



**Press Release**

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2 August 2012

## **AmBank Issues Five New Call Warrants**

AmBank (M) Berhad ("AmBank") is issuing five new European style cash-settled structured call warrants ("CW") over the ordinary shares of IJM Land Berhad ("IJMLAND"), KLCC Property Holdings Berhad ("KLCCP"), Sunway Berhad ("SUNWAY"), Bandar Raya Developments Berhad ("BRDB") and Eastern & Oriental Berhad ("E&O") to meet investors' demand for trading and investment opportunities in the current market scenario. The structured warrants will be listed for trading on 3 August 2012, via the market making method, with issue size of up to 100 million each.

"The Malaysian property sector offers interesting investment opportunities as demand is expected to be resilient, especially for landed properties from a young and increasingly affluent demographic, continued urbanisation and normalisation of the impact of earlier tightening in the property lending guidelines. Government led initiatives such as EPF's expected acquisition of the 2,200 acre Rubber Research Institute (RRI) land in Sungai Buloh and the unveiling of a master development plan is expected to give the property sector another shot in the arm. Other recent developments such as the much anticipated and expected IGB REIT as well as potential KLCCP REIT, following on from last year's successful listing of the Pavilion REIT, indicate investors' appetite for property or property related counters remain robust. Therefore, for AmBank's upcoming warrants issuance, AmBank will be offering five call warrants over five property or property related counters namely IJMLAND, KLCCP, SUNWAY, BRDB and E&O," said Ms Ng Ee Fang, Director/Head, Equity Derivatives, AmInvestment Bank Berhad.

IJMLAND's township development Bandar Rimbayu is highly anticipated by property investors. The township has an estimated gross development value (GDV) of RM11bil with its maiden launch expected sometime later this year. Overall, Bandar Rimbayu will sit on 1,898 acres of land and comprise 11,000 homes. Its maiden project, The Chimes consisting of 526 link-houses, is expected to sell very well due to early signs of robust demand based on overwhelming registration numbers of over 6,000 registrants and higher indicative selling price of RM580,000 per unit. The launch of Phase 1 and 2 of Bandar Rimbayu's landed homes is estimated to propel IJMLAND's pre-sales by 35% to RM2.5 billion for the current financial year. AmBank's CW on IJMLAND is priced at 15 sen each with gearing of 3.47 times.

Recent reports indicate that KLCCP's management is currently exploring a real estate investment trust (REIT) structure for its assets to help improve tax efficiency, dividend payouts to its shareholders as well as further unlock value from its prime assets. A proposed REIT could potentially encompass not just KLCCP's retail assets but also its office and hotel assets. KLCCP's property portfolio includes the iconic Petronas Twin Towers, Suria KLCC shopping center, Menara Maxis and Mandarin Oriental Kuala Lumpur Hotel amongst others. KLCCP's properties are all located in prime areas in KL city center and enjoy high occupancy rates as well as retail traffic flow. AmBank's CW on KLCCP is priced at 15 sen each with gearing of 4.00 times.

SUNWAY is expected to focus more on landed residential properties for the second half of 2012 with plans to launch an estimated RM500-RM600 million worth of residential properties in Klang Valley and Pulau Pinang. Although the launch of commercial properties at Sunway Geo@Sunway South Quay and Sunway Velocity has been pushed back from this year due to softening demand for commercial properties and tighter lending rules, SUNWAY continues to enjoy a strong construction order book. Its order book for 2012 is estimated at RM4 billion with property unbilled sales of RM1.7 billion. Valuation wise, SUNWAY currently trades at a deep discount of over 30% to its SOP value of RM3.60 per share and at cheap PE of eight times. AmBank's CW on SUNWAY is priced at 15 sen each with gearing of 3.85 times.

BRDB reported improved earnings year-on-year for 1QFY12 (ending March 2012) on the back of stronger progress billings from on-going projects Verdana North Kiara and 6 CapSquare. Sales of existing units from completed projects such as One Menerung and Troika also helped earnings. Looking ahead, BRDB's coming launch of Medang Serai in Bangsar is expected to be well received as it would be one of the last few high-rise developments within Bangsar with low density as well. Substantial shareholder AmBang Sehati Sdn Bhd has been reported to be planning to make a takeover offer for BRDB at an indicative price of RM2.90 per share. This follows on from an earlier failed bid to acquire a number of property assets from BRDB. AmBank's CW on BRDB is priced at 15 sen each with gearing of 3.95 times.

E&O is well positioned to benefit from the burgeoning property market in Pulau Pinang as it holds the concession to reclaim up to 980 acres at the prime seafront Tanjung Tokong strip. Under its world class waterfront project of Seri Tanjung Pinang, it aims to develop a unique seafront lifestyle which attracts both locals and expatriates. Phase 1 of Seri Tanjung Pinang which encompasses 240 acres of seafront land is near completion and E&O has received approval-in-principle to reclaim the balance concession area of 740 acres. AmBank's CW on E&O is priced at 15 sen each with gearing of 3.24 times.

This offer is aimed at sophisticated traders who want to trade on the direction and volatility of IJMLAND, KLCCP, SUNWAY, BRDB and E&O. The new CWs have gearings ranging between 3.24 and 4.00 and are targeted at investors who want to enjoy leveraged exposure to the underlying stocks.

### **About AmBank Group**

Established in August 1975, AmBank Group is one of the largest banking groups in Malaysia by market capitalisation and comprises AMMB Holdings Berhad and its subsidiaries AmInvestment Bank Berhad, AmInvestment Group Berhad, AmBank (M) Berhad, AmIslamic Bank Berhad, AmG Insurance Berhad and AmLife Insurance Berhad.

The Group provides a wide range of conventional and Islamic banking and financial solutions, including investment banking, commercial banking, corporate banking, retail banking as well as underwriting of life insurance, general insurance and takaful.

Adding greater value to this one-stop financial hub is the Group's strategic partnership with the Australia and New Zealand Banking Group (ANZ), one of Australia's leading

financial institutions, providing the synergy of a wide network, regional presence and international banking expertise.

For more information, please visit [ambankgroup.com](http://ambankgroup.com)

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***For more information on call warrants, please visit our website [www.amwarrants.com](http://www.amwarrants.com)***

***For general enquiries, please contact 03-9235 3388 or email to [ED-SS@ambankgroup.com](mailto:ED-SS@ambankgroup.com)***

***For media enquiries, please contact Ms Ng Ee Fang, Director/Head, Equity Derivatives, AmInvestment Bank Berhad at tel: 03-2036 1384 or via email at [ng-ee-fang@ambankgroup.com](mailto:ng-ee-fang@ambankgroup.com)***