

Information Memorandum on the Acquisition of Assets in respect of the Acquisition by the Company of Shares in Aetna Group Companies in Thailand

Allianz Ayudhya Capital Public Company Limited (the “**Company**”) would like to inform that the Board of Directors’ Meeting No. 4/2022 convened on March 23, 2022 resolved to propose to the Annual General Meeting of Shareholders for the Year 2022 (No. 73) (the “**2022 AGM**”) to consider and approve the acquisition by the Company of 100% of the shares of certain operating and holding companies in Thailand (the “**Aetna Thai Companies**”) from Aetna Global Holding Limited, a company incorporated and registered in England and Wales (the “**Seller**”) at the base purchase price of THB 3,140,000,000, subject to an adjustment mechanism based on the net asset value of Aetna Thai Companies around the time of the closing date (the “**Proposed Acquisition**”). The Aetna Thai Companies comprise the following companies:

- (i) two operating companies:
 - (a) Aetna Health Insurance (Thailand) Public Company Limited (“**AHI**”) which is a licensed non-life insurance company, and
 - (b) Aetna Services (Thailand) Limited (“**AST**”) which is a company providing physical clinical out-patient services,
- (ii) three holding companies:
 - (a) Aetna Holdings (Thailand) Company Limited (“**AHL**”),
 - (b) Health Care Management Co., Ltd. (“**HCM**”), and
 - (c) Minor Health Enterprise Ltd. (“**MHE**”).

The Company will be required to obtain approval from its shareholders’ meeting to complete the Proposed Acquisition in compliance with Section 107 of the Public Limited Companies Act B.E. 2535 (as amended). The Proposed Acquisition is also regarded as an acquisition of assets under the Notification of the Capital Market Supervisory Board TorJor. No. 20/2551 Re: Rules for Significant Transactions Constituting an Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Practice of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (the “**Rules on Acquisition or Disposal of Assets**”) with the highest transaction size of 27.07% of the Net Operating Profit calculated based on: (i) the audited consolidated financial statements for the twelve-month period ended December 31, 2021 of the Company; (ii) the reviewed financial statements for the twelve-month period ended September 30, 2021 of AHI; and (iii) the audited financial statements for the twelve-month period ended December 31, 2020 of AHL, HCM, MHE and AST. The Company and/or its subsidiaries did not enter into any transaction involving the acquisition of assets during the past 6 months. Therefore, the Proposed Acquisition is classified as a Class 2 transaction with a transaction size of 15% or more but less than 50% pursuant to the Rules on Acquisition or Disposal of Assets. In this regard, the Company is required to disclose the information regarding the Proposed Acquisition to the Stock Exchange of Thailand (the “**SET**”) and send a circular notice to the shareholders within 21 days from the day that the Company has notified the SET.

The Proposed Acquisition does not constitute a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies

Concerning the Connected Transaction B.E. 2546 (2003) dated 19 November 2003 (as amended) (the “**Rules on Connected Transactions**”).

The details of the Proposed Acquisition are set out below.

1 Information Memorandum disclosed on the website of the Stock Exchange of Thailand on March 24, 2022 according to the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Practice of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004)

1.1 Date of the transaction

The Company entered into the Share Purchase Agreement with the Seller on March 23, 2022 (“**Share Purchase Agreement**”).

The Proposed Acquisition is subject to the Company obtaining the approval with respect to the Proposed Acquisition from its shareholders’ meeting. In this regard, the Board of Directors’ Meeting No. 4/2022 resolved to propose to the 2022 AGM to be held on April 29, 2022 to consider and approve the Proposed Acquisition.

The Company expects to complete the Proposed Acquisition within June 2022.

1.2 The involved parties and relationship with the Company

Buyer : The Company

The Company is an investment holding company with its primary investment in Allianz Ayudhya General Insurance Public Company Limited (“**AAGI**”), a subsidiary operating non-life insurance businesses. The Company also invests in Allianz Ayudhya Assurance Public Company Limited, an associate company operating life and health insurance businesses.

Seller : Aetna Global Holding Limited

Nature of relationship : None.

The Proposed Acquisition is not a transaction entered into between the Company and its connected persons. Therefore, the Proposed Acquisition is not considered a connected transaction pursuant to the Rules on Connected Transactions.

1.3 General characteristics and transaction size

1.3.1 General characteristics

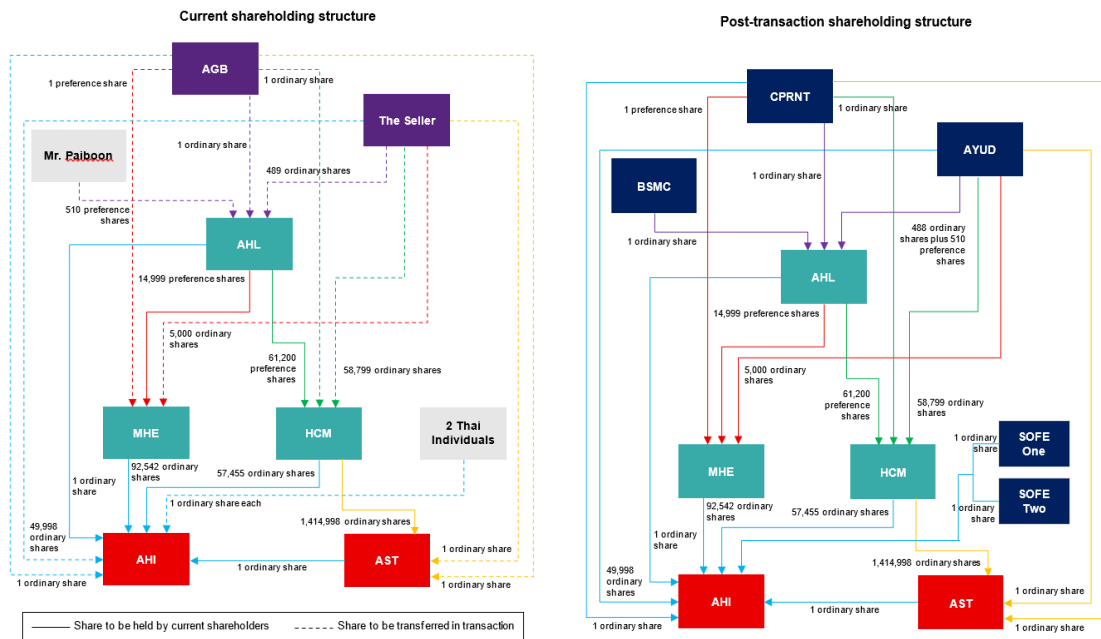
The Proposed Acquisition will involve the direct and indirect acquisition by the Company of shares in Aetna Thai Companies and will involve the transfer of the following shares to the Company:

- (i) 50,001 ordinary shares in AHI (which represents approximately 25% of the total issued shares of AHI) from the Seller (49,998 ordinary shares), Aetna Global Benefits (Bermuda) Limited (“**AGB**”) (1 ordinary share), Ms. Wiriapha Bhudsamrit (1 ordinary share) and Mrs. Pornthip Chulajata (1 ordinary share);

- (ii) 510 preference shares and 490 ordinary shares in AHL (which represents 100% of the total issued shares of AHL) from the Seller (489 ordinary shares), AGB (1 ordinary share) and Mr. Paiboon Sutuntivorakoon (510 preference shares);
- (iii) 5,000 ordinary shares and 1 preference share in MHE (which represents approximately 25% of the total issued shares of MHE) from the Seller and AGB, respectively;
- (iv) 58,800 ordinary shares in HCM (which represents approximately 49% of the total issued shares of HCM) from the Seller (58,799 ordinary shares) and AGB (1 ordinary share); and
- (v) 2 ordinary shares in AST from the Seller and AGB.

In this regard, (i) CPRN (THAILAND) Co., Ltd. (“**CPRNT**”) will hold one share in each of MHE, HCM, AHI, AST and AHL, (ii) BSMC (THAILAND) Ltd. (“**BSMC**”) will hold one share in AHL, (iii) SOFE One Limited (“**SOFE One**”) will hold one share in AHI, and (iv) SOFE Two Limited (“**SOFE Two**”) will hold one share in AHI. CPRNT, BSMC, SOFE One and SOFE Two are related persons to ALLIANZ SE, the major shareholder of the Company, pursuant to the Rules on Connected Transactions.

Following closing of the Proposed Acquisition, the Company will directly and indirectly hold 100% of Aetna Thai Companies, as detailed below:



To ensure continuity of business of the Aetna Thai Companies after closing, the Company will also procure the entry into a transitional services agreement and a trademark license agreement with the Seller as part of the Proposed Acquisition.

1.3.2 Calculation of the transaction size

The details of the calculation of the transaction size are as follows:

Method	Calculation details	Transaction size
Net tangible asset (NTA)	$\frac{\% \text{ NTA of the acquired entity} \times 100}{\text{NTA of the company}}$	$\frac{\text{THB}1,681.5\text{m} \times 100}{\text{THB}14,135.1\text{m}} = 11.90\%$
Net Profit	$\frac{\% \text{ Net Profit of the acquired entity} \times 100}{\text{Net profit of the Company}}$	$\frac{\text{THB}332.9\text{m} \times 100}{\text{THB}1230.0\text{m}} = 27.07\%$
Consideration paid	$\frac{\text{Total consideration paid} \times 100}{\text{Total assets of the Company}}$	$\frac{\text{THB}3,140,0\text{m} \times 100}{\text{THB}24,140.2\text{m}} = 13.01\%$
Equity value	$\frac{\text{Number of new shares issued in return of the asset acquisition} \times 100}{\text{Number of issued and paid – up shares of the Company}}$	Not applicable as there are no shares to be issued in return of the asset acquisition

Based on the above calculation details, the Proposed Acquisition constitutes an acquisition of assets under the Rules on Acquisition or Disposal of Assets with the highest transaction size of 27.07% of Net Operating Profit calculated based on (i) the audited consolidated financial statements for the twelve-month period ended December 31, 2021 of the Company; (ii) the reviewed financial statements for the twelve-month period ended September 30, 2021 of AHL; and (iii) the audited financial statements for the twelve-month period ended December 31, 2020 of AHL, HCM, MHE and AST. The Company and/or its subsidiaries did not enter into any transaction involving the acquisition of assets during the past 6 months. Therefore, the Proposed Acquisition is considered a Class 2 transaction with a transaction size of 15% or more but lower than 50% under the Rules on Acquisition or Disposal of Assets. Accordingly, the Company is required to disclose the information regarding the Proposed Acquisition to the SET and send a circular notice to the shareholders within 21 days from the day that the Company has notified the SET.

1.4 Details of the assets to be acquired

The details of Aetna Thai Companies are as provided below:

1.4.1 Aetna Health Insurance (Thailand) Public Company Limited

Company	Aetna Health Insurance (Thailand) Public Company Limited
Nature of business	Non-life insurance
Company Number	0107555000503
Date and Place of Incorporation	November 15, 2012, Thailand
Registered Office	Head office: 98, Sathorn Square Office Tower, 14th – 15th Floor, North Sathorn Road, Silom, Bangrak, Bangkok, Thailand With 15 branches located in Bangkok and other provinces
Registered Capital	THB 20,000,000
Paid-up Capital	THB 20,000,000

Shareholders	Name	No. of shares	%	
	1. Minor Health Enterprise Co., Ltd.	92,542	46.2710%	
	2. Health Care Management Co., Ltd.	57,455	28.7275%	
	3. Aetna Global Holdings Limited ¹	49,998	24.9990%	
	4. Aetna Holdings (Thailand) Company Limited	1	0.0005%	
	5. Aetna Services (Thailand) Limited	1	0.0005%	
	6. Aetna Global Benefits (Bermuda) Limited ²	1	0.0005%	
	7. Ms. Wiriya Pha Bhudsamrit	1	0.0005%	
	8. Mrs. Pornthip Chulajata	1	0.0005%	
	Total	200,000	100%	
Board of Directors	1. Mr. Damian James Delaney 2. Mr. Thiti Kamnerddee 3. Mr. Pravit Wiphusirikupt 4. Ms. Nittayarat Namprempre 5. Ms. Lapakorn Chatapat 6. Ms. Ketkaew Mukbunditpong			
As of	2018	2019	2020	2021³
Financial Data (THB million)				
Assets	2,792.53	3,091.68	3,652.01	4,086.16
Liabilities	1,887.71	2,046.58	2,204.51	2,372.03
Equity	904.82	1,045.10	1,447.54	1,714.13
Revenue	2,959.26	2,825.80	3,285.40	3,236.39
Net Profit	90.53	134.15	402.44	361.66
Financial Ratios				
ROA(%)	3.24%	4.34%	11.02%	8.85%
ROE(%)	10.01%	12.84%	27.80%	21.10%
Net Profit Margin(%)	3.06%	4.75%	12.25%	11.17%

Source: The Department of Business Development, Ministry of Commerce

Note: ¹ Aetna Global Holdings Limited, incorporated in England and Wales

² Aetna Global Benefits (Bermuda) Limited, incorporated in Bermuda

³ Information based on the reviewed financial statements for the twelve-month period ended September 30, 2021 of AHI.

1.4.2 Aetna Services (Thailand) Limited

Company	Aetna Services (Thailand) Limited		
Nature of business	Providing physical clinical out-patient service business		
Company Number	0105561037365		
Date and Place of Incorporation	February 27, 2018, Thailand		
Registered Office	Head office: 98, Sathorn Square Office Tower, 14th – 15th Floor, North Sathorn Road, Silom, Bangrak, Bangkok, Thailand Branch: Nonthaburi, Thailand		
Registered Capital	THB 141,500,000		
Paid-up Capital	THB 141,500,000		
Shareholders	Name	No. of shares	%
	1. Health Care Management Co., Ltd.	1,414,998	99.9998%
	2. Aetna Global Holdings Limited ¹	1	0.0001%
	3. Aetna Global Benefits (Bermuda) Limited ²	1	0.0001%
	Total	1,415,000	100%
Board of Directors	1. Mr. Hemal Desai 2. Mr. Damian James Delaney 3. Mr. Lapakorn Chatapat		
As of	2018	2019	2020
Financial Data (THB million)			
Assets	48.42	37.47	33.73
Liabilities	24.33	12.52	21.91
Equity	24.09	24.95	11.82
Revenue	3.40	6.97	12.34
Net Profit	-11.41	-29.14	-29.13
Financial Ratios			
ROA(%)	-23.56%	-77.77%	-86.35%
ROE(%)	-47.36%	-116.79%	-246.35%
Net Profit Margin(%)	-335.41%	-418.19%	-236.09%

Source: The Department of Business Development, Ministry of Commerce

Note: ¹ Aetna Global Holdings Limited, incorporated in England and Wales² Aetna Global Benefits (Bermuda) Limited, incorporated in Bermuda

1.4.3 Aetna Holdings (Thailand) Limited

Company	Aetna Holdings (Thailand) Limited		
Nature of business	Holding company		
Company Number	0105555146280		
Date and Place of Incorporation	October 1, 2012, Thailand		
Registered Office	Head office: 98, Sathorn Square Office Tower, 14th Floor, North Sathorn Road, Silom, Bangrak, Bangkok, Thailand		
Registered Capital	THB 100,000		
Paid-up Capital	THB 100,000		
Shareholders	Name	No. of shares	%
	1. Mr. Paiboon Sutuntivorakoon ¹	510	51.0000%
	2. Aetna Global Holdings Limited ²	489	48.9000%
	3. Aetna Global Benefits (Bermuda) Limited ³	1	0.1000%
	Total	1,000	100%
Board of Directors	1. Mr. Damian James Delaney 2. Mr. Derek Seth Goldberg		
As of	2018	2019	2020
Financial Data (THB million)			
Assets	3.14	3.14	3.14
Liabilities	0.68	0.81	0.91
Equity	2.46	2.33	2.23
Revenue	0.00	0.00	0.00
Net Profit	-0.14	-0.13	-0.10
Financial Ratios			
ROA(%)	-4.62%	-4.13%	-3.08%
ROE(%)	-5.90%	-5.57%	-4.33%
Net Profit Margin(%)	-308359.57%	-185282.86%	-371750.00%

Source: The Department of Business Development, Ministry of Commerce

Note: ¹ Mr. Paiboon Sutuntivorakoon holds 510 preference shares in AHL.

² Aetna Global Holdings Limited, incorporated in England and Wales

³ Aetna Global Benefits (Bermuda) Limited, incorporated in Bermuda

1.4.4 Minor Health Enterprise Co., Ltd.

Company	Minor Health Enterprise Co., Ltd.		
Nature of business	Holding company		
Company Number	0105537093994		
Date and Place of Incorporation	August 11, 1994, Thailand		
Registered Office	Head office: 98, Sathorn Square Office Tower, 14th Floor, North Sathorn Road, Silom, Bangrak, Bangkok, Thailand		
Registered Capital	THB 2,000,000		
Paid-up Capital	THB 1,250,000		
Shareholders	Name	No. of shares	%
	1. Aetna Holdings (Thailand) Limited ¹	14,999	74.9950%
	2. Aetna Global Holdings Limited ²	5,000	25.0000%
	3. Aetna Global Benefits (Bermuda) Limited ³	1	0.0050%
	Total	20,000	100%
Board of Directors	1. Mr. Damian James Delaney 2. Mr. Derek Seth Goldberg		
As of	2018	2019	2020
Financial Data (THB million)			
Assets	10.34	10.35	10.35
Liabilities	2.06	2.19	2.29
Equity	8.28	8.15	8.06
Revenue	9.38	0.00	0.00
Net Profit	7.48	-0.13	-0.09
Financial Ratios			
ROA(%)	72.36%	-1.22%	-0.88%
ROE(%)	90.40%	-1.55%	-1.13%
Net Profit Margin(%)	79.76%	-6490.36%	-1855.83%

Source: The Department of Business Development, Ministry of Commerce

Note: ¹ Preference shares

² Aetna Global Holdings Limited, incorporated in England and Wales

³ Aetna Global Benefits (Bermuda) Limited, incorporated in Bermuda

1.4.5 Health Care Management Co., Ltd.

Company	Health Care Management Co., Ltd.		
Nature of business	Holding company		
Company Number	0105539101471		
Date and Place of Incorporation	September 12, 1996, Thailand		
Registered Office	Head office: 98, Sathorn Square Office Tower, 14th Floor, North Sathorn Road, Silom, Bangrak, Bangkok, Thailand		
Registered Capital	THB 12,000,000		
Paid-up Capital	THB 8,175,000		
Shareholders	Name	No. of shares	%
	1. Aetna Holdings (Thailand) Limited ¹	61,200	51.0000%
	2. Aetna Global Holdings Limited ²	58,799	48.9992%
	3. Aetna Global Benefits (Bermuda) Limited ³	1	0.0008%
	Total	120,000	100%
Board of Directors	1. Mr. Damian James Delaney 2. Mr. Derek Seth Goldberg		
As of	2018	2019	2020
Financial Data (THB million)			
Assets	216.86	246.64	252.25
Liabilities	50.08	77.94	82.98
Equity	166.78	168.69	169.27
Revenue	1.75	3.95	1.36
Net Profit	1.18	1.91	0.57
Financial Ratios			
ROA(%)	0.54%	0.77%	0.23%
ROE(%)	0.70%	1.13%	0.34%
Net Profit Margin(%)	67.19%	48.36%	42.21%

Source: The Department of Business Development, Ministry of Commerce

Note: ¹ Preference shares² Aetna Global Holdings Limited, incorporated in England and Wales³ Aetna Global Benefits (Bermuda) Limited, incorporated in Bermuda

1.5 Total value of consideration

The base purchase price is THB 3,140,000,000 which is agreed with the Seller based on the net asset value of Aetna Thai Companies as at December 31, 2021 and will be paid in cash on the closing date. The final purchase price will be subject to an adjustment after the closing date to reflect the net asset value of Aetna Thai Companies around the time of the closing date according to the adjustment mechanism set out in the Share Purchase Agreement.

1.6 Value of acquired assets

The purchase price is subject to an adjustment mechanism based on the net asset value of Aetna Thai Companies around the time of the closing date.

1.7 Basis to determine the value of consideration

The basis of determination of the value of consideration of the Aetna Thai Companies is the price as negotiated and mutually agreed between the Company and the Seller whereby the Company determined the value of the Aetna Thai Companies primarily based on the appraised value by using the Dividend Discount Model Approach. Expected benefits to the Company

The Company foresees that the Proposed Acquisition will be beneficial to the Company and its shareholders as follows:

- To expand the client base and sales channels by acquiring the existing customers of AHI which include corporates, SME, and individuals.
- To increase its market share in health insurance business in Thailand.
- To create synergies and achieve economies of scale for its non-life insurance business. In this regard and subject to receipt of relevant regulatory approvals, the Company intends to integrate AHI with AAGI within 2 years following the completion of the Proposed Acquisition.

1.8 Source of funds

The Company expects to fund the Proposed Acquisition entirely from its internal funds.

1.9 Condition precedent for the transaction

The closing of the Proposed Acquisition is subject to the Company obtaining approval from its shareholders' meeting pursuant to Section 107 of the Public Limited Companies Act B.E. 2535 (1992) as amended.

1.10 Descriptions of related party and potential conflicts of interest

-None-

1.11 Directors with conflict of interest

-None-

1.12 Opinion of the Board of Directors on the transaction

The Board of Directors' Meeting No. 4/2022 convened on March 23, 2022 resolved that the acquisition by the Company of 100% of the shares in the Aetna Thai Companies at the base price of THB 3,140,000,000 is reasonable and appropriate and would be beneficial to the Company and its shareholders. This is because the Proposed Acquisition would allow the

Company to expand the client base and sales channels for its insurance business as it would acquire the existing customers of AHI, increase its market share in health insurance industry and create synergies and economies of scale from the integration of AHI with AAGI.

1.13 Opinion of Audit Committee and/or of the Company's director(s) which is different from the Board of Directors' opinion in Section 1.12

There is no director of the Company whose opinion is different from the opinion of the Board of Directors in Section 1.12.

1.14 Distribution of circular notice in relation to the Proposed Acquisition to the shareholders

As the Proposed Acquisition will be proposed to the meeting of shareholders for consideration and approval, the Board of Directors' Meeting No. 4/2022 convened on March 23, 2022 resolved to (i) include the Proposed Acquisition for consideration and approval at the 2022 AGM to be held on Friday, April 29, 2022 and (ii) cancel the Record Date, which was originally fixed on Friday, April 1, 2022 and fix the new Record Date for determining the shareholders who have the right to attend the 2022 AGM and to receive dividends to be on Thursday, April 7, 2022.

In this regard, the Company will prepare the circular notice in relation to the Proposed Acquisition and distribute to the shareholders as part of the invitation letter to attend the 2022 AGM. In any event, the circular notice in relation to the Proposed Acquisition will be distributed to the shareholders within 21 days from the day that the Company notified the SET of the entry into the Proposed Acquisition pursuant to the Rules on Acquisition or Disposal of Assets.

2 Responsibilities of the Board of Directors for information in the Information Memorandum sent to the shareholders

The Board of Directors hereby certifies that the information contained in this Information Memorandum is correct and not misleading in all material respects, and no material information, which should be disclosed, is omitted.

3 Opinion of an independent expert (if any)

- None -

4 Financial projections in the present year of the Company and its subsidiary and affiliate (if any), including assumptions on trade, economics, industry and review of the figures by a certified public auditor and opinion of an independent financial advisor that the projects have been carefully prepared

- None -

5 Pending material lawsuits or claims

The Company has no litigation with material risks which will have a significant negative impact on the operating performance and financial position of the Company more than 5% of shareholder equity based on audited consolidated financial statements for the twelve-month period ended December 31, 2021.

6 Interests or connected transactions between the Company and its directors, executives and shareholders directly or indirectly holding shares amounting to 10% or more of the total issued shares of the Company

For the twelve-month period ended December 31, 2021, the Company had significant transactions with its connected persons, as defined under the Rules on Connected Transactions, as follows:

Connected Person	Nature of Relationship	2021 (Million Baht)	Transactions
Allianz SE (DEUTSCHE BANK AG)	Shareholding (38.93%)	30.42	Net investment in securities: investment in long-term benefit plans for executive personnel in the form of restricted stock units, managed by Allianz SE
		5.46	Accrued management fee: management fee is agreed by both parties which are determined based on estimated time spent and cost incurred
		8.69	Management fee: management fee is agreed by both parties which are determined based on estimated time spent and cost incurred
		233.39	Paid dividends: According to shareholder's resolution

Details of other connected transactions of the Company and its subsidiary can be found in Note 35 of the audited consolidated financial statements for the twelve-month period ended December 31, 2021 of the Company.

Please be informed accordingly.

Yours Sincerely,



(Mr. Thomas Charles Wilson)

President and CEO

Allianz Ayudhya Capital Public Company Limited