Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 46th Annual General Meeting of Alliance Financial Group Berhad will be held at Ballroom 1, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Friday, 20 July 2012 at 3.00 p.m. for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2012 together with the Reports of the Directors and Auditors thereon. **Resolution 1**

2. To approve the payment of Directors' fees in respect of the financial year ended 31 March 2012. **Resolution 2**

3. To re-elect the following Directors who retire by rotation pursuant to Article 82 of the Company's Articles of Association:

   (a) Tan Yuen Fah **Resolution 3**

   (b) Kung Beng Hong **Resolution 4**

4. To re-elect Lee Ah Boon, a Director who retires pursuant to Article 89 of the Company's Articles of Association. **Resolution 5**

5. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and authorise the Directors to fix their remuneration. **Resolution 6**

   As Special Business to consider and, if thought fit, to pass the following resolutions:

6. **Ordinary Resolution** **Resolution 7**

   Re-appointment of Director pursuant to Section 129 of the Companies Act, 1965

   "THAT Dato' Thomas Mun Lung Lee, a Director who retires pursuant to Section 129 of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."

7. **Special Resolution** **Resolution 8**

   Proposed Amendments to the Articles of Association of the Company

   "THAT the proposed amendments to the Articles of Association of the Company in the form and manner as set out in Appendix I to this Annual Report, be and are hereby approved;

   AND THAT the Directors of the Company be and are hereby authorised to carry out all the necessary formalities and to do all such things and acts in effecting the aforesaid amendments."

8. **Ordinary Resolution** **Resolution 9**

   Proposed allocation of additional options and/or award of ordinary shares of RM1.00 each (Shares) to Sng Seow Wah as Group Chief Executive Officer of Alliance Bank Malaysia Berhad

   "THAT the Directors of the Company be and are hereby authorised at any time, and from time to time, to offer and to grant option or options to subscribe for or purchase, and/or to award Shares in the Company up to an additional 1,000,000 Shares, thereby increasing the maximum allocation of up to 2,500,000 Shares in the Company per annum over the period of the Employees' Share Scheme (ESS) of the Company, to Sng Seow Wah, who is the Group Chief Executive Officer of Alliance Bank Malaysia Berhad and a Director of the Company, subject always to such terms and conditions of the Bye-Laws of the ESS;

   AND THAT the Directors of the Company be and are hereby authorised to allot and issue and/or award from time to time new Shares to him pursuant to the exercise of such options and/or award of Shares."

9. To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and/or the Companies Act, 1965.

BY ORDER OF THE BOARD

LEE WEI YEN (MAICSA 7001798)
Group Company Secretary

Kuala Lumpur
26 June 2012

Notice of Annual General Meeting (cont'd)

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead.
2. A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. To be valid, the Form of Proxy, duly completed must be deposited at the registered office of the Company at 3rd Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, not less than 48 hours before the time set for holding the meeting.
4. A Member who is an Exempt Authorised Nominee which 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 which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. A Member other than an Exempt Authorised Nominee shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
6. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
7. If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.
8. A Member whose name appears in the General Meeting Record of Depositors as at 12 July 2012 shall be regarded as a Member entitled to attend, speak and vote at the meeting or appoint a proxy or proxies to attend and/or vote in his stead.

EXPLANATORY NOTES

(i) Re-appointment of Director pursuant to Section 129 of the Companies Act, 1965

Dato' Thomas Mun Lung Lee, a Director over the age of seventy (70) years, shall retire pursuant to Section 129 of the Companies Act, 1965 at the conclusion of the forthcoming 46th Annual General Meeting. The proposed re-appointment of Dato' Thomas Mun Lung Lee will require a resolution passed by a majority of not less than three-fourth (3/4) of the members of the Company who are entitled to vote at the forthcoming Annual General Meeting. The proposed resolution will enable Dato' Thomas Mun Lung Lee to hold office until the conclusion of the next Annual General Meeting of the Company.

(ii) Proposed Amendments to the Articles of Association of the Company (Proposed Amendments)

The Proposed Amendments is to streamline the Articles of Association of the Company with the recent amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(iii) Proposed allocation of additional options and/or award of ordinary shares of RM1.00 each (Shares) to Sng Seow Wah as Group Chief Executive Officer of Alliance Bank Malaysia Berhad (Proposed Additional Allocation)

The shareholders of the Company had, at the Annual General Meeting held on 28 July 2011, approved the resolution to allow the Board of Directors of the Company, to offer and to grant option or options to subscribe for or purchase, and/or to award Sng Seow Wah, the Group Chief Executive Officer of Alliance Bank Malaysia Berhad, up to a maximum of 1,500,000 Shares in the Company per annum over the period of the ESS.

The Board of Directors of the Company had on 28 July 2011, awarded 174,400 share grants under the Share Grant Plan and offered up to 1,279,900 share options under the Share Option Plan of the ESS to Sng Seow Wah.

The first 50% of the share grants awarded under the Share Grant Plan are to be vested at the end of the second year and the remaining 50% of the share grants are to be vested at the end of the third year from 28 July 2011. The vesting of up to 1,279,900 share options offered under the Share Option Plan is subject to the achievement of performance conditions set by the Board of Directors.

The proposed resolution will allow the Board of Directors of the Company, to offer and to grant option or options and/or to award Sng Seow Wah up to an additional 1,000,000 Shares, thereby increasing the maximum allocation of up to 2,500,000 Shares in the Company per annum over the period of the ESS.

The ESS is governed by the Bye-Laws approved by the shareholders of the Company at an Extraordinary General Meeting held on 28 August 2007. It took effect on 3 December 2007 and is in force for a period of 10 years up to 2 December 2017.

In accordance with the Bye-Laws of the ESS, Sng Seow Wah who is the Group Chief Executive Officer and Director of Alliance Bank Malaysia Berhad, a wholly-owned subsidiary of the Company, is eligible to participate in the ESS.

Rationale of the Proposed Additional Allocation

The rationale of the Proposed Additional Allocation is to:

(a) retain and motivate Sng Seow Wah towards better productivity through greater sense of belonging, dedication and loyalty;

(b) reward him for having contributed to the growth of the Group and whose service is vital to the continued growth of the Group; and

(c) allow him who will, upon becoming shareholder of the Company, participate in the profits and future growth of the Group.

Maximum Number and Basis of Allocation of options/shares

In accordance with the Bye-Laws of the ESS, the total number of options/shares which may be available under the ESS shall not exceed in aggregate ten per cent (10%) of the total issued and paid-up share capital of the Company at any one time during the existence of the ESS provided that:

(a) Not more than fifty per cent (50%) of the options/shares available under the ESS should be allocated, in aggregate, to Directors and senior management; and

(b) Not more than ten per cent (10%) of the options/shares available under the ESS should be allocated to any individual Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) to the Eligible Person, holds 20% or more of the issued and paid-up share capital of the Company.

Option Price/Share Grant Price

The price for each share under the Share Option Plan, Share Grant Plan and Share Save Plan may be at a discount (as determined by the ESPS Committee or such other pricing mechanism as may from time to time be permitted by Bursa Malaysia Securities Berhad or such other relevant regulatory authorities), provided that the discount shall not be more than 10% from the 5-day weighted average market price of the shares of the Company transacted on Bursa Malaysia Securities Berhad immediately preceding the date on which an offer is made or at par value of the shares, whichever is higher.

Directors' and Major Shareholders' Interests

Sng Seow Wah is deemed interested in the Proposed Additional Allocation as he would be eligible to participate in the ESS. Accordingly, he has abstained and will continue to abstain from deliberations and voting on the Proposed Additional Allocation at the relevant Board meetings.

Sng Seow Wah will also undertake to ensure that he and persons connected to him will abstain from voting in respect of their direct and/or indirect shareholdings in the Company (if any) on the resolution in relation to the Proposed Additional Allocation at the forthcoming Annual General Meeting to be convened.

Save as disclosed above, none of the Directors, major shareholders and persons connected to them has any interest, directly or indirectly, in the Proposed Additional Allocation.