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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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ALLIANCE BANK

Alliance Bank Malaysia Berhad 198201008390 (88103-W)
(Incorporated in Malaysia)

**CIRCULAR TO OUR SHAREHOLDERS IN RELATION TO THE
PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES IN OUR COMPANY TO
RAISE GROSS PROCEEDS OF APPROXIMATELY RM600.0 MILLION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING (“EGM”)**

Sole Principal Adviser



RHB INVESTMENT BANK BERHAD
(Registration No. 197401002639 (19663-P))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Our Notice of EGM together with the Form of Proxy are enclosed in this Circular and are available on our Company's website at <https://www.alliancebank.com.my>. The details of our forthcoming EGM are as follows:

Date and time of our forthcoming EGM : Friday, 30 May 2025, 3.00 p.m., or at any adjournment thereof

Venue of our forthcoming EGM : Nusantara Ballroom 2 & 3, Level 2, Sheraton Imperial Kuala Lumpur Hotel, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia

Last date and time for lodging the Form of Proxy : Wednesday, 28 May 2025, 3.00 p.m., or at any adjournment thereof

If you are unable to attend and vote in person at our forthcoming EGM, you may appoint a proxy or proxies to attend and vote on your behalf. Your Form of Proxy must be lodged with our Company's Share Registrar, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Malaysia, or lodged electronically at <https://web.vote2u.my> (applicable to individual members only) not less than 48 hours before the time set for holding our forthcoming EGM or any adjournment thereof.

This Circular is dated 15 May 2025

DEFINITIONS

Except where the context otherwise requires, the following abbreviations and definitions shall apply throughout this Circular:

ABMB or Company	: Alliance Bank Malaysia Berhad (Registration No. 198201008390 (88103-W))
ABMB Group or Group	: Collectively, our Company and our subsidiaries
ABMB Shares or Shares	: Ordinary shares in our Company
Act	: Companies Act 2016, as amended from time to time
ALA	: Additional listing application submitted to Bursa Securities on 16 April 2025 for the listing of and quotation for up to 215,014,712 Rights Shares
ALA Scenario	: Scenario based on the ALA which is based on the following assumptions: <ul style="list-style-type: none">(i) illustrative issue price of RM2.80 per Rights Share, which represents approximately 20.1% discount to the TERP of RM3.5024 calculated based on the lowest closing price of the ABMB Shares in the past 12 months up to and including 21 March 2025 of RM3.60; and(ii) illustrative entitlement basis of five Rights Shares for every 36 existing ABMB Shares held by our Entitled Shareholders
Base Scenario	: Scenario based on 175,921,128 Rights Shares to be issued which is based on the following assumptions: <ul style="list-style-type: none">(i) illustrative Issue Price of RM3.42 per Rights Share, representing a 20.1% discount to the TERP of RM4.2810 calculated based on the 5-day VWAP of ABMB Shares up to and including the LPD of RM4.3788; and(ii) illustrative entitlement basis of five Rights Shares for every 44 existing ABMB Shares held by our Entitled Shareholders
BNM	: Bank Negara Malaysia
Board	: Our Board of Directors
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
Circular	: This circular to our shareholders dated 15 May 2025 in relation to the Proposed Rights Issue
Director(s)	: A natural person who holds a directorship in our Company as at the LPD and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
EGM	: Extraordinary general meeting
Entitled Shareholders	: Our shareholders whose names appear in our Record of Depositors as at the Entitlement Date
Entitlement Basis	: Basis of entitlement for the Proposed Rights Issue to be determined and announced later by our Board

DEFINITIONS

Entitlement Date	: A date to be determined and announced later by our Board, on which the names of our Entitled Shareholders must appear in our Record of Depositors as at 5.00 p.m. on that date to be entitled to the Proposed Rights Issue
EPF	: Employees Provident Fund Board
EPS	: Earnings per ABMB Share
FYE	: Financial year ended / ending, as the case may be
Intended Gross Proceeds	: Gross proceeds of approximately RM600.0 million to be raised pursuant to the Proposed Rights Issue
Issue Price	: Issue price of the Rights Shares to be determined and announced later by our Board
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 30 April 2025, being the latest practicable date before the printing of this Circular
Major Shareholder	<p>: means a person who has an interest or interests in one or more voting shares in our Company and the number or aggregate number of those shares, is – (a) 10% or more of the total number of voting shares in our Company; or (b) 5% or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company.</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in section 8 of the Act</p>
NA	: Net assets
Proposed Rights Issue	: Proposed renounceable rights issue of Rights Shares to raise the Intended Gross Proceeds
Record of Depositors	: A record of securities holders established and maintained by Bursa Depository under the Rules of Bursa Depository
RHB Investment Bank or Sole Principal Adviser	: RHB Investment Bank Berhad (Registration No. 197401002639 (19663-P)), being our Sole Principal Adviser for the Proposed Rights Issue
Rights Shares	: New ABMB Shares to be issued pursuant to the Proposed Rights Issue
RM	: Malaysian Ringgit
Rules of Bursa Depository	: Rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act 1991
TERP	: Theoretical ex-rights price
Undertaking	: A written, irrevocable and unconditional undertaking dated 21 March 2025 provided by VTSB to subscribe in full for its entitlement under the Proposed Rights Issue based on its shareholding in our Company as at the Entitlement Date.

Further details of the Undertaking are set out in Section 2.4 of this Circular

DEFINITIONS

VTSB : Vertical Theme Sdn Bhd, our Major Shareholder

VWAP : Volume-weighted average price

PRESENTATION OF INFORMATION

References to “**our Company**”, “**we**”, “**us**” and “**our**” in this Circular are to our Company. References to “**our Group**” in this Circular are to our Company and our subsidiaries. All references to “**you**” and “**your**” in this Circular are to our shareholders.

Unless specifically referred to, words denoting the singular shall, if applicable, include the plural and *vice versa* and words denoting the masculine gender shall, if applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to the provisions of any enactment, statute, rules, regulation or rules of stock exchange or guideline shall (where the context admits) be construed as a reference to the provisions of such enactment, statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the enactment, statute, rules, regulation, rules of stock exchange or guideline for the time being in force.

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date respectively, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by our Company, such as in the quarterly results or annual reports of our Company (as the case may be), are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. Hence, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company’s and/or our Group’s plans and objectives will be achieved.

TABLE OF CONTENTS

PAGE**LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED RIGHTS ISSUE
CONTAINING:**

1.	INTRODUCTION.....	1
2.	DETAILS OF THE PROPOSED RIGHTS ISSUE	2
3.	USE OF PROCEEDS FROM THE PROPOSED RIGHTS ISSUE.....	5
4.	OTHER EQUITY FUND RAISING EXERCISE IN THE PAST 12 MONTHS	6
5.	RATIONALE AND BENEFITS FOR THE PROPOSED RIGHTS ISSUE	6
6.	INDUSTRY OVERVIEW AND OUTLOOK, AND FUTURE PROSPECTS OF OUR GROUP ...	7
7.	EFFECTS OF THE PROPOSED RIGHTS ISSUE.....	11
8.	EXPECTED TIME FRAME FOR COMPLETION	16
9.	APPROVALS REQUIRED.....	16
10.	INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM	17
11.	CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION	18
12.	RECOMMENDATION BY OUR DIRECTORS	18
13.	EGM	18
14.	FURTHER INFORMATION	18

APPENDIX

I.	FURTHER INFORMATION.....	19
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NOTICE OF EGM.....ENCLOSED

FORM OF PROXY.....ENCLOSED



ALLIANCE BANK

Alliance Bank Malaysia Berhad 198201008390 (88103-W)
(Incorporated in Malaysia)

Registered Office

3rd Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur, Malaysia

15 May 2025

Board of Directors

Tan Sri Amirsham bin A Aziz
Wong Yuen Weng Ernest
Tan Chian Khong
Susan Yuen Su Min
Lum Piew
Cheryl Khor Hui Peng
Chia Yew Hock Wilson
Dr. John Lee Hin Hock
Oong Kee Leong
Lily Rozita binti Mohamad Khairi

Chairman/Independent Non-Executive Director
Deputy Chairman/Non-Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Non-Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director

To: Our Shareholders

Dear Sir/Madam,

PROPOSED RIGHTS ISSUE

1. INTRODUCTION

On 21 March 2025, RHB Investment Bank had, on behalf of our Board, announced that our Company:

- (i) proposes to undertake the Proposed Rights Issue; and
- (ii) had submitted an application to BNM for the increase in paid-up ABMB Shares arising from the Proposed Rights Issue pursuant to Section 7.1 of the Capital Funds Guidelines issued by BNM.

On 22 April 2025, RHB Investment Bank had, on behalf of our Board, announced that BNM had vide its letter dated 21 April 2025 granted its approval to our Company to issue the Rights Shares pursuant to the Proposed Rights Issue.

On 30 April 2025, RHB Investment Bank had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 30 April 2025, approved the listing of and quotation for up to 215,014,712 Rights Shares, subject to the conditions as disclosed in Section 9 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED RIGHTS ISSUE AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED RIGHTS ISSUE WHICH WILL BE TABLED AT OUR FORTHCOMING EGM. OUR NOTICE OF EGM AND FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RIGHTS ISSUE TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED RIGHTS ISSUE

The Proposed Rights Issue entails the issuance of Rights Shares to our shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on the Entitlement Date.

The Entitlement Basis and the Issue Price have not been fixed at this juncture and will be determined by our Board closer to the implementation of the Proposed Rights Issue.

The Intended Gross Proceeds are provided upfront to enable our Entitled Shareholders to estimate the subscription amount required to fully subscribe for their respective entitlements under the Proposed Rights Issue, which is computed by multiplying the Intended Gross Proceeds with their respective percentage of shareholdings in our Company.

For illustration purposes only, the proforma effects of the Proposed Rights Issue are presented based on the following scenarios and assumptions:

Base Scenario : 175,921,128 Rights Shares to be issued based on the following assumptions:

- (i) illustrative Issue Price of RM3.42 per Rights Share, representing a 20.1% discount to the TERP of RM4.2810 calculated based on the 5-day VWAP of ABMB Shares up to and including the LPD of RM4.3788; and
- (ii) illustrative entitlement basis of five Rights Shares for every 44 existing ABMB Shares held by our Entitled Shareholders.

ALA Scenario ⁽¹⁾ : 215,014,712 Rights Shares to be issued based on the following assumptions:

- (i) illustrative Issue Price of RM2.80 per Rights Share, which represents approximately 20.1% discount to the TERP of RM3.5024 calculated based on the lowest closing price of the ABMB Shares in the past 12 months up to and including 21 March 2025 of RM3.60; and
- (ii) illustrative entitlement basis of five Rights Shares for every 36 existing ABMB Shares held by our Entitled Shareholders.

Note:

- (1) We had on 16 April 2025, submitted the ALA to Bursa Securities based on the ALA Scenario. The ALA Scenario is to provide our Company with a higher number of Rights Shares approved for additional flexibility in the event of share price fluctuation as the Issue Price and entitlement basis will be fixed later.

As at the LPD, our Company has a total of 1,548,105,929 ABMB Shares in issue. *For illustration purposes only*, the number of Rights Shares to be issued and the subscription amount for every 1,000 ABMB Shares held by an Entitled Shareholder are as follows:

Scenario	No. of ABMB Shares held	No. of Rights Shares to be issued	Subscription amount RM
Base Scenario	1,000	113	386.46
ALA Scenario	1,000	138	386.40

The actual subscription amount required by our Entitled Shareholders to fully subscribe for their entitlements under the Proposed Rights Issue will depend on the Entitlement Basis and Issue Price to be determined and announced by our Board on a later date.

The Proposed Rights Issue is renounceable in full or in part. Accordingly, our Entitled Shareholders may fully or partially renounce their entitlements under the Proposed Rights Issue. Any Rights Shares which are not validly taken up shall be offered to our other Entitled Shareholders and/or their renounees under excess Rights Shares applications.

It is the intention of our Board to allocate any excess Rights Shares in a fair and equitable manner, and on such basis as it deems fit or expedient and in the best interests of our Company, which will be determined and announced by our Board on a later date.

Any fractional entitlements of the Rights Shares shall be disregarded and/or dealt with by our Board in such manner and on such terms and conditions as our Board in its absolute discretion deems fit or expedient and in the best interests of our Company. Further, the Proposed Rights Issue will not be implemented in stages.

2.1 Basis and justification for determining the Issue Price

The Issue Price will be determined and announced by our Board on a later date, closer to the implementation of the Proposed Rights Issue. It is the intention of our Board to fix the Issue Price at a discount ranging from 15% to 25% to the TERP based on the 5-day VWAP of ABMB Shares immediately preceding the price-fixing date. The Issue Price will be determined and announced by our Board on the price-fixing date after taking into consideration, amongst others, the following:

- (i) the Intended Gross Proceeds of approximately RM600.0 million;
- (ii) the TERP of ABMB Shares based on the 5-day VWAP of ABMB Shares immediately preceding the price-fixing date; and
- (iii) the then prevailing market conditions.

2.2 Ranking of the Rights Shares

The Rights Shares shall, upon allotment and issuance, rank *pari-passu* in all respects with the then existing ABMB Shares in issue as at the date of allotment of the Rights Shares, save and except that the holders of the Rights Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid, the entitlement date of which is before the date of allotment of the Rights Shares.

2.3 Listing of and quotation for of the Rights Shares

The Rights Shares to be issued pursuant to the Proposed Rights Issue will be listed and quoted on the Main Market of Bursa Securities.

2.4 Irrevocable undertaking and underwriting arrangement

The Proposed Rights Issue is intended to be undertaken on a full subscription basis.

In this respect, our Company has procured the Undertaking from VTSB to subscribe in full for its entitlement under the Proposed Rights Issue based on its shareholding in our Company as at the Entitlement Date.

Pursuant to the Undertaking, VTSB also irrevocably and unconditionally undertakes not to, from the date of its Undertaking until the Entitlement Date:

- (i) sell, dispose of, assign or transfer its legal and beneficial ownership in any of our ABMB Shares;
- (ii) acquire any new ABMB Shares; and
- (iii) enter into any agreement or arrangement that will result in the transactions as mentioned in paragraphs (i) and (ii) above occurring on or prior to the Entitlement Date.

Pursuant to the Undertaking, VTSB has confirmed that it has adequate and sufficient financial means and resources to subscribe in full for its entitlement of the Rights Shares and the aforementioned financial means and resources are not collateralised or charged for any credit facilities and it intends to use them for the purpose of subscribing for its entitlement under the Proposed Rights Issue. RHB Investment Bank has verified that VTSB has adequate and sufficient financial means and resources to fulfil its Undertaking.

For illustration purposes only, based on the shareholdings of VTSB in our Company as at the LPD; the number of VTSB's entitlement of the Rights Shares and the subscription amount are as follows:

Base Scenario

Undertaking shareholder	Shareholding as at the LPD		No. of Rights Shares based on entitlement		Subscription amount
	No. of ABMB Shares	%	No. of Rights Shares	%	RM
VTSB	449,857,775	29.06	51,120,201	29.06	174,831,087

ALA Scenario

Undertaking shareholder	Shareholding as at the LPD		No. of Rights Shares based on entitlement		Subscription amount
	No. of ABMB Shares	%	No. of Rights Shares	%	RM
VTSB	449,857,775	29.06	62,480,246	29.06	174,944,689

The actual number of Rights Shares to be issued to VTSB and the subscription amount required by VTSB under the Proposed Rights Issue will depend on the Entitlement Basis and Issue Price to be determined and announced by our Board on a later date.

Underwriting arrangements will be made by our Company for the remaining open portion of the Rights Shares for which no written undertaking has been obtained. Such underwriting arrangements are expected to be in place prior to the announcement of the Entitlement Date.

As the Proposed Rights Issue is intended to be undertaken on a full subscription basis, VTSB's subscription in full for its entitlement under the Proposed Rights Issue (without subscribing for any excess Rights Shares) pursuant to the Undertaking is not expected to:

- (i) give rise to any mandatory take-over offer obligation under the Malaysian Code on Take-Overs and Mergers, 2016 and the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia; and
- (ii) result in non-compliance by our Company with the public shareholding spread requirement under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders.

3. USE OF PROCEEDS FROM THE PROPOSED RIGHTS ISSUE

The Intended Gross Proceeds are expected to be used in the following manner:

<u>Use of proceeds</u>	<u>Note</u>	<u>Base Scenario RM'000</u>	<u>ALA Scenario RM'000</u>	<u>Estimated time frame for use of proceeds</u>
Working capital	(1)	596,850	597,241	Within 12 months
Defray estimated expenses for the Proposed Rights Issue	(2)	4,800	4,800	Within one month
Total		<u>601,650</u>	<u>602,041</u>	

Notes:

(1) Working capital

The amount allocated will be used for our Group's general banking, financing and investing activities such as investing in government securities, treasury bills, money market and non-money market instruments, which are in the ordinary course of our banking operations as well as for purposes of defraying expenses incurred in the course of day-to-day business operations (including payment of interest for our Group's borrowings). The breakdown of proceeds to be utilised for each component of working capital has not been determined at this juncture.

(2) Defray estimated expenses for the Proposed Rights Issue

<u>Estimated expenses</u>	<u>RM'000</u>
Professional fees* and underwriting commission	3,680
Fees to the relevant authorities	150
Printing, despatch, advertising and meeting expenses, and other miscellaneous expenses	970
Total	<u>4,800</u>

* Include professional fees payable to the Sole Principal Adviser, Share Registrar, Solicitors and Reporting Accountants for the Proposed Rights Issue.

If the actual expenses are lower or higher than estimated, any surplus or shortfall will be adjusted against the amount allocated for the working capital of our Group.

The actual gross proceeds to be raised from the Proposed Rights Issue will depend on the Entitlement Basis and Issue Price to be determined and announced by our Board on a later date. Any difference between the Intended Gross Proceeds and the actual gross proceeds raised shall be adjusted against the amount allocated for the working capital of our Group.

Further, pending the full utilisation of the gross proceeds received from the Proposed Rights Issue, our Company will place such proceeds (including accrued interest, if any) or the balance thereof in deposits or short-term money-market instruments with licensed financial institutions as our Board deems fit.

4. OTHER EQUITY FUND RAISING EXERCISE IN THE PAST 12 MONTHS

Our Company has not undertaken any equity fund raising exercise in the past 12 months prior to the date of this Circular.

5. RATIONALE AND BENEFITS FOR THE PROPOSED RIGHTS ISSUE

The Proposed Rights Issue will enable our Group to raise funds and channel them towards the proposed use as set out in Section 3 of this Circular.

After due consideration of the various options available, our Board is of the opinion that the Proposed Rights Issue is the most suitable means of fund-raising for our Company for the following reasons:

(i) Opportunity for our Entitled Shareholders to participate in an equity offering on a pro-rata basis

The Proposed Rights Issue provides an opportunity for our Entitled Shareholders to increase their equity participation in our Company on a pro-rata basis through subscription of the Rights Shares and ultimately, participate in the prospects and future growth of our Group.

(ii) Option which will not have a dilutive effect on our Entitled Shareholders' shareholdings

The Proposed Rights Issue entails the issuance of new ABMB Shares on a pro-rata basis without diluting our Entitled Shareholders' shareholdings in our Company provided that our Entitled Shareholders subscribe in full for their respective entitlements under the Proposed Rights Issue.

(iii) Opportunity to acquire ABMB Shares at a discount and/or monetise their rights of allotment to the Rights Shares in the open market

The Proposed Rights Issue provides our Entitled Shareholders with the opportunity to acquire additional ABMB Shares at a discount to the TERP based on the 5-day VWAP of ABMB Shares immediately preceding the price-fixing date, allowing them to either increase (on the assumption that other Entitled Shareholders do not subscribe for their entitlement of the Rights Shares in full) or maintain (on the assumption that all Entitled Shareholders subscribe for their entitlement of Rights Shares in full) their equity participation in our Company, and/or to monetise their rights of allotment to the Rights Shares in the open market.

(iv) Other alternative means of fund-raising such as private placements are smaller in scale and dilutive

Rights issue, which is implemented on a pro-rata equity offering to all existing shareholders, can be implemented on a larger scale as compared to conventional private placement which is typically offered on a limited scale to reduce the dilutive impact to our existing shareholders.

(v) No additional profit/interest expense to be incurred by our Group

The Proposed Rights Issue will enable our Group to raise the Intended Gross Proceeds without incurring additional profit/interest expense as compared to other means of funding such as bank borrowings, thereby minimising any potential cash outflow.

If our Group were to take on bank borrowings, our Group will be tied down with principal repayments as well as profit/interest servicing which may inhibit our Group's ability to preserve our cash flow for reinvestment and/or operational purposes.

(vi) Strengthen our Group's capital position

The Proposed Rights Issue will also facilitate the build-up of capital buffer for our Group and thus improving our Group's capital ratios upon completion of the Proposed Rights Issue.

6. INDUSTRY OVERVIEW AND OUTLOOK, AND FUTURE PROSPECTS OF OUR GROUP

6.1 Overview and outlook of the Malaysian economy

In 2024, the Malaysian economy registered a higher growth of 5.1% (2023: 3.6%). The growth performance was driven by improvements in domestic demand, underpinned by both private and public sector expenditure. Household spending continued to increase, reflecting improvements in employment and income levels. Investment activity recorded a strong expansion of 12% (2023: 5.5%), the highest annual growth since 2012 (19.2%). The investment performance reflected further progress of multi-year projects in both the private and public sectors, and the implementation of catalytic initiatives under the national master plans. On the external front, net exports rebounded to 2.2% (2023: -16.2%), driven by recovery in exports amid the global technology upcycle and improved external demand.

Private consumption expanded by 5.1% in 2024 (2023: 4.7%) driven by improvement in employment and income levels. Overall employment grew by 2.6% while aggregate nominal wages expanded by 2.9% and 5% in the private and public sectors, respectively. Expenditure on necessities increased mainly due to higher spending on transport, food and beverages, and housing and utilities. Meanwhile, higher discretionary spending was mainly driven by restaurant and hotel expenditures. Policy measures also continued to support households, including larger cash transfers, special incentive payment for civil servants and pensioners, and the introduction of EPF's Akaun Fleksibel withdrawal facility.

Private investment registered a strong growth of 12.3% in 2024 (2023: 4.6%). This marked the highest growth rate in the past decade. Growth was driven by the steady implementation of projects, amid the high investment approvals in 2023.

Public investment expanded by 11.1% in 2024 (2023: 8.6%). The higher growth was supported by both fixed asset spending by the Government and expansion by public corporations, primarily in transportation, oil and gas, and utilities. Continued progress in large infrastructure projects such as the East Coast Rail Link, Pan Borneo Highway Sabah, Johor Bahru–Singapore Rapid Transit System Link and flood mitigation projects also supported growth.

Public consumption expanded by 4.7% (2023: 3.3%), supported by higher spending on emoluments as well as supplies and services. In particular, emolument spending was driven by annual salary increment and new hirings in the public sector.

On the supply side, all economic sectors recorded higher growth during the year. Strong performance was recorded by the services and manufacturing sectors, which benefited from improved domestic and external demand conditions.

The services sector grew by 5.4% (2023: 5.1%), driven mainly by business-related subsectors. The real estate and business services subsector expanded in line with the robust growth in construction activities. The transport and storage subsector was driven by the recovery in trade activities and continued air passenger traffic growth. The rebound in the finance and insurance subsector was supported particularly by higher net interest income amid stronger financing activity. In addition, government services provided further boost to growth driven by annual salary increment and new hirings in the public sector. Meanwhile, consumer-related subsectors remained supported by improved labour market conditions. It was also supported by policy measures such as larger cash transfers and the introduction of EPF's Akaun Fleksibel withdrawal facility as well as increased tourist arrivals.

The manufacturing sector expanded by 4.2% (2023: 0.7%). Growth was driven by a recovery in export-oriented clusters following stronger global trade and technology upcycle. The electrical and electronics industry gained from the global technology upcycle, as reflected by increased semiconductor sales. This was attributed to stronger demand in end-segments like consumer electronics, computing and data centres. The primary-related cluster was lifted by higher refined petroleum output, on account of improved production at a key refinery in Johor. Consumer-related growth was underpinned by higher crude palm oil production and a continued increase in motor vehicle output. Meanwhile, the construction-related cluster was supported by further progress in ongoing infrastructure activities.

Growth in the agriculture sector was higher at 3.1% (2023: 0.7%), mainly attributable to increased oil palm production. Higher oil palm yields were supported by increased productivity from better trained workers and higher fertiliser application during 2022-2023 period, following normalisation in fertiliser prices. This more than offset the lower production from Sabah due to dry weather and the spread of Sooty Mould disease in the first quarter.

The mining sector expanded by 0.9% (2023: 0.5%). Overall growth during the year was driven mainly by increased gas production in existing fields and operationalisation of new fields such as Jerun and Kasawari in Sarawak. However, oil and gas production declined in the second and third quarters of the year amid a power outage at the Bintulu liquefied natural gas complex and maintenance activity in several key oil and gas fields, which have since been resolved.

The construction sector registered a double-digit growth of 17.5% (2023: 6.1%). This was the highest growth in a decade, consistent with the strong rise in investment activity. Growth was driven mainly by special trade and civil engineering subsectors. Strong expansion in the special trade subsector was supported by early- and end-stage works such as site preparation and electrical installation for civil engineering and industrial projects. The civil engineering subsector continued to be driven by further progress of multi-year infrastructure projects, particularly in the transportation segment. The residential subsector recorded higher activity, benefiting from new housing projects. This was in line with stronger housing demand as income and employment conditions improved. Additionally, the non-residential subsector rebounded strongly driven by industrial and commercial projects.

Headline inflation moderated in 2024, averaging at 1.8%, below its historical average (2011–19 average: 2.2%). In the environment of contained cost conditions and stable demand, inflation was moderate across most Consumer Price Index (“CPI”) segments. Of note, the moderation could be seen most prominently in food and non-alcoholic beverages (2024: 2%; 2023: 4.8%) and restaurants and hotels (2024: 3.1%; 2023: 5.6%). Nevertheless, the broad moderation was partly offset by pockets of price pressures from policy adjustments, including higher water tariff rates, an increase in the service tax rate for selected CPI segments and the implementation of targeted subsidies for diesel. However, the overall impact of these policy adjustments was manageable given effective mitigating efforts. In the case of targeted diesel subsidies, the continued provision of subsidised diesel to major commercial users, such as those in the logistics sector, under the Subsidised Diesel Control System (SKDS) 2.0, limited the cost impact on businesses. This was coupled with strict enforcement by authorities aimed at curbing profiteering activities by businesses. These actions helped contain spillovers to broader CPI prices. Additionally, non-commercial diesel users in Sabah and Sarawak were exempted from the subsidy rationalisation and continued to pay the lower price of RM2.15/litre. All these measures resulted in a modest direct impact on headline inflation.

In 2024, labour market conditions remained supportive of growth. Employment grew by 2.6% (+423,800 persons; 2023: 2.8%, +439,200 persons) while the labour force participation rate continued to rise to 70.5% in 2024 (2023: 70%). At 3.2%, the unemployment rate has declined to below pre-pandemic levels (2023: 3.4%; 2019: 3.3%).

The Malaysian economy is projected to grow between 4.5%–5.5% in 2025: In the face of external uncertainties, domestic demand is expected to remain Malaysia’s anchor of growth amid steady private sector expenditure. Higher household spending will be driven by employment and faster income growth as well as policy support. Meanwhile, investment activity will continue to see a robust expansion as the investment upcycle is expected to extend into 2025. The domestic growth outlook is subject to several downside risks, stemming primarily from the considerable uncertainties from the external front. More restrictive trade policies, subsequent retaliatory measures, and the potential escalation of geopolitical conflicts could disrupt global trade, and in turn affect Malaysia’s trade performance. On the domestic front, downside risks could emanate from further disruptions in commodity production which could weigh on growth. Notwithstanding, higher external demand, greater positive spillovers from the global technology upcycle, more robust tourism activity and quicker implementation of new and existing investment projects could lift domestic growth. The materialisation of these downside or upside risks will land the economy closer to the lower or the upper end of the forecast range, respectively.

(Source: Bank Negara Malaysia, Economic and Monetary Review 2024)

6.2 Overview and outlook of the financial sector

The banking sector remained well-capitalised, coupled with ample liquidity buffers to support financial intermediation in the economy. As at end-July 2024, the Common Equity Tier 1 Capital (CET1), Tier 1 Capital, and Total Capital ratios remained steady at 14.8%, 15.4%, and 18.5%, respectively. The banking sector continued to provide sustainable funding amid strong growth in deposits with a stable loan-to-deposit ratio (LDR) of 87.6% while maintaining sufficient liquidity to meet the short-term and long-term financial obligations with an aggregate Liquidity Coverage Ratio (LCR) of 150.8% and the Net Stable Funding Ratio (NSFR) of 115.5%. These indicators remained well above the Basel III standards to provide banks with a solid buffer against potential liquidity shocks while simultaneously sustaining credit flows in the economy.

On the asset quality front, the loan impairments remained manageable given the low level of the gross impaired loan ratio at 1.6%, coupled with low uptake of the restructuring and rescheduling programme by borrowers facing financial constraints, indicating most borrowers could promptly repay their loans. Additionally, the banking sector continues to be watchful of emerging risks that could impact loan performance. The total provisions, including regulatory reserves, remained adequate at RM43 billion (equivalent to 124.5% of impaired loans as at end-July 2024) to serve as a buffer for potential credit losses.

During the first seven months of 2024, lending activities in the banking system were sustained by continued growth in both business and household segments by 5.7% and 6.5%, respectively, contributing to total loan outstanding growth of 6.4% to RM2,188.5 billion. In contrast, the banking system's repayment activities contracted by 2.7% to RM1,363.6 billion in line with moderating loan disbursements of 0.1% to RM1,386 billion, weighed down by the business segment. Of this total loan outstanding, the household segment constitutes the largest share in the banking sector as loan applications expanded by 4.9% to RM488.7 billion amid steady demand for the purchase of passenger cars and houses as at July 2024. Similarly, other key lending indicators, such as loan approvals and disbursements, increased by 4.1% and 10.5% to RM218.3 billion and RM294.3 billion, respectively. The credit conditions continue to be favourable, with repayment activities remaining strong at 7.4%, in line with favourable labour market conditions. The revised civil service salary scheme to be rolled out by the end of the year is also expected to further contribute to the resilience of this segment. Looking ahead, household debt growth is expected to remain manageable, supported by continued improvements in the labour market and economic activities, coupled with stringent risk assessment by banks. Meanwhile, the anticipated enactment of the Consumer Credit Act will further strengthen the regulatory framework for non-bank credit providers and credit service providers. This legislation will promote a prudent and responsible lending culture among credit providers, including those providing the Buy Now Pay Later facilities as well as to promote responsible consumer borrowing, thus ensuring protection against financial hardship due to excessive debt burdens.

The finance subsector is projected to expand by 4.7% with positive growth in all segments, in tandem with rising economic and investment activities. The expansion of financial inclusion through the adoption of digital financial services is expected to significantly boost the demand for credit facilities, thus strengthening the banking segment. Moving forward, concerted efforts by financial regulators and industry players to offer wide range of innovative products including blended financing, new platforms such as social impact exchange and voluntary carbon market, as well as enhanced regulation and supervision, will further contribute to the resiliency of Malaysia's financial market.

(Source: Ministry of Finance, Economic Outlook 2025)

6.3 Future prospects of our Group

According to the Economic Outlook 2025 by the Ministry of Finance of Malaysia, the country's economy is projected to grow between 4.5% and 5.5% in 2025. We expect that the country's economic growth will be supported by sustained domestic demand and government spending. The positive economic outlook provides a conducive environment for us to pursue our growth strategy, namely "Acceler8" and we remain committed to realising our growth objectives under our Acceler8 strategy. Our Acceler8 strategy was launched in January 2023 and runs over four years until the end of the FYE 31 March 2027. Under our Acceler8 strategy, our Group plans to expand our focus beyond the small medium enterprise sector and accelerate business growth through eight identified growth opportunities including broadening our consumer business, accelerating our Islamic business and leveraging partnerships to scale product offerings. Please refer to our 2024 Annual Report or our corporate website at <https://www.alliancebank.com.my/AllianceDNA> for further details on our Acceler8 strategy.

For the FYE 31 March 2026, our Group's focus areas include:

- (i) sustaining customer acquisition through the expansion of new-to-bank acquisition channels, leveraging digital platforms, forging strategic partnerships, enhancing productivity, and upgrading our branch services;
- (ii) enhancing product and channel offerings for key target segments in both our Consumer and Business Banking divisions, with the aim of improving fee income. Additionally, we seek to maximise cross-business unit collaboration to provide a more comprehensive customer service; and
- (iii) strengthening Islamic banking propositions through the expansion of our unique Shariah-compliant and Value-based Intermediation propositions.

We also aim to continue our loans growth momentum for the FYE 31 March 2026 with strong integrated risk management practices, while strengthening our funding base. Notwithstanding the above, we remain cautious regarding potential risks to growth stemming from any external uncertainties including the imposition of increased import tariff rates in the United States of America.

(Source: Our Management)

7. EFFECTS OF THE PROPOSED RIGHTS ISSUE

For illustration purposes only, the proforma effects of the Proposed Rights Issue have been illustrated based on the Base Scenario and ALA Scenario as set out in Section 2 of this Circular.

7.1 Issued share capital

For illustration purposes only, the pro forma effects of the Proposed Rights Issue on the issued share capital of our Company are as follows:

		Base Scenario		ALA Scenario	
		No. of ABMB Shares	RM	No. of ABMB Shares	RM
Issued share capital as at the LPD		1,548,105,929	1,548,105,929	1,548,105,929	1,548,105,929
Rights Shares to be issued		175,921,128	596,850,258 ⁽¹⁾	215,014,712	597,241,194 ⁽²⁾
Enlarged share capital	issued	<u>1,724,027,057</u>	<u>2,144,956,187</u>	<u>1,763,120,641</u>	<u>2,145,347,123</u>

Notes:

- (1) Based on the illustrative Issue Price of RM3.42 per Rights Share and after taking into consideration the estimated expenses for the Proposed Rights Issue of RM4.80 million which are directly attributable to the issuance of the Rights Shares and offset against our Company's issued share capital.
- (2) Based on the illustrative Issue Price of RM2.80 per Rights Share and after taking into consideration the estimated expenses for the Proposed Rights Issue of RM4.80 million which are directly attributable to the issuance of the Rights Shares and offset against our Company's issued share capital.

7.2 Substantial shareholders

For illustration purposes only, the pro forma effects of the Proposed Rights Issue on the shareholdings of our substantial shareholders as at the LPD are as follows:

Base Scenario

Substantial shareholders	As at LPD				After the Proposed Rights Issue ⁽¹⁾			
	Direct		Indirect		Direct		Indirect	
	No. of ABMB Shares	%	No. of ABMB Shares	%	No. of ABMB Shares	%	No. of ABMB Shares	%
VTSB	449,857,775	29.06	-	-	500,977,976	29.06	-	-
Langkah Bahagia Sdn Bhd	-	-	449,857,775	29.06 ⁽²⁾	-	-	500,977,976	29.06 ⁽²⁾
Duxton Investments Pte Ltd	-	-	449,857,775	29.06 ⁽²⁾	-	-	500,977,976	29.06 ⁽²⁾
Ong Beng Seng	-	-	449,857,775	29.06 ⁽³⁾	-	-	500,977,976	29.06 ⁽³⁾
Ong Tiong Sin	-	-	449,857,775	29.06 ⁽³⁾	-	-	500,977,976	29.06 ⁽³⁾
Seow Lun Hoo	-	-	449,857,775	29.06 ⁽³⁾	-	-	500,977,976	29.06 ⁽³⁾
Fullerton Financial Holdings Pte Ltd	-	-	449,857,775	29.06 ⁽⁴⁾	-	-	500,977,976	29.06 ⁽⁴⁾
Fullerton Management Pte Ltd	-	-	449,857,775	29.06 ⁽⁵⁾	-	-	500,977,976	29.06 ⁽⁵⁾
Temasek Holdings (Private) Limited	-	-	449,857,775	29.06 ⁽⁶⁾	-	-	500,977,976	29.06 ⁽⁶⁾
Singapore Minister for Finance	-	-	449,857,775	29.06 ⁽⁷⁾	-	-	500,977,976	29.06 ⁽⁷⁾
EPF	142,979,213	9.24	-	-	159,226,850	9.24	-	-

Notes:

- (1) Assuming that all our Entitled Shareholders subscribe in full for their respective entitlements under the Proposed Rights Issue.
- (2) Deemed interested by virtue of Section 8 of the Act held through VTSB.
- (3) Deemed interested by virtue of Section 8 of the Act held through Langkah Bahagia Sdn Bhd.
- (4) Deemed interested by virtue of Section 8 of the Act held through Duxton Investments Pte Ltd.
- (5) Deemed interested by virtue of Section 8 of the Act held through Fullerton Financial Holdings Pte Ltd.
- (6) Deemed interested by virtue of Section 8 of the Act held through Fullerton Management Pte Ltd.
- (7) Deemed interested by virtue of Section 8 of the Act held through Temasek Holdings (Private) Limited.

ALA Scenario

Substantial shareholders	As at LPD				After the Proposed Rights Issue ⁽¹⁾			
	Direct		Indirect		Direct		Indirect	
	No. of ABMB Shares	%	No. of ABMB Shares	%	No. of ABMB Shares	%	No. of ABMB Shares	%
VTSB	449,857,775	29.06	-	-	512,338,021	29.06	-	-
Langkah Bahagia Sdn Bhd	-	-	449,857,775	29.06 ⁽²⁾	-	-	512,338,021	29.06 ⁽²⁾
Duxton Investments Pte Ltd	-	-	449,857,775	29.06 ⁽²⁾	-	-	512,338,021	29.06 ⁽²⁾
Ong Beng Seng	-	-	449,857,775	29.06 ⁽³⁾	-	-	512,338,021	29.06 ⁽³⁾
Ong Tiong Sin	-	-	449,857,775	29.06 ⁽³⁾	-	-	512,338,021	29.06 ⁽³⁾
Seow Lun Hoo	-	-	449,857,775	29.06 ⁽³⁾	-	-	512,338,021	29.06 ⁽³⁾
Fullerton Financial Holdings Pte Ltd	-	-	449,857,775	29.06 ⁽⁴⁾	-	-	512,338,021	29.06 ⁽⁴⁾

Substantial shareholders	As at LPD				After the Proposed Rights Issue ⁽¹⁾			
	Direct		Indirect		Direct		Indirect	
	No. of ABMB Shares	%	No. of ABMB Shares	%	No. of ABMB Shares	%	No. of ABMB Shares	%
Fullerton Management Pte Ltd	-	-	449,857,775	29.06 ⁽⁵⁾	-	-	512,338,021	29.06 ⁽⁵⁾
Temasek Holdings (Private) Limited	-	-	449,857,775	29.06 ⁽⁶⁾	-	-	512,338,021	29.06 ⁽⁶⁾
Singapore Minister for Finance	-	-	449,857,775	29.06 ⁽⁷⁾	-	-	512,338,021	29.06 ⁽⁷⁾
EPF	142,979,213	9.24	-	-	162,837,437	9.24	-	-

Notes:

- (1) Assuming that all our Entitled Shareholders subscribe in full for their respective entitlements under the Proposed Rights Issue.
- (2) Deemed interested by virtue of Section 8 of the Act held through VTSB.
- (3) Deemed interested by virtue of Section 8 of the Act held through Langkah Bahagia Sdn Bhd.
- (4) Deemed interested by virtue of Section 8 of the Act held through Duxton Investments Pte Ltd.
- (5) Deemed interested by virtue of Section 8 of the Act held through Fullerton Financial Holdings Pte Ltd.
- (6) Deemed interested by virtue of Section 8 of the Act held through Fullerton Management Pte Ltd.
- (7) Deemed interested by virtue of Section 8 of the Act held through Temasek Holdings (Private) Limited.

7.3 NA and gearing

For illustration purposes only, the pro-forma effects of the Proposed Rights Issue on the consolidated NA and gearing, and NA per ABMB Share based on our latest audited consolidated statement of financial position as at 31 March 2024 are as follows:

	Audited as at 31 March 2024	After the Proposed Rights Issue	
		Base Scenario ⁽¹⁾	ALA Scenario ⁽²⁾
	RM'000	RM'000	RM'000
Share capital	1,548,106	2,144,956	2,145,347
Regulatory reserves	155,485	155,485	155,485
Capital reserves	10,018	10,018	10,018
Fair value through other comprehensive income reserve	(87,888)	(87,888)	(87,888)
Retained profits	5,549,407	5,549,407	5,549,407
NA	7,175,128	7,771,978	7,772,369
No. of ABMB Shares in issue ('000)	1,548,106	1,724,027	1,763,121
NA per ABMB Share (RM) ⁽³⁾	4.63	4.51	4.41
Total borrowings ⁽⁴⁾	2,924,304	2,924,304	2,924,304
Net gearing ⁽⁵⁾ (times)	0.41	0.38	0.38

Notes:

- (1) After taking into consideration the estimated proceeds to be raised of approximately RM601.65 million and estimated expenses for the Proposed Rights Issue of RM4.80 million which are directly attributable to the issuance of the Rights Shares and offset against our Company's issued share capital.
- (2) After taking into consideration the estimated proceeds to be raised of approximately RM602.04 million and estimated expenses for the Proposed Rights Issue of RM4.80 million which are directly attributable to the issuance of the Rights Shares and offset against our Company's issued share capital.
- (3) NA per ABMB Share is calculated as NA divided by the total number of ABMB Shares in issue.
- (4) Total borrowings comprise subordinated obligations, recourse obligations on loans and financing sold to Cagamas Berhad, and lease liabilities.
- (5) Net gearing is computed as total borrowings over NA.

7.4 Earnings and EPS

Barring any unforeseen circumstances and subject to the relevant approvals being obtained, the Proposed Rights Issue is expected to be completed in the third quarter of 2025. Accordingly, our EPS for the FYE 31 March 2026 is expected to be diluted upon completion of the Proposed Rights Issue as a result of the increase in the number of ABMB Shares from the issuance of the Rights Shares. The impact of the Proposed Rights Issue on our earnings and EPS for the FYE 31 March 2026 will depend on, amongst others, the level of returns generated from the utilisation of the proceeds to be raised.

Our Board expects the Proposed Rights Issue to contribute positively to the future earnings of our Group via the proceeds to be raised.

7.5 Existing convertible securities

Our Company does not have any existing convertible securities as at the LPD.

8. EXPECTED TIME FRAME FOR COMPLETION

Subject to the relevant approvals being obtained, the Proposed Rights Issue is expected to be completed in the third quarter of 2025. The tentative timetable for the Proposed Rights Issue is as set out below:

Date	Events
30 May 2025	<ul style="list-style-type: none">Our forthcoming EGM to obtain your approval for the Proposed Rights Issue
Mid June 2025	<ul style="list-style-type: none">Entitlement Date for the Proposed Rights IssueIssuance of abridged prospectus for the Proposed Rights Issue
Early July 2025	<ul style="list-style-type: none">Closing date of acceptance and applications for the Rights Shares
Mid July 2025	<ul style="list-style-type: none">Listing of and quotation for the Rights Shares on the Main Market of Bursa Securities

9. APPROVALS REQUIRED

The Proposed Rights Issue is subject to, amongst others, the following approvals being obtained:

- (i) BNM for the increase in paid-up ABMB Shares arising from the Proposed Rights Issue pursuant to Section 7.1 of the Capital Funds Guidelines issued by BNM, which was obtained on 21 April 2025;
- (ii) Bursa Securities for the listing of and quotation for up to 215,014,712 Rights Shares on the Main Market of Bursa Securities which was obtained from Bursa Securities, via its letter dated 30 April 2025. The approval from Bursa Securities for the Proposed Rights Issue is subject to, amongst others, the following conditions:

No.	Conditions	Status of compliance
(a)	Our Company and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Rights Issue.	Noted

No.	Conditions	Status of compliance
(b)	RHB Investment Bank to furnish Bursa Securities a certificate true copy of the resolution passed by the shareholders approving the Proposed Rights Issue.	To be complied
(c)	Our Company and RHB Investment Bank to make an immediate announcement on the Issue Price, discount of the Issue Price, entitlement basis, number of Rights Shares to be issued and the gross proceeds to be raised once it has been finalised.	To be complied
(d)	RHB Investment Bank to inform Bursa Securities upon the completion of the Proposed Rights Issue.	To be complied
(e)	Our Company and RHB Investment Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue is completed.	To be complied
(f)	Our Company and RHB Investment Bank must ensure full compliance with Paragraph 8.02 of the Listing Requirements at all times.	Noted
(g)	To incorporate the comments made in the draft circular to shareholders.	Complied
(h)	Payment of additional listing fees based on the market value of the Rights Shares to be listed, if applicable. In this respect, our Company is required to furnish Bursa Securities a cheque drawn to the order of Bursa Securities for the outstanding listing fee together with a copy of the details of the computation of the amount of fees payable.	Noted

(iii) your approval at our forthcoming EGM; and

(iv) any other relevant authorities and/or parties, if required.

The Proposed Rights Issue is not inter-conditional with or conditional upon any other proposal undertaken or to be undertaken by our Company.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of our directors, Major Shareholders, chief executive and/or persons connected with them have any interest, whether direct and/or indirect in the Proposed Rights Issue apart from their respective entitlements under the Proposed Rights Issue (including the right to apply for additional Rights Shares under excess Rights Shares application), to which all our Entitled Shareholders are similarly entitled.

11. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Rights Issue which is the subject matter of this Circular and as disclosed below, there are no other outstanding proposals which have been announced but not yet completed as at the date of this Circular.

On 24 April 2025, our Company announced that we propose to establish and implement a long-term incentive plan in the form of an employee share scheme of a maximum of 3.0% of the total number of ABMB Shares (excluding treasury shares, if any) ("**Proposed LTIP**") at any point in time during the duration of the Proposed LTIP.

12. RECOMMENDATION BY OUR DIRECTORS

Our Board, having considered all aspects of the Proposed Rights Issue, including but not limited to the rationale for the Proposed Rights Issue, the proforma effects of the Proposed Rights Issue as well as the proposed utilisation of the Intended Gross Proceeds, is of the opinion that the Proposed Rights Issue is in the best interests of our Company. Accordingly, our Board recommends that you vote in favour of the resolution for the Proposed Rights Issue to be tabled at our forthcoming EGM.

13. EGM

Our forthcoming EGM, the notice of which is enclosed in this Circular, will be held on 30 May 2025 at 3.00 p.m. or at any adjournment thereof at Nusantara Ballroom 2 & 3, Level 2, Sheraton Imperial Kuala Lumpur Hotel, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia, for the purpose of considering and if thought fit, passing with or without any modifications, the ordinary resolution as set out in our Notice of EGM therein to give effect to the Proposed Rights Issue. Our Notice of EGM and the Form of Proxy are enclosed in this Circular.

If you are unable to attend and vote in person at our forthcoming EGM, you may appoint a proxy or proxies to attend and vote on your behalf. Your Form of Proxy must be lodged with our Company's Share Registrar, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Malaysia or lodged electronically at <https://web.vote2u.my> (applicable to individual members only) not less than 48 hours before the time set for holding our forthcoming EGM or any adjournment thereof. Please follow the procedures provided in the Administrative Guide of our EGM to lodge the Form of Proxy electronically.

14. FURTHER INFORMATION

You are requested to refer to the attached appendix of this Circular for further information.

Yours faithfully,
For and on behalf of
ALLIANCE BANK MALAYSIA BERHAD

TAN SRI AMIRSHAM BIN A AZIZ
Chairman/Independent Non-Executive Director

1. RESPONSIBILITY STATEMENT

Our Directors have seen and approved this Circular, and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge, there are no false or misleading statements contained in this Circular or other facts, the omission of which would make any statement in this Circular false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

RHB Investment Bank, being our Sole Principal Adviser for the Proposed Rights Issue, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which it appears in this Circular.

RHB Investment Bank, its subsidiaries and associated companies, as well as its holding company, RHB Bank Berhad, and the subsidiaries and associated companies of RHB Bank Berhad (collectively, the “**RHB Banking Group**”) form a diversified financial group and may extend credit facilities or engage in private banking, commercial banking and investment banking transactions including, amongst others, brokerage, securities trading, asset and fund management and credit transaction service businesses in its ordinary course of business with our Group. RHB Banking Group has engaged and may in the future, engage in transactions with and perform services for our Group in addition to the role of being our Sole Principal Adviser for the Proposed Rights Issue.

In the ordinary course of business, any member of RHB Banking Group may at any time offer or provide its services to or engage in any transactions (whether on its own account or otherwise) with any member of our Group, hold long or short positions in the securities offered by any member of our Group, make investment recommendations and/or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Group.

EPF is a substantial shareholder of our Company and a major shareholder of RHB Bank Berhad. However, EPF is not involved in the day-to-day operations of our Group and RHB Banking Group.

As at the LPD, the equity derivatives department of RHB Investment Bank (“**RHB EQD**”) has issued two separate issuances of 35 million units of call warrants over our ABMB Shares which will expire on 28 July 2025 and 29 October 2025 respectively (“**Call Warrants**”). The issuances of the Call Warrants would expose RHB Investment Bank to the movement in our share price. RHB investment Bank has previously utilised and will continue to utilise the proceeds received from the issuances of the Call Warrants for hedging activities that include purchasing our ABMB Shares to mitigate RHB Investment Bank’s risk exposure to the Call Warrants. As at the LPD, RHB Investment Bank has purchased ABMB Shares amounting to RM156,366 as part of its hedging activities.

Notwithstanding the above and as at the LPD, RHB Investment Bank as part of RHB Banking Group, is of the view that the abovementioned does not and will not likely result in a conflict of interest situation in its capacity as our Sole Principal Adviser for the Proposed Rights Issue on the basis that:

- (i) RHB Investment Bank is a licensed investment bank and its appointment as our Sole Principal Adviser for the Proposed Rights Issue is in the ordinary course of its business. RHB Investment Bank does not have any interest in the Proposed Rights Issue other than as our Sole Principal Adviser based on the terms of engagement which are mutually agreed between both parties. Further, RHB Investment Bank does not receive or derive any financial interest or benefit save for the professional fees received in relation to its appointment as our Sole Principal Adviser for the Proposed Rights Issue as well as fees from underwriting arrangements for the Proposed Rights Issue, if applicable;

APPENDIX I – FURTHER INFORMATION

- (ii) the hedging activities of RHB EQD are governed by internal limits to manage RHB Banking Group's overall exposure to a particular underlying security where, in this case, RHB EQD can only acquire up to RM20.0 million of ABMB Shares ("**Exposure Limit**"). Nevertheless, depending on the market condition and underlying value of our ABMB Shares, RHB EQD may increase the Exposure Limit subject to the necessary approvals from the Chief Executive Officer of RHB Investment Bank, Group Investment Underwriting Committee and/or Board Credit Committee (depending on the amount). Hence, RHB Investment Bank's potential exposure to the movement in our share price pursuant to the Call Warrants issued cannot be ascertained at this juncture.

In any event, based on the Exposure Limit, RHB Investment Bank may only acquire up to 0.29% of our market capitalisation computed as at the LPD, and RHB Banking Group is also governed by other regulatory requirements and its own internal control vis-à-vis exposure to a single counter party;

- (iii) the corporate finance division of RHB Investment Bank ("**RHB CF**") is required under its investment banking license to comply with strict policies and guidelines issued by the Securities Commission Malaysia, Bursa Securities and BNM governing its advisory operations. These guidelines require, among others, the establishment of Chinese Wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations; and
- (iv) the conduct of RHB Banking Group's business is strictly regulated by the Financial Services Act, 2013, the Capital Markets and Services Act, 2007 and RHB Banking Group's own internal controls and checks which include, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

Save for the above, RHB Investment Bank is not aware of any existing or potential conflict of interest or any circumstance which would give rise to a conflict of interest by virtue of its role as our Sole Principal Adviser for the Proposed Rights Issue or as an underwriter for the Proposed Rights Issue, if applicable.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Capital commitments

Save as disclosed below, as at 31 March 2025, being the latest practicable date of which such amount could be ascertained before the printing of this Circular, there are no other material commitments incurred or known to be incurred by our Group, which may, upon being enforceable, have a material adverse effect on our consolidated statement of financial position or business:

	As at 31 March 2025
	RM'000
Capital expenditure:	
Authorised and contracted for	126,906
Authorised but not contracted for	112,458
Total	239,364

3.2 Commitments and contingencies

Save as disclosed below, as at 31 December 2024, being the latest practicable date of which such amount is publicly available before the printing of this Circular, there are no other commitments and contingencies incurred or known to be incurred by our Group which may, upon being enforceable, have a material adverse effect on our consolidated statement of financial position or business:

APPENDIX I – FURTHER INFORMATION

	As at 31 December 2024
	RM'000
Credit-related exposures	
Direct credit substitutes	551,582
Transaction-related contingent items	738,306
Short-term self-liquidating trade-related contingencies	273,838
Forward assets purchase	142
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	2,136,357
Irrevocable commitments to extend credit:	
- maturity exceeding one year	5,294,961
- maturity not exceeding one year	12,942,109
Unutilised credit card lines	2,037,903
	23,975,198
Derivative financial instruments	
Foreign exchange related contracts:	
- one year or less	18,447,787
- over one year to three years	509,640
- over three years	8,952
Interest rate related contracts:	
- one year or less	2,786,753
- over one year to three years	8,824,514
- over three years	13,325,328
Equity related contracts:	
- one year or less	250,507
- over one year to three years	90,000
	44,243,481
Total	68,218,679

APPENDIX I – FURTHER INFORMATION

4. HISTORICAL SHARE PRICES

The monthly highest and lowest closing market prices of our ABMB Shares as transacted on Bursa Securities for the past 12 months before the date of this Circular are as follows:

Month	Highest RM	Lowest RM
2024		
May	3.87	3.76
June	3.97	3.74
July	4.12	3.75
August	4.46	3.92
September	4.50	4.26
October	4.60	4.27
November	5.03	4.40
December	4.90	4.73
2025		
January	5.31	4.88
February	5.38	5.16
March	5.20	4.61
April	4.65	4.04
Last transacted market price on 20 March 2025, being the last Market Day immediately before the announcement of the Proposed Rights Issue on 21 March 2025 (RM)		5.09
Last transacted market price as at the LPD (RM)		4.38

(Source: Bloomberg)

5. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of our Group and, to the best of our Board's knowledge and belief, our Board confirmed that there are no proceedings pending or threatened against our Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 3rd Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia, from 9.00 a.m. to 5.00 p.m. on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of our forthcoming EGM:

- (i) our Constitution;
- (ii) our audited consolidated financial statements for FYE 31 March 2023 and FYE 31 March 2024 and our latest unaudited consolidated financial statements for the 9-month financial period ended 31 December 2024;
- (iii) the letter of consent and declaration of conflict of interest from RHB Investment Bank as referred to in Paragraph 2 of this Appendix I; and
- (iv) the Undertaking.



ALLIANCE BANK

Alliance Bank Malaysia Berhad 198201008390 (88103-W)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of Alliance Bank Malaysia Berhad ("**ABMB**" or the "**Company**") will be held on 30 May 2025 at 3.00 p.m. or at any adjournment thereof at Nusantara Ballroom 2 & 3, Level 2, Sheraton Imperial Kuala Lumpur Hotel, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia, for the purpose of considering and if thought fit, passing the following ordinary resolution with or without any modifications:

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES IN ABMB ("RIGHTS SHARES") TO RAISE GROSS PROCEEDS OF APPROXIMATELY RM600.0 MILLION ("PROPOSED RIGHTS ISSUE")

THAT subject to the approvals of all relevant authorities and/or parties being obtained, the board of directors of ABMB ("**Board**") be and is hereby authorised to provisionally allot and issue and subsequently, to allot and issue by way of a renounceable rights issue, such numbers of Rights Shares to be determined and announced by the Board later, to raise gross proceeds of approximately RM600.0 million, to the entitled shareholders of the Company whose names appear on the Record of Depositors of the Company as at 5.00 p.m. on an entitlement date to be determined and announced later by the Board, or their renouncee(s), on an entitlement basis and at an issue price to be determined and announced by the Board on a later date;

THAT the Board be and is hereby empowered and authorised to disregard and/or deal with any fractional entitlements of the Rights Shares in such manner and on such terms and conditions as the Board may in its absolute discretion deem fit or expedient, and in the best interests of the Company;

THAT any Rights Share which are not validly taken up by the entitled shareholders shall be made available for the excess applications by the other entitled shareholders and/or their renouncee(s) in a fair and equitable manner on such basis as the Board deems fit or expedient and in the best interests of the Company, which will be determined by the Board and announced later;

THAT the Rights Shares shall, upon allotment and issuance, rank *pari-passu* in all respects with the then existing ordinary shares in issue of the Company, save and except that the holders of the Rights Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid, the entitlement date of which is before the date of allotment of the Rights Shares;

THAT the proceeds from the Proposed Rights Issue will be utilised for such purposes as set out in Section 3 of the Circular to shareholders dated 15 May 2025 and the Board be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary or expedient, subject to (where applicable) the approval of the relevant authorities;

THAT in order to implement, complete and give full effect to the Proposed Rights Issue, approval be and is hereby given to the Board to do or to procure to be done all such acts, deeds and things and to execute, sign and deliver on behalf of the Company, all such documents and enter into any arrangements, agreements and/or undertaking with any parties, as they may deem fit, necessary, expedient and/or appropriate to implement, finalise, and/or give full effect to complete the Proposed Rights Issue, will full powers to assent to any term, condition, modification, variation and/or amendment as may be agreed to/required by any relevant regulatory authority or as a consequence of any such requirements or as the Board may in its absolute discretion deem fit, necessary, expedient and/or appropriate in connection with the Proposed Rights Issue and in the best interests of the Company;

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an agreement, option or offer and shall continue to be in full force and effect until the Rights Shares to be issued pursuant to or in connection with the Proposed Rights Issue have been duly issued and allotted in accordance with the terms of the Proposed Rights Issue.

By Order of the Board

LEE WEI YEN
MAICSA 7001798 (SSM PC No. 202008002080)
Group Company Secretary

Kuala Lumpur
15 May 2025

NOTES:

1. A member whose name appears on the General Meeting Record of Depositors as at 21 May 2025 shall be regarded as a member entitled to attend, participate, speak and vote at the meeting and is entitled to appoint a proxy or proxies to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
2. A member other than an Exempt Authorised Nominee shall be entitled to appoint not more than two proxies to attend, participate, speak and vote at the same meeting.
3. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
4. Where a member is an Exempt Authorised Nominee that holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies that the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. If the appointer is a corporation, the Form of Proxy must be executed under its common seal or by at least two authorised officers, one of whom shall be a director (or in the case of a sole director, by that director in the presence of a witness who attests the signature) or under the hand of an officer or attorney duly authorised.
6. To be valid, the duly completed Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited with our Share Registrar, ShareWorks Sdn Bhd, at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur or lodged electronically at <https://web.vote2u.my> (applicable to individual members only) not less than 48 hours before the time set for holding the EGM, or any adjournment thereof. Please follow the procedures provided in the Administrative Guide of the EGM to lodge the Form of Proxy electronically.
7. By submitting the duly executed Form of Proxy, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purposes of the EGM and any adjournment thereof.
8. Pursuant to Paragraph 8.29A(1) of the Listing Requirements, the ordinary resolution set out in the Notice of EGM of the Company shall be put to the vote by way of a poll.



ALLIANCE BANK

Alliance Bank Malaysia Berhad 198201008390 (88103-W)

FORM OF PROXY

CDS Account No.	No. of Shares Held

I/We (full name in block letters) _____

NRIC No./Passport No./Company Registration No. _____

of (address) _____

contact no. _____ email address _____

being a Member of **ALLIANCE BANK MALAYSIA BERHAD** ("ABMB" or **Company**), hereby appoint:

_____ NRIC No./Passport No. _____

of (address) _____

contact no. _____ email address _____

and/failing him/her, _____ NRIC No./Passport No. _____

of (address) _____

contact no. _____ email address _____

or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company, to be held on 30 May 2025 at 3.00 p.m. or at any adjournment thereof at Nusantara Ballroom 2 & 3, Level 2, Sheraton Imperial Kuala Lumpur Hotel, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

My/Our proxy/proxies is/are to vote as indicated below:

No.	Resolution	*For	*Against
1.	Ordinary Resolution - Proposed Rights Issue		

*Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to voting is given, your proxy(ies) will vote or abstain at his/her/their discretion.

Shareholding represented by Proxy	
Proxy 1	%
Proxy 2	%
Total	%

Signature of Member _____

Signed this _____ day of _____ 2025



NOTES:

1. A member whose name appears on the General Meeting Record of Depositors as at 21 May 2025 shall be regarded as a member entitled to attend, participate, speak and vote at the meeting and is entitled to appoint a proxy or proxies to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
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5. If the appointer is a corporation, the Form of Proxy must be executed under its common seal or by at least two authorised officers, one of whom shall be a director (or in the case of a sole director, by that director in the presence of a witness who attests the signature) or under the hand of an officer or attorney duly authorised.
6. To be valid, the duly completed Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited with our Share Registrar, ShareWorks Sdn Bhd, at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur or lodged electronically at <https://web.vote2u.my> (applicable to individual members only) not less than 48 hours before the time set for holding the EGM, or any adjournment thereof. Please follow the procedures provided in the Administrative Guide of the EGM to lodge the Form of Proxy electronically.
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Fold this flap for sealing

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AFFIX
STAMP

THE SHARE REGISTRAR OF
ALLIANCE BANK MALAYSIA BERHAD

SHAREWORKS SDN BHD
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Malaysia

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