statement of financial position, including the details of investments, as at 30 September 2024, the related statements of comprehensive income, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thailand Future Fund as at 30 September 2024, and its financial performance, changes in net assets, and cash flows for the year then ended in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. 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 *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

I draw attention to Note 6 to the financial statements regarding the fair value of the investment in the Revenue Transfer Agreement as of 30 September 2024, which was appraised by an independent appraiser using the Income Approach. In determining the discounted cashflows from the investment, the independent appraiser used a discount rate based on the expected return on equity. Since the discount rate is a significant assumption that requires the exercise of judgement by the independent appraiser and the Fund's management to establish an expected long-term rate of return of the investment, and given the current volatility of economic and market conditions and market rates of return that may affect the determination of a discount rate, management has disclosed a sensitivity analysis of the fair value of the investment in the Revenue Transfer Agreement as of 30 September 2024 based on changes in the discount rate in this note to the financial statements. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Measurement of Investment in the Revenue Transfer Agreement

As described in Note 6 to the financial statements, the Fund presented the investment in the Revenue Transfer Agreement on the statement of financial position as at 30 September 2024 at its fair value of Baht 58,135 million, representing 99.0% of total assets. Since the investment is not traded in an active market and a quoted price is not available for the same or similar investments, the Fund's management determined its fair value based on the appraisal value calculated by an independent appraiser using the income approach. The management had to exercise significant judgement with respect to the projection of future cashflows that the Fund will receive from the investment, and also the determination of an appropriate discount rate. Therefore, I addressed the importance of the audit of the measurement of the investment's value.

I have gained an understanding of the calculation of the fair value of the investment in the Revenue Transfer Agreement by making inquiries of the management and reading the fair value appraisal report for the investment in the Revenue Transfer Agreement and the report on forecasted traffics and tolls of the relevant expressways. I also considered the scope and objectives of the fair value measurement performed by an independent appraiser and evaluated the techniques and financial models applied by the independent appraiser to measure the fair value. Moreover, I have evaluated the competence and the independence of the independent appraiser, reviewed the key information and the reasonableness of key assumptions used in the measurement of the fair value of investment, including the discount rate and tested the fair value calculation in accordance with the above financial models and assumptions. In addition, I compared the historical tolls with the toll forecasted by the traffic consultant to evaluate the reliability of toll forecast, and I reviewed the information disclosure relating to the fair value measurement of the investment in the Revenue Transfer Agreement in the notes to the financial statements.

Income from the investment in the Revenue Transfer Agreement

The income from the investment in the Revenue Transfer Agreement (RTA) is significant to the statement of income and is one of the key indicators of business performance of the Fund, on which the users of financial statements focus. Therefore, I addressed the importance of the audit of such income.



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To audit the income from the investment, I gained an understanding of the key provisions of the RTA. I assessed the appropriateness of the accounting policy on the recognition of the investment income, which was set by the management, tested the calculation of the income recognised in accordance with the conditions stipulated in the agreement, tested, on a sampling basis, the income earned and received by examining supporting documents, such as the tolls report prepared by the counterparty to the agreement and bank statements. I also tested the outstanding balance of the accounts receivable arising from the investment in the RTA as at the year-end date. In addition, I tested the tolls of the relevant expressways by assessing and testing the IT system and the internal controls with respect to the counterparty's toll reporting process and applied a sampling method to select and test the toll transactions occurring in the year.

Other Information

The Fund's management is responsible for the other information. The other information comprise the information included in annual report of the Fund, but does not include the financial statements and my auditor's report thereon. The annual report of the Fund 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 do 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 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 of the Fund, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the Fund's management for correction of the misstatement

Responsibilities of Management for the Financial Statements

The Fund's management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand, and for such internal control as the Fund's management determines 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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Fund's management is responsible 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 Thai Standards on Auditing 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 Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism 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's 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.



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- 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 these 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.

I am responsible for the audit resulting in this independent auditor's report.

Rosaporn Decharkom

Certified Public Accountant (Thailand) No. 5659

EY Office Limited

Bangkok: 29 November 2024

Thailand Future Fund

Statement of financial position

As at 30 September 2024

(Unit: Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Assets			
Investment in the Revenue Transfer Agreement			
at fair value (At cost: Baht 44,811 million)	6	58,135,000,000	60,620,300,000
Investments in securities at fair value			
(At cost: Baht 479.6 million (2023: Baht 413.0 million))	6	481,473,689	413,723,439
Cash at bank	7	66,366,146	80,940,104
Accounts receivable			
Revenue Transfer Agreement	8	24,990,424	17,712,856
Interest receivables		319,924	540,676
Other receivable		7,419	-
Prepaid expenses		4,033,402	3,612,520
Total assets		<u>58,712,191,004</u>	<u>61,136,829,595</u>
Liabilities			
Account payable - purchase of investment in security		-	6,900,183
Accounts payable and accrued expenses		19,045,588	14,760,791
Total liabilities		<u>19,045,588</u>	<u>21,660,974</u>
Net assets		<u>58,693,145,416</u>	<u>61,115,168,621</u>
Net assets			
Fund registered			
4,570,000,000 units of Baht 9.9569 each		45,503,033,000	45,503,033,000
Capital from unitholders		45,503,033,000	45,503,033,000
Retained earnings	9	13,190,112,416	15,612,135,621
Net assets		<u>58,693,145,416</u>	<u>61,115,168,621</u>
Net asset value per unit (Baht)		12.8431	13.3731
Number of units issued at the end of year (units)		4,570,000,000	4,570,000,000

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

Thailand Future Fund

Details of investments

As at 30 September 2024

Details of investments classified by asset category

Type of investments	Issue No. / Issue name	Maturity date	Yield to maturity (% per annum)	2024			2023		
				Cost (Baht)	Fair value (Baht)	Percentage of investment (%)	Cost (Baht)	Fair value (Baht)	Percentage of investment (%)
Investment in the infrastructure business									
Investment in the Revenue Transfer Agreement (Note 6)									
Investment in the Revenue Transfer Agreement (the "RTA") with the Expressway Authority of Thailand ("EXAT") is the right to receive revenue at the rate of 45% of the actual amount of tolls EXAT collected from motorists using Chalong Rat Expressway and Burapha Withi Expressway, after deducting an amount equivalent to the VAT then applicable, but in any case a minimum of 10% of tolls collected for a period of 30 years from the effective date of the RTA (29 October 2018)									
Total investment in the infrastructure business				44,811,000,000	58,135,000,000	99.18	44,811,000,000	60,620,300,000	99.32
Investments in debt securities (Note 6)									
Bond									
Bank of Thailand Bond	CB23N09A	9 November 2023	1.9753	-	-	-	40,000,000	39,907,469	0.07
Bank of Thailand Bond	CB23N23A	23 November 2023	1.9710	-	-	-	30,000,000	29,905,552	0.05
Bank of Thailand Bond	CB23N30A	30 November 2023	2.1584	-	-	-	100,000,000	99,646,188	0.16
Bank of Thailand Bond	CB23D21A	21 December 2023	2.3978	-	-	-	42,000,000	41,782,103	0.07
Bank of Thailand Bond	CB23D28A	28 December 2023	2.3990	-	-	-	12,000,000	11,932,394	0.02
Bank of Thailand Bond	CB23D28A	28 December 2023	2.3500	-	-	-	15,000,000	14,915,493	0.02
Bank of Thailand Bond	CB24404A	4 April 2024	1.7520	-	-	-	10,000,000	9,878,679	0.02
Bank of Thailand Bond	CB24509A	9 May 2024	2.1471	-	-	-	17,000,000	16,748,506	0.03
Bank of Thailand Bond	CBF24813A	13 August 2024	2.2486	-	-	-	15,000,000	15,006,505	0.02
Bank of Thailand Bond	CB24O17A	17 October 2024	2.3100	50,000,000	49,951,827	0.09	-	-	-
Bank of Thailand Bond	CB24O17B	17 October 2024	2.3300	30,000,000	29,971,490	0.05	-	-	-
Bank of Thailand Bond	CB24N21A	21 November 2024	2.1480	30,000,000	29,910,147	0.05	-	-	-
Bank of Thailand Bond	CB24D06A	6 December 2024	2.3600	40,000,000	39,841,148	0.07	-	-	-
Bank of Thailand Bond	CB24D12B	12 December 2024	2.2194	50,000,000	49,782,514	0.08	-	-	-
Bank of Thailand Bond	CB24D19A	19 December 2024	2.2975	70,000,000	69,665,705	0.12	-	-	-

The accompanying notes are an integral part of the interim financial statements.

Thailand Future Fund

Details of investments (Continued)

As at 30 September 2024

Details of investments classified by asset category

	2024				2023			
	Maturity date	Yield to maturity (% per annum)	Face value	Fair value	Percentage of investment	Face value	Fair value	Percentage of investment
			(Baht)	(Baht)	(%)	(Baht)	(Baht)	(%)
Investments in debt securities (Note 6) (continued)								
Bond								
Bank of Thailand Bond	CB25102A	2 January 2025	20,000,000	19,886,752	0.03	-	-	-
Bank of Thailand Bond	CB25206A	6 February 2025	10,000,000	9,922,231	0.02	-	-	-
Bank of Thailand Bond	CB25403A	3 April 2025	24,000,000	23,734,383	0.04	-	-	-
Bank of Thailand Bond	CB25508A	8 May 2025	10,000,000	9,868,035	0.02	-	-	-
Bank of Thailand Bond	BOT255A	29 May 2025	10,000,000	9,984,669	0.02	-	-	-
Bank of Thailand Bond	CB25703A	3 July 2025	10,000,000	9,835,498	0.02	-	-	-
Treasury bill								
Treasury bill	TB23D20A	20 December 2023	-	-	-	20,000,000	19,899,560	0.03
Treasury bill	TB24103A	3 January 2024	-	-	-	20,000,000	19,879,072	0.03
Treasury bill	TB24117A	17 January 2024	-	-	-	40,000,000	39,721,325	0.07
Treasury bill	TB24131A	31 January 2024	-	-	-	20,000,000	19,842,150	0.03
Treasury bill	TB24228A	28 February 2024	-	-	-	35,000,000	34,658,443	0.03
Treasury bill	TB24O09A	9 October 2024	20,000,000	19,989,715	0.03	-	-	-
Treasury bill	TB24D04A	4 December 2024	20,000,000	19,923,883	0.03	-	-	-
Treasury bill	TB24D18A	18 December 2024	20,000,000	19,903,912	0.03	-	-	-
Treasury bill	TB25129A	29 January 2025	10,000,000	9,926,571	0.02	-	-	-
Treasury bill	TB25312A	12 March 2025	15,000,000	14,852,879	0.03	-	-	-
Treasury bill	TB25326A	26 March 2025	45,000,000	44,522,330	0.07	-	-	-
Total investments in debt securities			484,000,000	481,473,689	0.82	416,000,000	413,723,439	0.68
Total investments				58,616,473,689	100.00		61,034,023,439	100.00

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

Thailand Future Fund

Statement of comprehensive income

For the year ended 30 September 2024

			(Unit: Baht)
	<u>Note</u>	<u>2024</u>	<u>2023</u>
Investment income			
Income from the Revenue Transfer Agreement	10	2,126,396,688	1,977,279,387
Interest income and other income		13,035,287	7,355,222
Total income		<u>2,139,431,975</u>	<u>1,984,634,609</u>
Expenses			
Management fee	12	52,175,075	46,358,339
Fund supervisor fee	12	8,478,450	7,533,230
Registrar fee	12	4,207,331	4,055,616
Professional fee		7,523,942	2,510,740
Other expenses	14	40,541,550	36,664,425
Total expenses		<u>112,926,348</u>	<u>97,122,350</u>
Net investment income		<u>2,026,505,627</u>	<u>1,887,512,259</u>
Net gains (losses) from investments			
Net realised losses from investments		(25,964)	(428,735)
Gains (losses) on change in fair value of investments		(2,484,849,641)	7,571,475,033
Total net gains (losses) from investments		<u>(2,484,875,605)</u>	<u>7,571,046,298</u>
Increase (decrease) in net assets resulting from operations		<u>(458,369,978)</u>	<u>9,458,558,557</u>

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

Thailand Future Fund

Statement of changes in net assets

For the year ended 30 September 2024

		(Unit: Baht)	
	<u>Note</u>	<u>2024</u>	<u>2023</u>
Increase in net assets resulting from operations during the year			
Net investment income		2,026,505,627	1,887,512,259
Net realised losses from investments		(25,964)	(428,735)
Gains (losses) on change in fair value of investments		(2,484,849,641)	7,571,475,033
Increase (decrease) in net assets resulting from operations		(458,369,978)	9,458,558,557
Distributions of income to unitholders during the year	11	(1,963,653,227)	(1,862,458,521)
Increase (decrease) in net assets during the year		(2,422,023,205)	7,596,100,036
Net assets at the beginning of year		61,115,168,621	53,519,068,585
Net assets at the end of year		<u>58,693,145,416</u>	<u>61,115,168,621</u>

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

Thailand Future Fund

Statement of cash flows

For the year ended 30 September 2024

(Unit: Baht)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Increase (decrease) in net assets resulting from operations	(458,369,978)	9,458,558,557
Adjustments to reconcile the increase in net assets from operations to net cash from operating activities:		
Purchases of investments in securities	(3,506,349,935)	(3,611,940,393)
Sales of investments in securities	3,450,711,662	3,543,994,702
Net purchase and sale of investments in securities	(55,638,273)	(67,945,691)
Increase in the accounts receivable from the Revenue Transfer Agreement	(7,277,568)	(5,996,855)
Decrease (increase) in accounts receivable from interest	220,752	(300,553)
Increase in other receivable	(7,419)	-
Increase in prepaid expenses	(420,882)	(12,239)
Increase (decrease) in account payable - purchase of investment in security	(6,900,183)	6,900,183
Increase in accounts payable and accrued expenses	4,284,797	458,191
Amortisation of discounts on investments	(11,687,582)	(5,907,631)
Net realised losses from investments	25,964	428,735
Losses (gains) on change in fair value of investments	2,484,849,641	(7,571,475,033)
Net cash from operating activities	<u>1,949,079,269</u>	<u>1,814,707,664</u>
Cash flows used in financing activities		
Distributions of income to unitholders	(1,963,653,227)	(1,862,458,521)
Net cash used in financing activities	<u>(1,963,653,227)</u>	<u>(1,862,458,521)</u>
Net decrease in cash at bank	<u>(14,573,958)</u>	<u>(47,750,857)</u>
Cash at bank at the beginning of year	<u>80,940,104</u>	<u>128,690,961</u>
Cash at bank at the end of year	<u><u>66,366,146</u></u>	<u><u>80,940,104</u></u>

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

Thailand Future Fund

Notes to financial statements

For the year ended 30 September 2024

1. General information

1.1 Description of Thailand Future Fund

Thailand Future Fund ("the Fund") was established and registered on 24 November 2016 as a mutual closed-end infrastructure fund with no project life stipulated. The Fund raised funds from the public and general investors, with main objective of utilising the proceeds from such fundraising to invest in infrastructure businesses. The Fund made an initial public offering of its units which was completed in October 2018 and made an initial investment in infrastructure business. The Fund may also engage in activities within the scope allowed under the Securities and Exchange Commission of Thailand's regulations and other relevant regulations, with a view to generate income and returns for the Fund and the unitholders. This may include investment in other securities and/or deriving benefits from other means as prescribed by securities laws and/or other relevant laws.

On 31 October 2018, the Stock Exchange of Thailand approved the listing of the Fund's units and permitted their trading in the Stock Exchange of Thailand on the same date.

The Fund is jointly managed by Krungthai Asset Management Public Company Limited ("KTAM") and MFC Asset Management Public Company Limited ("MFC") (together "the Management Companies") and its trustee is Kasikornbank Public Company Limited.

As at 30 September 2024, the Fund's major unitholder is Ministry of Finance, holding 10% of the Fund's units issued.

2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand.

The financial statements in Thai language are the official statutory financial statements of the Fund. The financial statements in English language have been translated from the Thai language financial statements.

3. Dividend policy

The Fund has a policy to pay dividends to the unitholders at least twice a year in the case that the Fund has a sufficient amount of accumulative profit. The Fund may make a dividend payment by cash and capital reduction according to the Fund management project and the securities law.

The dividend policy of the Fund is as follow.

- 1) Any proposed payment of dividend will be made to unitholders from the adjusted net profit, in aggregate for each financial year, at a rate of not less than 90% of the adjusted net profit.
- 2) In case that the Fund has retained earnings, management company may make a dividend payment to the unitholders from such retained earnings.
- 3) In case that the Fund has accumulated losses, management company shall not pay dividend neither out of the adjusted net profit as mentioned 1) nor the retained earnings as mentioned in 2).
- 4) In case that the Fund has excess liquidity, management company may make a dividend payment to the unitholders by capital reduction.

4. Significant accounting policies

4.1 Revenues and expenses recognition

Income from the Revenue Transfer Agreement is recognised on an accrual basis.

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

Premiums or discounts on debt instruments are amortised throughout the remaining term of the debt instruments, using the effective rate method, and included as part of interest income.

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

Expenses are recorded on an accrual basis.

4.2 Measurement of investment value

Investments in financial assets are initially recognised at fair value on the date which the Fund has rights on investments. Subsequently, the investments are measured at fair value and gain or loss on measurement of such investments (if any) are presented as net unrealised gain or loss in the statement of income when incurred.

Investment in the Revenue Transfer Agreement

Investment in the Revenue Transfer Agreement is stated at fair value. The Management Companies measured the fair value as at the statement of financial position date using the latest appraisal value from the appraisal report or the review report by an independent appraiser approved by the Securities and Exchange Commission. An appraisal will be made when economic conditions change, but at least every 3 years after the latest valuation date and to be reviewed every year after the latest valuation.

Gains or losses on valuation of investment (if any) are presented as net unrealised gains or losses in the statement of income in the year they occur.

Investments in securities

Investments in debt securities are presented at fair value, based on the latest yield rate quoted by the Thai Bond Market Association as of the date on which the investments are valued, which the Management Companies consider to be the nearest equivalent to fair value. Gains or losses from the valuation of investments are recorded as net unrealised gains or losses in the statement of income. To determine the cost of investments which are disposed of, the average method is used.

Investments in cash at banks, bills of exchange and non-transferable promissory notes are presented using the sum of principal and accrued interest as of the date on which the investment is valued to determine fair value. Accrued interest is separately presented in the statement of financial position under the caption of "Accounts receivable - interest receivables".

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Accounts receivable from the Net Revenue Transfer Agreement

Accounts receivable from the Net Revenue Transfer Agreement are stated at the net realisable value (an approximate fair value).

4.5 Distribution of income to unitholders

Decreases in retained earnings are recognised on the date a dividend is declared.

4.6 Provisions

Provisions are recognised when the Fund has a present obligation as a result of a past event, it is probable that an outflow of resource embodying economic benefits will be required to settle obligation, and a reliable estimate can be made of the amount of the obligation.

4.7 Income tax

The Fund has no corporate income tax liability since it is not subject to corporate income tax in Thailand.

4.8 Related party transactions

Related parties of the Fund comprise individuals or enterprises that own voting interest of at least 10% in the Fund, control, or are controlled by, the Fund, whether directly or indirectly, or which are under common control with the Fund.

They also include the management companies, fund supervisor and their related parties and included associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Fund that gives them significant influence over the Fund, key management personnel and directors of the management companies with authority in the planning and directing the Fund's operations.

4.9 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Fund applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Fund measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Fund determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with the Accounting Guidance at times requires the Management Companies to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgements and estimates are as follows.

Fair value of investment in the Revenue Transfer Agreement

The fair value of the investment in the Revenue Transfer Agreement (the RTA) is determined by reference to the appraise value from the appraisal report or the review report by an independent appraiser who uses income approach method. The determination of the fair value of the investment requires the use of estimates for the future cash flows that the Fund will receive under the agreement which is calculated at the rate of 45% of the amount of tolls Expressway Authority of Thailand collected from motorists using Chalong Rat Expressway and Burapha Withi Expressway, after deducting an amount equivalent to the VAT then applicable, but in any case a minimum of 10% of tolls collected for the remaining period of the RTA (expiry date 28 October 2048). An appropriate discount rate is used to discount the series of the projected cash flows to present value of which the aggregate amount equals the fair value of the investment. The key assumptions that are used in the valuation include the traffics of the two expressways, average toll rate, growth rate of Consumer Price Index for Bangkok, transportation development plans, including road service implementation plans, number of days the government announced as toll-free day for Burapha Withi Expressway, and discount rate etc.

6. Investments at fair value

Movements of the investments at fair value for the years ended 30 September 2024 and 2023 are as follow.

	(Unit: Thousand Baht)	
	Investment in the Revenue Transfer Agreement	Investments in securities
Balance as at 1 October 2022	53,049,100	340,024
Add: Purchases	-	3,611,940
Amortisation of discounts on investments	-	5,908
Less: Disposals	-	(3,543,995)
Gain (loss) on investment valuation	7,571,200	(154)
Balance as at 30 September 2023	60,620,300	413,723
Add: Purchases	-	3,506,350
Amortisation of discounts on investments	-	11,688
Less: Disposals	-	(3,450,712)
Gain (loss) on investment valuation	(2,485,300)	424
Balance as at 30 September 2024	58,135,000	481,473

Investment in the Revenue Transfer Agreement

The fair value of investment in the Revenue Transfer Agreement as at 30 September 2024 was appraised by an independent appraiser using the income approach, calculating the present value of the investment by discounting the projected cashflows from the investment. The Fund engages an independent appraiser to calculate the fair value to be presented in the financial statements on an annual basis. The independent appraiser directly reports to the management companies.

To calculate the discounted cashflows, the independent appraiser determined the discount rate from the expected return on equity calculated by using Capital Asset Pricing Model (CAPM) which requires the determination of risk free rate, Beta (β), market risk premium that the independent appraiser selected to collect the market data on the average return on equity securities on the Stock Exchange of Thailand over the past 30 years (equal to the term of the Revenue Transfer Agreement) deducted by a risk free rate, including specific risk.

For the benefit of the investment valuation, the Fund will engage an independent traffic consultant to estimate the traffic volume at least every 3 years. For the year ended 30 September 2024, the Fund has engaged an independent traffic consultant to estimate the traffic volume and tolls for the period from 30 September 2024 to the expiration of the Revenue Transfer Agreement (28 October 2048), using a traffic engineering model which takes into account the macro socio-economic data such as population geography, employment rate, income per household, number of students, transportation development plans, road service implementation plans, capacity of the linkage, alternative modes of transport, public transportation options, and the costs of other transportation options, among others. The Fund management and the independent appraiser have reviewed estimates of the traffic volume and tolls and are of the opinion that the estimates are appropriate based on the current situation and are suitable for the valuation of fair value of the investment as at 30 September 2024.

Key assumptions used in the valuation of investment are summarised below:

	2024	2023
	(per annum, except otherwise specified)	(per annum, except otherwise specified)
Discount rate	5.81%	6.42%
Forecasted long-term growth rate of Consumer Price Index for Bangkok where the toll rates are reviewed for adjustment every 5 years in accordance with the Revenue Transfer Agreement, and the first consideration for adjustment of the toll rates made in 2023 and will be effective in 2024	2.00%	2.00%
Number of days for toll exemption - Burapha Withi Expressway	15 days	15 days
The maximum capacity		
• Chalong Rat Expressway	33,000 vehicles per day per traffic lane	33,000 vehicles per day per traffic lane
• Burapha Withi Expressway	30,800 vehicles per day per traffic lane	30,800 vehicles per day per traffic lane
Range of the growth rate of average daily traffics until expiry date of the Revenue Transfer Agreement		
• Chalong Rat Expressway	0.2% - 8% ^{a)}	0.1% - 9%
• Burapha Withi Expressway	0.1% - 9% ^{a)}	0.2% - 13%
a) The growth rates of average daily traffic of the Chalong Rat Expressway and Burapha Withi Expressway from 2024 to 2027 are 4% to 9% per annum, after which the growth rates of average daily traffic are between 0.1% and 9% per annum.		

The sensitivity analysis

Because the discount rate is a significant assumption in determining the fair value of the investment in the Revenue Transfer Agreement, which requires the exercise of judgement by an independent appraiser and the Fund management to establish an expected long-term rate of return of the investment, and the current economic and market condition and market rates of return that may affect the determination of a discount rate, are volatile, the sensitivity analysis of the fair value of the investment as of 30 September 2024 based on the changes in discount rate is presented by the Fund as follows.

	(Unit: Million Baht)
	The increase (decrease) in fair value of the investment
Discount rate increased by 1.0%	(6,133)
Discount rate decreased by 1.0%	7,183

The investments that were measured at fair value using different levels of inputs as at 30 September 2024 and 2023 are as follows.

	(Unit: Million Baht)			
	2024			
	Level 1	Level 2	Level 3	Total
Investment in the Revenue Transfer Agreement	-	-	58,135	58,135
Investments in securities	-	481	-	481

	(Unit: Million Baht)			
	2023			
	Level 1	Level 2	Level 3	Total
Investment in the Revenue Transfer Agreement	-	-	60,620	60,620
Investments in securities	-	414	-	414

During the current year, there were no transfers within the fair value hierarchy and no change in valuation technique.

7. Cash at bank

Bank	Principal (Million Baht)		Interest rate (% per annum)	
	2024	2023	2024	2023
Saving account				
Kasikornbank Public Company Limited	24.36	8.15	0.50	0.40
United Overseas Bank (Thai) Public Company Limited	35.51	34.83	1.15	1.05
Krung Thai Bank Public Company Limited	6.50	17.96	0.55	0.45
Government Housing Bank	-	20.00	-	1.80
Total	66.37	80.94		

8. Accounts receivable from the Revenue Transfer Agreement

As at 30 September 2024 and 2023, the balances of accounts receivable from the Revenue Transfer Agreement were not yet due.

9. Retained earnings

	(Unit: Thousand Baht)	
	For the year ended 30 September	
	2024	2023
Accumulated net investment income	7,970,410	6,082,898
Accumulated net realised losses on investments	(1,862)	(1,434)
Accumulated gains on change in fair value of investments	15,809,663	8,238,188
Accumulated distributions of income to unitholders	(8,166,075)	(6,303,616)
Retained earnings at the beginning of year	15,612,136	8,016,036
Add: Increase (decrease) in net assets resulting from operations during the year	(458,370)	9,458,559
Less: Distributions to unitholders during the year	(1,963,653)	(1,862,459)
Retained earnings at the end of year	13,190,113	15,612,136

10. Income from the Revenue Transfer Agreement

Income from the Revenue Transfer Agreement by each tollway for the years ended 30 September 2024 and 2023 are as follows.

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Chalong Rat Expressway	1,241,259	1,148,253
Burapha Withi Expressway	885,138	829,026
Total	<u>2,126,397</u>	<u>1,977,279</u>

11. Distribution to unitholders

Dividends declared during the years consisted of the following.

<u>Declaration date</u>	<u>For the operations of the period</u>	<u>Per unit</u>	<u>Total</u>
		(Baht)	(Million Baht)
30 November 2023	1 July 2023 to 30 September 2023	0.1057	483
21 February 2024	1 October 2023 to 31 December 2023	0.1039	475
16 May 2024	1 January 2024 to 31 March 2024	0.1099	502
16 August 2024	1 April 2024 to 30 June 2024	0.1102	504
Total for 2024		<u>0.4297</u>	<u>1,964</u>
30 November 2022	1 July 2022 to 30 September 2022	0.1003	458
20 February 2023	1 October 2022 to 31 December 2022	0.1032	472
19 May 2023	1 January 2023 to 31 March 2023	0.1032	472
22 August 2023	1 April 2023 to 30 June 2023	0.1009	461
Total for 2023		<u>0.4076</u>	<u>1,863</u>

12. Fund expenses

The Management Companies calculate the management fee, fund supervisor fee and registrar fee as follows:

Management fee

The management fee is charged at the rate not more than 1.00% per annum of the net asset value of the Fund at the end of month. The minimum fee is Baht 10 million per annum (exclusive of VAT or other similar taxes).

Fund supervisor fee

The fund supervisor fee is calculated at the rate not more than 0.50% per annum of the net asset value of the Fund at the end of month (exclusive of VAT or other similar taxes).

Registrar fee

A registrar fee is calculated at a rate of 0.043% per annum of the Fund's registered capital (exclusive of VAT or other similar taxes). After the capital increase, a registrar fee is calculated at a rate of 0.010% - 0.035% per annum of the Fund's registered capital. The maximum charge is Baht 4 million per annum (excludes value added tax or any other similar tax).

13. Related party transactions

The below table presents relationships with enterprises and individuals that control, or are controlled by the Fund, whether directly or indirectly, or which are under common control with the Fund.

Name of entities	Nature of relationship
Ministry of Finance	Unitholder, holding 10% of the Fund's units
Krung Thai Asset Management Public Company Limited	The Fund's management company
MFC Asset Management Public Company Limited	The Fund's management company
Kasikornbank Public Company Limited	The Fund's fund supervisor
Krung Thai Bank Public Company Limited	The major shareholder of Krung Thai Asset Management Public Company Limited

During the year, the Fund had significant business transactions with related parties which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Fund and those companies. Below is a summary of those transactions.

(Unit: Million Baht)

	For the year ended		
	30 September		Transfer pricing policy
	2024	2023	
Ministry of Finance			
Dividend paid	196.37	186.27	Note 11
Krung Thai Asset Management Public Company Limited			
Management fee	26.10	23.18	Note 12
MFC Asset Management Public Company Limited			
Management fee	26.08	23.18	Note 12
Kasikornbank Public Company Limited			
Fund supervisor fee	8.48	7.53	Note 12
Interest income	0.16	0.10	General deposit interest rate
Krung Thai Bank Public Company Limited			
Interest income	0.03	0.07	General deposit interest rate

The Fund had the following significant outstanding balances with its related companies.

	(Unit: Million Baht)	
	30 September 2024	30 September 2023
Krung Thai Asset Management Public Company Limited		
Accrued management fee	2.06	2.15
MFC Asset Management Public Company Limited		
Accrued management fee	2.06	2.15
Kasikornbank Public Company Limited		
Cash at bank	24.36	8.15
Accrued fund supervisor fee	0.67	0.70
Krung Thai Bank Public Company Limited		
Cash at bank	6.50	17.96

14. Other expenses

Other expense for the years ended 30 September 2024 and 2023 are summarised as follows.

	(Unit: Thousand Baht)	
	2024	2023
Insurance premium expenses	27,990	23,055
Expenses related to book closing for distributions to unitholders	5,928	6,081
Expenses related to annual general meeting	2,010	2,052
Others	4,614	5,476
Total	40,542	36,664

15. Information on investment purchase and sale transactions

The Fund's investment purchase and sale transactions for the year ended 30 September 2024, excluding investments in cash at bank and investments in promissory notes, amounted to Baht 6,957 million which is 11.45% of the average net asset value during the year (2023: Baht 7,156 million, represented 13.21%).

16. Commitments

The Fund is committed to pay service fees and other fees to counterparties as described in Note 12 to the financial statements.

17. Financial instruments

17.1 Financial risk management

The Fund's financial instruments comprise investment in the RTA, investments in securities, cash at bank, receivables from the RTA and accrued interest, accounts payable and accrued expenses. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Fund is exposed to credit risk primarily with respect to investments in the Revenue Transfer agreement, investment in the debt securities, and the accounts receivable from the RTA and interest receivable from cash at bank. The Fund concentrates in investing in the investments that the counterparty to the agreement or the issuer of the instruments are financially stable, the Fund therefore does not expect to incur material financial losses from credit in the short to the medium term. The maximum exposure to credit risk is the carrying amounts of the assets as stated in the statement of financial position.

Interest rate risk

The Fund's exposure to interest rate risk relates primarily to its investments in securities and cash at bank. However, most of the Fund's financial assets are short-term in nature and bear fixed interest rates which are close to the market rate. Therefore, the interest rate risk is expected to be minimal.

17.2 Fair values of financial instruments

The Fund measures its investments in the Revenue Transfer Agreement and the securities at fair value. Other major financial instruments held by the Fund are short-term in nature or carrying interest at rates close to market interest rate, the Fund therefore believe that fair value of financial instruments is not to be materially different from the amounts presented in the statement of financial position.

18. Capital management

The primary objectives of the Fund's financial management are to maintain its ability to continue as a going concern and to maintain an appropriate capital structure in order to provide returns for unitholders in accordance with the Fund's establishment objective.

19. Segment information

The Fund operates in a single business segment that is the investment in the infrastructure businesses and its operation is carried on only in Thailand. As a result, all of the revenues, operating profits (losses) and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

20. Approval of financial statements

These financial statements were authorised for issue by Krungthai Asset Management Public Company Limited and MFC Asset Management Public Company Limited as the Management Companies on 29 November 2024.