Enclosure 3

Thailand Future Fund
Report and financial statements
30 September 2020

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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 balance sheet, including the details of investments as at 30 September 2020, the related statements of income, change in net assets, cash flows and significant financial information 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 2020, and its financial performance, changes in net assets, cash flows, and significant financial information for the year then ended in accordance with Thai Financial Reporting Standards.

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* as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 2 to the financial statements. In preparing the financial statements for the year ended 30 September 2020, the Fund adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions. My opinion on the financial statements referred to above 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 year. 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 7 to the financial statements, the Fund presented the investment in the Revenue Transfer Agreement on the balance sheet as at 30 September 2020 at its fair value of Baht 52,907 million, representing 98.5% 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 Fund's management had to exercise significant judgement with respect to the projection of future cashflows that the Fund will receive from the investment, including the determination of an appropriate discount rate by an independent appraiser. 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 report on forecasted traffic and tolls of the relevant expressways and the fair value appraisal report for the investment in the Revenue Transfer Agreement. I also considered the scope and objectives of the fair value measurement performed by an independent appraiser, and evaluated the techniques and models applied by the independent appraiser to measure the fair value, as specified in the appraisal report prepared by the independent appraiser. Moreover, I have evaluated the competence and the independence of the independent appraiser, reviewed the key information and the reasonableness of key assumptions and the discount rate used in the measurement and tested the fair value calculation in accordance with the above 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.

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

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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 Thai Financial Reporting Standards, 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.
- 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 year 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.

Suchada T.

Suchada Tantioran
Certified Public Accountant (Thailand) No. 7138

EY Office Limited

Bangkok: 19 November 2020

Thailand Future Fund

Balance sheet

As at 30 September 2020

(Unit: Baht)

	Note	2020	2019
Assets			
Investment in the Revenue Transfer Agreement			
at fair value (At cost: Baht 44,811 million)	7	52,907,000,000	53,166,000,000
Investments in securities at fair value			
(At cost: 2020: Baht 376.0 million, and 2019: Baht 481.6 million)	7	376,570,959	482,802,910
Cash at bank	8	90,778,291	54,182,360
Accounts receivable			
Revenue Transfer Agreement	9	12,438,319	26,207,012
Interest receivables		61,086	192,358
Prepaid expenses		5,178,148	5,406,529
Deferred units issuance costs	10	316,407,611	611,077,326
Total assets		53,708,434,414	54,345,868,495
Liabilities			
Accounts payable and accrued expenses		12,318,047	14,718,653
Total liabilities		12,318,047	14,718,653
Net assets		53,696,116,367	54,331,149,842
Net assets			
Fund registered			
4,570,000,000 units of Baht 9.9569 each	11	45,503,033,000	45,503,033,000
Capital from unitholders		45,503,033,000	45,503,033,000
Retained earnings	12	8,193,083,367	8,828,116,842
Net assets		53,696,116,367	54,331,149,842
Net asset value per unit (Baht)		11.7497	11.8886
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 2020

Details of investments classified by asset categories

	2020			2019		
	Cost	Fair value	Percentage of investment	Cost	Fair value	Percentage of investment
	(Baht)	(Baht)	(%)	(Baht)	(Baht)	(%)
Investment in the infrastructure business						
Investment in the Revenue Transfer Agreement (Note 7)	44,811,000,000	52,907,000,000	99.29	44,811,000,000	53,166,000,000	99.10
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**	**52,907,000,000**	**99.29**	**44,811,000,000**	**53,166,000,000**	**99.10**

Bonds		Maturity date	Yield to maturity	Face value	Fair value	Percentage of investment	Face value	Fair value	Percentage of investment
			(% per annum)	(Baht)	(Baht)	(%)	(Baht)	(Baht)	(%)
Investments in debt securities									
Bank of Thailand Bond	CB19O08A	8 October 2019	1.3000	-	-	-	30,000,000	29,992,436	0.05
Bank of Thailand Bond	CB19O10B	10 October 2019	1.7250	-	-	-	32,000,000	31,986,277	0.06
Bank of Thailand Bond	CB19O24B	24 October 2019	1.7500	-	-	-	51,200,000	51,143,602	0.10
Bank of Thailand Bond	CB19O31A	31 October 2019	1.4650	-	-	-	101,000,000	100,888,884	0.19
Bank of Thailand Bond	CB19N28B	28 November 2019	1.4750	-	-	-	9,000,000	8,980,058	0.02
Bank of Thailand Bond	CB19D06A	6 December 2019	1.4571	-	-	-	128,600,000	128,271,927	0.24
Bank of Thailand Bond	CB19D26A	26 December 2019	1.3700	-	-	-	2,000,000	1,993,577	0.00
Bank of Thailand Bond	CB19D26B	26 December 2019	1.3612	-	-	-	17,100,000	17,044,580	0.03
Bank of Thailand Bond	CB20130A	30 January 2020	1.3500	-	-	-	11,800,000	11,746,263	0.02
Bank of Thailand Bond	CB20213A	13 February 2020	1.4000	-	-	-	50,500,000	50,245,400	0.09
Bank of Thailand Bond	CB20312A	12 March 2020	1.8100	-	-	-	20,000,000	19,874,854	0.04

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

Thailand Future Fund

Details of investments (Continued)

As at 30 September 2020

Details of investments classified by asset categories

Bonds		Maturity date	Yield to maturity	2020			2019		
				Face value	Fair value	Percentage of investment	Face value	Fair value	Percentage of investment
			(% per annum)	(Baht)	(Baht)	(%)	(Baht)	(Baht)	(%)
Investments in debt securities (continued)									
Bank of Thailand Bond	CB20O01C	1 October 2020	0.4930	30,000,000	30,000,000	0.06	-	-	-
Bank of Thailand Bond	CB20O22A	22 October 2020	0.9509	11,500,000	11,496,957	0.02	-	-	-
Bank of Thailand Bond	CB20N12A	12 November 2020	0.5130	70,000,000	69,961,806	0.13	-	-	-
Bank of Thailand Bond	CB20N19B	19 November 2020	0.4900	50,000,000	49,967,131	0.09	-	-	-
Bank of Thailand Bond	CB20D24A	24 December 2020	0.5200	25,000,000	24,972,988	0.05	-	-	-
Bank of Thailand Bond	CB21107A	7 January 2021	1.1225	33,000,000	32,957,746	0.06	-	-	-
Bank of Thailand Bond	CB21121A	21 January 2021	0.4430	18,000,000	17,972,701	0.03	-	-	-
Bank of Thailand Bond	CB21204A	4 February 2021	1.1220	39,000,000	38,934,143	0.07	-	-	-
Bank of Thailand Bond	CB21204B	4 February 2021	0.4001	30,000,000	29,949,599	0.06	-	-	-
Bank of Thailand Bond	BOT212A	28 February 2021	1.8785	500,000	502,307	0.00	30,500,000	30,635,052	0.06
Bank of Thailand Bond	CB21304A	4 March 2021	0.9690	30,000,000	29,938,106	0.06	-	-	-
Bank of Thailand Bond	CB21304B	4 March 2021	0.5130	40,000,000	39,917,475	0.08	-	-	-
Total investments in debt securities				**377,000,000**	**376,570,959**	**0.71**	**483,700,000**	**482,802,910**	**0.90**
Total investments					**53,283,570,959**	**100.00**		**53,648,802,910**	**100.00**

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

Thailand Future Fund

Statement of income

For the year ended 30 September 2020

(Unit: Baht)

	Note	2020	2019
Investment income			
Income from the Revenue Transfer Agreement		1,909,029,983	2,042,182,008
Interest income and other income		8,179,193	11,822,228
Total income		1,917,209,176	2,054,004,236
Expenses			
Management fee	*14*	46,354,005	36,985,557
Fund supervisor fee	*14*	7,532,526	6,495,598
Registrar fee	*14*	4,605,050	5,585,458
Professional fees		2,335,629	2,248,305
Amortisation of deferred units issuance costs	*10*	294,669,715	271,321,568
Other expenses	*16*	36,352,437	31,172,076
Total expenses		391,849,362	353,808,562
Net investment income		1,525,359,814	1,700,195,674
Net gains (losses) from investments			
Net realised gains (losses) from investments		379,454	(1,958,927)
Net unrealised gains (losses) from investments		(259,205,231)	8,355,983,344
Total net gains (losses) from investments		(258,825,777)	8,354,024,417
Increase in net assets resulting from operations		1,266,534,037	10,054,220,091

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 2020

(Unit: Baht)

	Note	2020	2019
Increase (decrease) in net assets resulting from operations during the year			
Net investment income		1,525,359,814	1,700,195,674
Net realised gains (losses) from investments		379,454	(1,958,927)
Net unrealised gains (losses) from investments		(259,205,231)	8,355,983,344
Increase in net assets resulting from operations		1,266,534,037	10,054,220,091
Increase in capital from unitholders	*11*	-	44,700,000,000
Capital reduction during the year	*11*	-	(196,967,000)
Distribution of income to unitholders during the year	*13*	(1,901,567,512)	(1,248,060,874)
Increase (decrease) in net assets during the year		(635,033,475)	53,309,192,217
Net assets at the beginning of year		54,331,149,842	1,021,957,625
Net assets at the end of year		53,696,116,367	54,331,149,842

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

Thailand Future Fund

Significant financial information

For the year ended 30 September 2020

(Unit: Baht)

	For the year ended 30 September 2020	For the year ended 30 September 2019	For the period from 1 January 2018 to 30 September 2018	For the year ended 31 December 2017	For the period from 24 November 2016 to 31 December 2016
Operating performance (per unit)					
Net asset value at the beginning of year/period	11.8886	10.2195	10.1395	10.0098	-
Add: Increase in capital from unitholders	-	-	-	-	10.0000
Less: Decrease of net asset value per unit from increase of capital from unitholders	-	(0.2147)	-	-	-
Payment of capital reduction	-	(0.0431)	-	-	-
Distribution of income to unitholders	(0.4161)	(0.2731)	-	-	-
Income from investment operations					
Net investment income	0.3338	0.3720	0.0879	0.1266	0.0100
Net realised gains (losses) from investments	0.0001	(0.0004)	0.0007	0.0002	-
Net unrealised gains (losses) from investments	(0.0567)	1.8284	(0.0086)	0.0029	(0.0002)
Total income from investment operations	0.2772	2.2000	0.0800	0.1297	0.0098
Net asset value at the end of year/period	11.7497	11.8886	10.2195	10.1395	10.0098
Ratio of increase in net assets from operations to average net assets during the year/period (%)	2.34	23.04	0.79	1.29	0.10
Significant financial ratios and additional information					
Net assets at the end of year/period (Baht)	53,696,116,367	54,331,149,842	1,021,957,625	1,013,956,225	1,000,987,754
Ratio of total expenses to average net assets during the year/period (%)	0.72	0.81	0.15	0.18	0.03
Ratio of total investment income to average net assets during the year/period (%)	3.54	4.71	1.01	1.42	0.13
Ratio of weighted average investment purchases and sales during the year/period to average net assets during the year/period (%)*	0.06	101.89	304.21	457.81	89.54
Average net assets during the year/period (Baht)	54,109,875,954	43,632,081,271	1,018,452,623	1,007,878,125	1,000,484,708

* Investment purchases and sales exclude cash at bank and investments in promissory notes, and must be real purchases or sales of investments which exclude purchases under resale agreements or sales under repurchase agreements.

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

Thailand Future Fund

Statement of cash flows

For the year ended 30 September 2020

	2020	2019
		(Unit: Baht)
Cash flows from operating activities		
Increase in net assets resulting from operations	1,266,534,037	10,054,220,091
Adjustments to reconcile the increase in net assets from operations to net cash from (used in) operating activities:		
Purchase of investment in the Revenue Transfer Agreement	-	(44,811,000,000)
Purchases of investments in securities	(2,296,406,121)	(2,434,620,484)
Sales of investments in securities	2,407,902,747	2,836,583,571
Net purchase and sale of investments in securities	111,496,626	401,963,087
Decrease (increase) in the accounts receivable from the Revenue Transfer Agreement	13,768,693	(26,207,012)
Decrease in accounts receivable from interest	131,272	2,106,765
Increase in prepaid expenses	228,381	(5,290,559)
Amotisation of deferred units issuance costs	294,669,715	271,321,568
Increase (decrease) in accounts payable and accrued expenses	(2,400,606)	14,132,567
Amortisation of discounts on investments	(5,090,452)	(6,061,080)
Net realised (gains) losses from investments	(379,454)	1,958,927
Net unrealised (gains) losses from investments	259,205,231	(8,355,983,344)
Net cash from (used in) operating activities	1,938,163,443	(42,458,838,990)
Cash flows from (used in) financing activities		
Proceed from paid-in capital from unitholders	-	44,700,000,000
Cash paid for units issuance costs	-	(860,940,957)
Payment of capital reduction	-	(196,967,000)
Distribution of income to unitholders	(1,901,567,512)	(1,248,060,874)
Net cash from (used in) financing activities	(1,901,567,512)	42,394,031,169
Net increase (decrease) in cash at bank	36,595,931	(64,807,821)
Cash at bank at the beginning of year	54,182,360	118,990,181
Cash at bank at the end of year	90,778,291	54,182,360

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

Thailand Future Fund

Notes to financial statements

For the year ended 30 September 2020

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 Securities and Exchange Commission, Thailand ("SEC") regulations and other relevant regulations, with a view to generate income and returns for the Fund and the unitholders. This may include investment in other securities and/or deriving benefits from other means as prescribed by securities laws and/or other relevant laws.

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 2020, the Fund's major unitholder is Ministry of Finance, holding 10% of the Fund's units issued.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic has been evolving, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation brought uncertainties and had an impact on the overall environment in which the Fund operates. The Fund's management has continuously monitored ongoing developments and assessed the financial impact on the Fund and has used estimates and judgement in respect of various issues as the situation has evolved in order to prepare these financial statements. These judgments and estimates affect reported amounts and disclosures and actual results could differ.

2. **Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and in accordance with the regulations and format specified in Accounting Standard No.106 "Accounting for Investment Business".

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020. Subsequently, on 18 May 2020, the Office of Securities and Exchange Commission of Thailand issued a notification letter informing that infrastructure funds can adopt the Accounting Guidance to prepare their financial statements in accordance with the time frame stipulated by the Federation of Accounting Professions.

The Fund adopted the Accounting Guidance on temporary relief measures on accounting alternatives. The Fund lightly weighted information relating to the COVID-19 in preparing the financial projection to measure the fair value of investment in the Revenue Transfer Agreement during the period of uncertainty relating to this situation.

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. New financial reporting standards and new accounting guidance that are effective for fiscal years beginning on or after 1 January 2019

(a) Financial reporting standards that became effective in the current year

During the year, the Fund has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Fund's financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The adoption of this standard has no significant impact on the financial statements of the Fund because the major income of the Fund is not within the scope of this standard.

(b) The Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts effective in the fiscal years beginning on or after 1 January 2020

For the current year, the Fund prepared its financial statements in accordance with Thai financial reporting standards enunciated under the Accounting Professions Act B.E. 2547 (TFRSs) and in accordance with the basis and format specified in Accounting Standard No.106 "Accounting for Investment Business". However, as TFRSs related to financial instruments are effective for accounting periods beginning on or after 1 January 2020, TAS 106 "Accounting for Investment Business" is cancelled. The Association of Investment Management Companies has, therefore, issued the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts ("the Accounting Guidance"), which has been approved by the Securities and Exchange Commission of Thailand ("SEC"), to be adopted by property funds, real estate investment trusts, infrastructure funds and infrastructure trusts established under the SEC's regulations.

The Accounting Guidance stipulates that an entity adopting the guidance not refer to other financial reporting standards promulgated by the Federation of Accounting Professions of Thailand ("TFAC") in respect of matters covered by the Accounting Guidance, while for those matters not covered by the Accounting Guidance, the entity is to follow the financial reporting standards issued by TFAC that are effective in that financial reporting period.

The Accounting Guidance stipulates rules regarding the classification and measurement of various transactions and balances, including investment properties, leases, consolidated financial statements, revenue and expenses, as well as financial instruments. It requires all financial assets to be measured at fair value through profit or loss and that the costs attributable to issuing equity be deducted from owners' equity. In addition, the Accounting Guidance specifies the components of the financial statements and their presentation format, as well as the notes to the financial statements. The Accounting Guidance contains certain different requirements from those of the previous financial reporting standards that the entity had adopted. Upon initial application, the entity can either adopt the change retrospectively, or adjust the cumulative effect of the change against retained earnings on the initial application date, with no requirement to restate the comparative information. In addition, any costs of issuing equity previously recorded as deferred expense and being amortised over a period of no longer than 5 years, in accordance with TAS 106, can continue to be amortised over the remaining period.

For the adoption of the new Accounting Guidance in the fiscal year beginning on 1 October 2020 by the Fund, the management believe that there will be no significant impact on the Fund's financial statements, except that the Fund is no longer required to present certain financial information, such as financial ratios, in the format previously prescribed by TAS 106. The Fund will elect to continue amortising costs of issuing equity related to transactions occurring before 1 October 2020. However, any costs of issuing equity related to transactions occurring after 1 October 2020 are presented as deductions from the capital from unitholders.

5. Significant accounting policies

5.1 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.

5.2 Measurement of investment value

Investment is recognised at cost, on the date on which the Fund receives the rights in the investment. The cost of investment comprises the purchase price and all direct expenses incurred by the Fund in its acquisition.

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 balance sheet 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 balance sheet under the caption of "Accounts receivable - interest receivables".

5.3 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.

5.4 Accounts receivable from the Net Revenue Transfer Agreement

Accounts receivable from the Net Revenue Transfer Agreement are stated at the net realisable value.

5.5 Deferred units issuance costs

The costs directly associated with the issuance and offering of the investment units are capitalised as deferred assets and to be amortised to expense on a straight-line basis for a period of 3 years, starting from the completion of issuance and subscription of the investment units.

5.6 Distribution of income to unitholders

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

5.7 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.

5.8 Income tax

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

5.9 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.

5.10 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.

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

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 assumptions are used in the valuation such as the traffics of the two expressways, average toll rate, growth rate of Consumer Price Index for Bangkok, number of days the government announced as toll-free day for Burapha Withi Expressway, and discount rate etc.

7. Investments at fair value

Movements of the investments at fair value for the year ended 30 September 2020 and 2019 are as follow.

(Unit: Thousand Baht)

	Investment in the Revenue Transfer Agreement	Investments in securities
Balance as at 1 October 2018	-	879,681
Add: Purchases	44,811,000	2,434,620
Amortisation of discounts on investments	-	6,061
Less: Disposals	-	(2,838,542)
Unrealised gain on investment valuation	8,355,000	983
Balance as at 30 September 2019	53,166,000	482,803
Add: Purchases	-	2,296,406
Amortisation of discounts on investments	-	5,090
Less: Disposals	-	(2,407,523)
Unrealised loss on investments valuation	(259,000)	(205)
Balance as at 30 September 2020	52,907,000	376,571

The Fund engaged an independent appraiser to appraise the fair value of the investment in the Revenue Transfer Agreement as at 30 September 2020 using the income approach. The Fund revalued such investments to be as new fair value amounting to Baht 52,907 million (2019: Baht 53,166 million), resulting in the net unrealised losses from the revaluation amounting to Baht 259 million for the current year (2019: unrealised gain from the revaluation Baht 8,356 million).

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

	2020	2019
	(per annum)	(per annum)
Discount rate	7.00 %	7.25%
Forecasted long-term growth rate of Consumer Price Index for Bangkok	2.33%	2.33%
Number of days for toll exemption - Burapha Withi Expressway	15 days	15 days
Range of the growth rate of average daily traffics until full capacity is reached and the year in which the traffics will reach capacity		
• Chalong Rat Expressway	1% - 13%*	2% - 6%
	until 2029	until 2028
• Burapha Withi Expressway	2% - 14%*	2% - 6%
	until 2035	until 2034

** The growth rates of average daily traffics of the Chalong Rat Expressway and Burapha Withi Expressway from 2021 to 2022 are between 12% and 14% per annum, which are higher than other years during the forecast period because in the base year 2020, the traffics were significantly affected by the measures to curb the spread of COVID-19 during the period from April to June 2020.*

An increase in the discount rate would cause the fair value of the investment to decrease. If taken in isolation, an increase in the forecasted long-term growth rate of Consumer Price Index for Bangkok would result in higher toll rates, which could cause the fair value of the investment to increase, and an increase in the growth rate of average traffics of each expressway would cause the fair value of the investment to increase.

The investments that were measured at fair value using different levels of inputs as at 30 September 2020 and 2019 are as follows.

(Unit: Million Baht)

	2020			
	Level 1	Level 2	Level 3	Total
Investment in the Revenue Transfer Agreement	-	-	52,907	52,907
Investment in securities	-	377	-	377

(Unit: Million Baht)

	2019			
	Level 1	Level 2	Level 3	Total
Investment in the Revenue Transfer Agreement	-	-	53,166	53,166
Investment in securities	-	483	-	483

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

8. Cash at bank

	Principal (Million Baht)		Interest rate (% per annum)	
Bank	2020	2019	2020	2019
Saving account				
Kasikornbank Public Company Limited	1.54	21.20	0.05	0.37
United Overseas Bank (Thai) Public Company Limited	60.05	26.67	0.20 - 0.30	0.75
Krung Thai Bank Public Company Limited	29.02	6.31	0.12	0.38
Total	90.79	54.18		

9. Accounts receivable from the Revenue Transfer Agreement

As at 30 September 2020, the balance of accounts receivable from the Revenue Transfer Agreement was not yet due.

10. Deferred units issuance costs

The costs associated with the issuance of the investment units payable by the Fund include underwriting fees, audit fee, asset appraisal fee, traffic assessment professional fee, industrial consulting fee, technical consulting fee, legal advisor fee, financial advisor fee, travelling, marketing and media costs for selling the investment unit.

Movements of the deferred units issuance costs for the year ended 30 September 2020 and 2019 are as follows.

(Unit: Thousand Baht)

	2020	2019
Balance at the beginning of year	611,077	149,409
Add: Increase during the year	-	732,990
Less: Amortisation during the year	(294,669)	(271,322)
Balance at the end of year	316,408	611,077

11. Fund registered

Movements of the investment units and capital from unitholders for the year ended 30 September 2020 and 2019 are as follow.

	2020			2019		
	Unit	Par value	Capital	Unit	Par value	Capital
	(Million units)	(Baht)	(Million Baht)	(Million units)	(Baht)	(Million Baht)
Balance at the beginning of year	4,570	9.9569	45,503	100	10.0000	1,000
Paid in capital from unitholders	-	-	-	4,470	10.0000	44,700
Capital reduction	-	-	-	-	(0.0431)	(197)
Balance at the end of year	4,570	9.9569	45,503	4,570	9.9569	45,503

12. Retained earnings

	For the year ended 30 September 2020	For the year ended 30 September 2019
		(Unit: Thousand Baht)
Accumulated net investment income	1,722,647	22,451
Accumulated net realised gains (losses) on investments	(1,864)	95
Accumulated net unrealised gains (losses) on investments	8,355,395	(588)
Accumulated distributions of income to unitholders	(1,248,061)	-
Retained earnings at the beginning of year	8,828,117	21,958
Add: Increase in net assets resulting from operations during the year	1,266,534	10,054,220
Less: Distributions to unitholders during the year	(1,901,567)	(1,248,061)
Retained earnings at the end of year	8,193,084	8,828,117

13. Distribution to unitholders

Dividends declared during the years consisted of the following.

Declaration date	For the operations of the period	Per unit	Total
		(Baht)	(Million Baht)
18 November 2019	1 July 2019 to 30 September 2019 and retained earnings	0.1195	546
17 February 2020	1 October 2019 to 31 December 2019 and retained earnings	0.1163	532
18 May 2020	1 January 2020 to 31 March 2020 and retained earnings	0.1032	471
17 August 2020	1 April 2020 to 30 June 2020 and retained earnings	0.0771	353
Total for 2020		0.4161	1,902
15 February 2019	1 October 2018 to 31 December 2018	0.0744	340
17 May 2019	1 January 2019 to 31 March 2019	0.1025	468
15 August 2019	1 April 2019 to 30 June 2019	0.0962	440
Total for 2019		0.2731	1,248

14. 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 a fixed rate for the period of every 6 months commencing from the Fund's registration date to 24 November 2018 and the Fund has no investment in infrastructure businesses. After the Fund invests in infrastructure businesses, 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 is exempted from fund supervisor fee for the first six months from the Fund's registration date and the Fund's asset are cash or government bonds. However, after the first six months, 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 0.023% per annum of the Fund's registered capital. The maximum charge is Baht 5 million per annum (excludes value added tax or any other similar tax).

15. 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
	2020	2019	
Krung Thai Asset Management Public Company Limited			
Management fee	23.28	18.49	As described in Note 14
MFC Asset Management Public Company Limited			
Management fee	23.18	18.49	As described in Note 14
Kasikornbank Public Company Limited			
Fund supervisor fee	7.53	6.50	As described in Note 14
Interest income	0.06	1.67	General deposit interest rate
Krung Thai Bank Public Company Limited			
Underwriting fee	-	185.05	As stipulated in the agreement
Interest income	0.06	0.09	General deposit interest rate

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

(Unit: Million Baht)

	30 September 2020	30 September 2019
Krung Thai Asset Management Public Company Limited		
Accrued management fee	1.88	1.91
MFC Asset Management Public Company Limited		
Accrued management fee	1.88	1.91
Kasikornbank Public Company Limited		
Cash at bank	1.54	21.20
Accounts receivable from interest	0.01	0.04
Accrued fund supervisor fee	0.61	0.62
Krung Thai Bank Public Company Limited		
Cash at bank	29.20	6.31

16. Other expenses

Other expense for the year ended 30 September 2020 and 2019 are summarised as following.

(Unit: Thousand Baht)

	2020	2019
Insurance premium expenses	21,677	19,885
Expenses related to book closing for distributions to unitholders	5,102	4,891
Expenses related to unitholders' meeting	4,504	-
Others	5,069	6,396
Total	36,352	31,172

17. Information on investment purchase and sale transactions

The Fund's investment purchase and sale transactions for the year ended 30 September 2020, excluding investments in cash at bank and investments in promissory notes, amounted to Baht 4,704 million which is 8.69% of the average net asset value during the year (2019: Baht 50,082 million, represented 114.78%).

18. Commitments

The Fund is committed to pay service fees and other fees to counterparties as described in Note 14 to the financial statements.

19. Financial instruments

19.1 Financial risk management

The Fund's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally 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 balance sheet.

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.

19.2 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 balance sheet.

20. 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.

21. 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.

22. 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 19 November 2020.