



Thai Airways International Public Company Limited (Translation)
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Registration Number 0107537001757

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21 December 2016

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. 12/2016 on 21 December 2016, the Company has approved the connected transaction with the Ministry of Finance ("MOF"), who is the major shareholder of the Company which is considered to be a connected person of the Company according to Notification of the Capital Market Supervisory Board in case the Company has plans to roll-over the existing on-lending loan from the MOF, in the form of Euro Commercial Paper (ECP) during January to March 2016. On 24 May 2016, the Cabinet approved the On-lending Transaction by the MOF to the Company. Details are as follows;

1. Date of transaction and related parties

Date of transaction	During January to March 2016
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 with the objective of on-lending to the Company for the purpose of rolling over of On-lending Loan in the form of ECP for which the Company borrowed from the MOF on July and August 2016 in the amount totaling MUSD 150.

Term	No more than 1 year
Interest Rate	Fixed Interest Rate (based on USD Libor +Spread on each issue date under book building process).
Fee	On-lending Fee is the rate indicated by the MOF for the on-lending transaction to be provided to State Enterprises.

....2/3. Total value



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

- Total value of the transaction and 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. The total value of this transaction is estimated to exceed 0.03% but not exceed 3.00% of book value of Net Tangible Asset referencing to the Company's Financial Statement for the period ending 30 September 2016. The total value of this transaction together with the approved financing amount for the last 6 months is estimated to exceed 0.03% but not exceed 3.00% of book value of Net Tangible Asset. Total value of this transaction includes total interest payment and On-lending Fee payment to the lender for the term of the ECP Loan. The transaction shall be approved by the Board of Directors and details of the transaction is to be disclosed to the Stock Exchange of Thailand without any approval from the shareholders.

- Method of Payment

Principal Repayment: Payment on behalf of the MOF to Citibank N.A. as the Issue/Paying Agent.

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

On-lending Fee: Payment to the MOF.

4. Relationships with related parties

- The Ministry of Finance is a major shareholder and has legal control of the business, holding of 1,113,931,061 shares or a 51.03% stake in the company.
- Mr. Somchai Sujjapongse, 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 the ECP Programme with the objective of on-lending to the Company for rolling-over the ECP Loan from the MOF upon maturity of Loan. The Company has to pay 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. Somchai Sujjapongse, 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. Narongchai Wongthanavimok)

Executive Vice President,

Finance & Accounting

Corporate Finance Department

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