



(Translation)

Thai Airways International Public Company Limited
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Registration Number 0107537001757

Gor Bor 07-1/192

3 August 2015

Subject: Disclosure of Information Concerning the Connected Transactions

To President, the Stock Exchange of Thailand

Pursuant to the Board of Directors' Meeting of Thai Airways International Public Company Limited ("the Company") No. 5/2015 on 11 May 2015, the Company has approved the borrowing from the Ministry of Finance ("MOF"), the major shareholder which is considered to be a connected person of the Company in the form of Euro Commercial Paper (ECP) for the purpose of procuring 6 (six) Airbus A340-600 aircraft ("Aircraft"). On 17 March 2015, the Cabinet resolved to approve the On-lending Transaction by the MOF to the Company. Details are as follows;

1. Date of transaction and related parties

Date of transaction	Tranche 1: 24 June 2015
	Tranche 2: 15 July 2015
	Tranche 3: August 2015

Relevant Parties

Borrower	Thai Airways International Public Company Limited
Lender	The Ministry of Finance

2. Details of the transaction

The MOF borrows money by issuing Euro Commercial Paper (ECP) under the ECP Programme in the amount is to not exceeding MUSD 179.43 with the objective of on-lending to the Company for the purpose of procuring Aircraft before sale in accordance with Thai Airways' Transformation Plan. Agreeable to the MOF, the Company will borrow from the MOF for a total amount of MUSD 150 to be drawn down in 3 Tranches, each of MUSD 50.

Term	Tranche 1: 180 days (24 June 2015 – 21 December 2015)
	Tranche 2: 180 days (15 July 2015 – 11 January 2016)
	Tranche 3: 180 days (To be specified)

...2/Interest Rate

Interest Rate	Fixed Interest Rate (based on USD Libor +Spread on each issue date under book building process).
Fee	On-lending Fee of 0.20% of the loan amount per annum. The rate is indicated by the MOF for the on-lending transaction to be provided to State Enterprises.

3. Total value of transaction and criteria for valuing and payment method

- Total value of the transaction includes interest expense and the On-lending Fee of USD 495,807.02 equivalent to THB 16,822,461.65 (reference exchange rates from the Bank of Thailand as of 24 June 2015 for Tranche1 at USD/THB = 33.793 and as of 15 July 2015 for Tranche2 at USD/THB = 34.053).

- Criteria for valuing

According to Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions, entering into this transaction to be considered as Connected Transactions which provides financial benefits. Reference to the Financial Statement for the period ending 31 March 2015, total value of this transaction together with the approved financing amount for the last 6 months is 0.04% which exceeds 0.03% but not exceed 3.00% of book value of Net Tangible Asset. After drawing down the remaining loan on August 2015, total value of this transaction together with the approved financing amount for the last 6 months will exceed 0.03% but not exceed 3.00% of book value of Net Tangible Asset. Total value of this transaction computed by approximating total interest payment and On-lending Fee payment to the lender for the term of 180 days. Such listed company's transaction shall be approved by the Board of Directors and disclose the information to the Stock Exchange of Thailand without any approval from the shareholders.

- Method of Payment

Principal Repayment: Paying on behalf of the MOF to Citibank N.A. as the Issuer/Paying Agent at the end of 180-day term.

Interest Payment: Discounted from the loan received on issue dates of each tranche.

On-lending Fee: Annually within January of each year throughout the term of Loan, paying to the MOF through the Public Debt Management Office in THB Currency.

4. Relationships with related parties

- The Ministry of Finance is a major shareholder and has legal control of the business, with the holding of 1,113,931,061 shares or 51.03% stake in the company.
- Mr. Rungson Sriworasat, Board of Director currently holds the position of Permanent Secretary of the Ministry of Finance.

5. Description and scope of the related transaction.

The MOF borrows money by issuing Euro Commercial Paper (ECP) under ECP Programme in the amount of MUSD 150 with the objective of on-lending to the Company for the purpose of procuring Aircraft before sale in accordance with Thai Airways' Transformation Plan. The Company has to pay the interest and On-lending Fee to the MOF.

6. Potential Conflict of Interest to the Company's shareholders

-none-

7. Benefits to the Company

The company can reduce its cost of capital and proceed to sell Aircraft according to the Thai Airways' Transformation Plan.

8. The connected person does not participate in the Board of Directors' meeting and has no voting rights on this agenda.

Mr. Rungson Sriworasat, the connected person did not participate in the Board of Directors' meeting and had no voting rights on this agenda.

9. The resolution of the Board of Directors

The Board of Directors, other than the connected person, approved the transaction which is considered to provide benefits to the Company in terms of the lower cost of capital and the Company can proceed to sell Aircraft according to Thai Airways' Transformation Plan.

10. Other Opinions from the Audited Committee and/or other committees with regard to the transaction

-none-

Please be informed accordingly.

Yours Sincerely,

(Mr. Raj Tanta)

Vice President,

Corporate Finance Department

Corporate Finance Department

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