

PressRelease

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AmBank Issues four new Call Warrants

AmBank is issuing four new European style cash-settled call warrants ("CW") in light of renewed investor appetite for Malaysian and global equities. The CWs will be listed on 28 October 2010 with tenure of approximately 10 months and issue size of up to 100 million each. These CWs launched under AmBank's warrant programme aim to provide affordable and leveraged investment alternatives to Malaysian investors.

The four new CWs will be issued on the ordinary shares of WCT Berhad ("WCT"), QSR Brands Berhad ("QSR"), Apple Inc. ("APPLE") and the units of SPDR® Gold Trust exchange-traded fund ("GLD").

"AmBank's warrant programme aims to provide leveraged market exposure to cater for different investor profiles. In this tranche we offer the investors a global brand name and growth stock (Apple Inc.), a construction play off the recently announced Budget (WCT), a proxy consumer play (QSR) and an issue off gold as a safe haven (SPDR® Gold Trust)," said Ms Ng Ee Fang, Director of Equity Derivatives of AmInvestment Bank Berhad.

For this issuance, there is a focus on gold due to the uncertain U.S. economic conditions moving ahead. Therefore AmBank is issuing a CW on GLD, a trust with the investment objective of reflecting the performance of the price of gold bullion.

It is an exchange-traded fund ("ETF") originally listed on the New York Stock Exchange ("NYSE") in November 2004, and now traded on NYSE Arca since December 2007. It is also traded on the Tokyo Stock Exchange, Singapore Stock Exchange, Stock Exchange of Hong Kong as well as Bolsa Mexicana de Valores. The rally in gold price has been underway since 2001 but the recent meltdown in the U.S. financial markets, subsequent near zero Fed Fund rates and collapse of the U.S. Dollar have only served to spur further buying interest in the precious metal. Gold has long been considered a safe haven for investors in uncertain times and with the threat of quantitative easing and possible deflation looming over the U.S. economy, gold remains an attractive store of value or monetary asset. Year to date GLD has posted gains of approximately 22% with the recent high of gold price seen at USD1,380.75 per troy ounce, based on the London Gold Fix. In their commodities report dated 20 September 2010, Deutsche Bank has a target price of USD1,600 per troy ounce for gold in 2012. AmBank's CW on GLD is priced at 15.0 sen with a gearing of 7.27 times.

AmBank is also launching a CW on APPLE, an iconic global brand that is well known for its revolutionary and innovative products and services. The iPhone, iPad and iPod are just some examples of the company's global bestsellers. Currently, APPLE is the second largest company in the United States by market capitalisation at approximately USD290 billion, after oil company Exxon Mobil which has a market capitalisation of about USD331 billion. However, even with its massive market capitalisation, APPLE remains a stock with one of the best global growth and product cycle stories in the market. The stock currently trades at 20x PER versus industry average of 39x PER, which is relatively cheap compared to its industry peers. It is also the largest long consensus in the market based on Bloomberg's list of analyst recommendations with 48 Buys and three Holds. The APPLE CW is priced at 15.0 sen with a gearing of 4.84 times.

In light of the recently announced Budget 2011 and the emphasis on upcoming construction projects, AmBank is launching a CW on WCT, a well established

Malaysian construction company.

WCT has just won a 25-year concession from Malaysian Airports Holdings Bhd (MAHB) to build and operate an integrated complex at the new Low-Cost Carrier Terminal (LCCT). The integrated complex is estimated to cost RM486 million and will comprise a transportation hub, a retail mall and car parks. The company also recently secured a contract to construct and maintain a government administrative building in Doha, the capital city of Qatar, with an estimated value in the region of RM1.4 billion. Moreover, WCT is expected to ride on its strong presence in the Iskandar Malaysia corridor in Johor as several key projects are poised to be rolled out over the next two years. This includes the proposed RM 2 billion Academic Medical Centre (a JV between Academic Medical Centre Sdn Bhd, John Hopkins Medicine International and Royal College of Surgeons Ireland). The company is also in the midst of negotiations to secure other infrastructure jobs in the Middle East and a major water infrastructure job in Sabah. According to Bloomberg, there are 12 Buys and one Sell rating on the stock. The WCT CW is priced at 15.0 sen with a gearing of 5.30 times.

QSR is the single largest shareholder (with an aggregate 50.25% stake) in KFC Holdings ("KFC"), the company that operates the chain of Kentucky Fried Chicken restaurants in Malaysia. New store expansions both in Malaysia and abroad are expected to drive revenues and earnings moving forward. KFC expects to operate 17 stores in India by 2011 starting with the cities of Pune and Mumbai while over in Cambodia it is planning to add 6 more outlets to its existing 7 operating outlets. As for Malaysia itself, 38 to 40 new stores are slated to open, adding to its existing 475 outlets as at 2009. The long term prospects for India and Cambodia are looking encouraging with initial monthly sales topping RM400,000 per outlet on average, compared to only RM240,000 per outlet in Malaysia.

As it is, QSR offers a cheaper proxy to KFC's growth story with an undemanding valuation of FY11 PER of 11.5x versus KFC's PER of 17x. According to Bloomberg, there are three analyst Buy ratings on QSR with no Hold or Sell ratings. The QSR CW is priced at 15.5 sen with a gearing of 5.48 times.

"Risk-on has returned and markets in general have turned positive but future volatility is a given so AmBank has chosen these four counters for their various profiles. There is one to suit different investor appetite whether it be for sound fundamentals and long-term prospects or short-term trading opportunities," added Ms Ng.

This offer is aimed at sophisticated traders who are bullish on APPLE, WCT, QSR and the precious metal gold. The four new CWs have gearings ranging between 4.84 and 7.27 and are targeted at investors who want leveraged exposure to the underlying.

Enquiries

Enquiries about the four new call warrants may be directed to Sing Foong, Sher Lyn or Caroline at tel: 2036 2633 ext 6112 or 1385

About AmBank Group

The AmBank Group is one of Malaysia's premier financial services group with leadership positions in the retail banking, commercial banking, investment banking and insurance sectors. With an established history and a track record of customer focus and innovation, the AmBank Group continues to serve its customers with a

wide range of innovative products and services.

AmBank Group provides banking and financial services which include loans, advances and financing, deposit services, credit cards, remittance services, foreign exchange and (through our wholly-owned subsidiary, AmIslamic Bank) Islamic banking services.

Adding greater value to the one-stop financial hub is its partnership with Australia & New Zealand Banking Group (ANZ), one of Australia's leading banks. AmBank Group is now poised to take advantage of ANZ's wide network and regional presence as well as its international banking expertise.

For more information, please visit ambankgroup.com

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