



Thai Airways International Public Company Limited (Translation)

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Registration Number 0107537001757

Gor Bor 07/062

July 30, 2013

Subject: Disclosure of Information Concerning 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. 16/2013 on 21 June 2013, the Company approved the on-lend from the Ministry of Finance ("MOF"), the Company's major shareholder, which is considered as connected person of the Company. On 25 June 2013, the Cabinet resolved to approve of the On-lending transaction by MOF to the Company. Details are as follows;

1. Date of transaction and related parties

Date of transaction 26 June 2013

Related Parties

Borrower Thai Airways International Public Company Limited

Lender The Ministry of Finance

2. Details of transaction

Loan Amount USD 500,000,000

Term 17 Years (27 June 2013 – 18 November 2030)

Interest Rate and Fee Fixed Interest Rate, one time Front-end Fee and On-lending Fee payable annually

Scope of the Related Parties Transaction

The Company and MOF have signed an On-Lending agreement on 26 June 2013. The Company has an obligation to pay an on-lending fee annually to MOF.

3. Total transaction value, size of transaction and method of payment

This transaction falls under the related parties transactions as per the Notification of the Capital Market Supervisory Board No. Tor Chor 21/2551 Re: Rules on Connected Transactions related to providing or receiving financial support. Referencing the Financial Statements for the period ending 31 March 2013, the total value of this transaction together with those approved over the last 6 months

is 0.59% which exceeds 0.03% but does not exceed 3.00% of the book value of Net Tangible Assets. Total value of this transaction is computed by approximating the total fee payment to the connected party for the term of 17 years. The transaction must be approved by the Company's Board of Directors and disclosed to the Stock Exchange of Thailand without being required to obtain an approval from the shareholders.

- Method of Payment

Principal and Interest Payment: Semi-annually

Front-end Fee: One-time payable, deductible from the principal amount of loan on drawdown date.

On-lending Fee: Annually, by January - end each year throughout the Loan life.

4. Relationships with related parties

- The Ministry of Finance is a major shareholder and has legal control of the Company, holding of 1,113,931,061 shares or a 51.03% stake in the company.
- Mr. Areepong Bhoocha-oom, Vice Chairman holds the position of Permanent Secretary of the Ministry of Finance.

5. Loan conditions that may effect shareholders' right such as restriction of dividend payment

-none-

6. Benefits to the Company

The Company is able to reduce its Cost of Capital while the Average Loan life is in line with the Average Life of the aircraft being financed.

7. The connected person did not participate in the Board of Directors' meetings and has no voting rights regarding this agenda.

Mr. Areepong Bhoocha-oom, the connected person did not participate in the Board of Directors' meeting and has no voting right regarding this agenda.

8. The resolution of the Board of Directors

The Board of Directors, other than the connected person, has approved the transaction which is considered to provide benefits to the Company in terms of lowering the Company's cost of capital and a matching average loan life with the life of the asset acquired

9. Opinions from the Audit Committee and/or directors which differ from the opinion of the Board of Directors in clause 8

-none-

Please be informed accordingly.

Yours Sincerely,

(Mrs. Wasukarn Visansawatdi)

Executive Vice President

Finance and Accounting

Corporate Finance Department

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