

**Press
Release**

24 January 2011

AmBank Issues Five New Call Warrants

AmBank (M) Berhad ("AmBank") is issuing five new European style cash-settled call warrants ("CW") on the back of a rallying Malaysian stock market and improved risk appetite for emerging market equities in general. The CWs will be listed on 25th January 2011 with a tenure of approximately 12 months and issue size of up to 100 million each. These CWs launched under AmBank's warrant programme aim to provide leveraged yet affordable equity investment alternatives to Malaysian investors.

The five new CWs will be issued on the ordinary shares of Bursa Malaysia Berhad ("BURSA"), Multi-Purpose Holdings Berhad ("MPHB"), KNM Group Berhad ("KNM"), RHB Capital Berhad ("RHBCAP") and Genting Plantations Berhad ("GENP").

"The FBM KLCI closed out 2010 with overall gains of nearly 20%, making it one of the top performing stock markets in the Asian region. We believe that the impressive performance by the local bourse has attracted foreign interest that will catapult KLCI to higher levels. We expect the market's bullish momentum to continue into the new year, as trading volumes pick up. Therefore, we are following up on our previous tranche of warrants at the beginning of January with a tranche of five warrants on Malaysia's stock exchange operator (BURSA), an established oil and gas engineering company (KNM), a mid-sized Malaysian bank (RHBCAP), a plantation company with significant landbank (GENP) and a major gaming company in the numbers forecasting business (MPHB). AmBank's warrant programme aims to provide leveraged market exposure to cater for different investor profiles," said Ms Ng Ee Fang, Director/Head, Equity Derivatives, AmInvestment Bank Berhad.

For this issuance, there is a focus on BURSA, the operator of the Malaysian stock exchange, due to strong equity market performance to date on the back of healthy market volumes. Overall, BURSA is expected to be a key beneficiary of the Malaysian government's efforts to rejuvenate the capital markets. One of the measures to improve liquidity and market velocity in the local stock market is the divestment of shareholdings by Government-linked Investment Companies (GLICs). Average daily trading value on BURSA for Q3 2010 was RM1.48 billion, up 7.2% year-on-year. For 2011, average daily trading value is estimated to increase by 15% to RM1.63 billion. AmBank's CW on BURSA is priced at 15.0 sen with a gearing of 4.64 times.

Oil and gas engineering company KNM has recently seen its stock price climb higher on the back of an improving order book and positive news flow. KNM recently announced it had secured a four year contract worth RM2.2 billion from Peterborough Renewable Energy Ltd. to develop an 80MW gross capacity biomass and waste recycling centre in the United Kingdom known as "EnergyPark Peterborough". The new contract is expected to boost the company's outstanding order book to RM4.6 billion. However the project has yet to commence. Besides that, KNM has secured a RM680 million contract from Russia-based Lukoil Uzbekistan Operating Company to supply equipment, services and technical documentation for the development of gas condensate fields in Uzbekistan for two years. According to Bloomberg, there are 12 Buys, two Holds and one Sell rating on the stock. AmBank's CW on KNM is priced at 15.0 sen with a gearing of 3.43 times.

Plantations company, GENP, is expected to benefit in the coming months on the back of firmer commodity markets and palm oil prices. Its vast landbank could also provide a boost to earnings on rising property value and development potential. Currently, crude palm oil prices are expected to remain firm underpinned by tight supply as the risk of declining production remains due to adverse weather conditions in early 2010. GENP recorded a maiden contribution from its plantations in Indonesia in Q3FY10 and has a planted area in Indonesia of about 30,000 hectares from 17,669 hectares as at end FY09. Overall, GENP has a total landbank of 186,794 hectares with about 3,000 hectares located in Iskandar Malaysia, Johor. AmBank's CW on GENP is priced at 15.0 sen with a gearing of 3.94 times.

The government's Economic Transformation Programme (ETP) that was officially launched in September 2010 is estimated to require as much as RM80 billion in funding. Coupled with projects under the 10th Malaysia Plan, the total amount could be up to RM170 billion. One of the likely main beneficiaries of the resultant loans growth is RHBCAP. As it is, RHBCAP has been enjoying strong loan growth in funding to the public sector, making up an estimated 14% of the bank's total loan base, from 2% two years ago. RHBCAP's new distribution channel, EASY, is also showing strong growth momentum with the number of outlets currently around a 100 compared to only two outlets in June

2009. EASY provides convenient 10-minute banking to the underserved mass market segment. At the start of 2011, RHBCAP also announced the launch of Pos Malaysia-RHB Shared Banking Services. AmBank's CW on RHBCAP is priced at 15.0 sen with a gearing of 4.74 times.

MPHB is a major player in the gaming industry in Malaysia via its 51% stake in Magnum, the Numbers Forecasting Operator. MPHB has been in the news lately on market talk that it is considering to relist Magnum, which was privatised three years ago. The other major stakeholder in Magnum is global private equity firm CVC Capital Partners which holds the remaining shares of the company. AmBank's CW on MPHB is priced at 15.0 sen with a gearing of 5.33 times.

This offer is aimed at sophisticated traders who are bullish on BURSA, MPHB, KNM, GENP and RHBCAP. The new CWs have gearings ranging between 3.43 and 5.33 and are targeted at investors who want leveraged exposure to the underlying.

About AmBank Group

The AmBank Group is one of Malaysia's premier financial services groups 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

For more information on call warrants, please visit our website www.amwarrants.com

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