

## PressRelease

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AmBank Issues Five New Call Warrants (Listing 18 March 2011)

AmBank (M) Berhad ("AmBank") is issuing five new European style cash-settled call warrants ("CW") to meet investor demand for trading opportunities going into the second quarter. The CWs will be listed on 18th March 2011 with tenures of approximately eight months and issue size of up to 100 million each. These CWs are part of AmBank's warrant programme which aims to offer Malaysian investors investment alternatives with leveraged exposure to the equity markets.

The five new CWs will be issued on the ordinary shares of Petronas Gas Berhad ("PETGAS"), Kulim (Malaysia) Berhad ("KULIM"), KPJ Healthcare Berhad ("KPJ"), Hock Seng Lee Berhad ("HSL") and Batu Kawan Berhad ("BKAWAN").

"Recent global events spanning from the Spain debt downgrade by Moody's to the tragic natural disaster in Japan have underlined the persistently volatile market movements within the equity space. As growing fears of a nuclear crisis in Japan push world financial markets lower, such choppy market conditions nevertheless present trading opportunities in the marketplace to retail/institutional investors. AmBank's latest tranche of warrants attempts to provide sophisticated investors with the ability to monetize their market views through leveraged instruments to monetize volatility. In addition, three of the five companies selected for this warrant launch, PETGAS, HSL, and BKAWAN, represent the first structured warrants to be issued off these companies in the market. This is in line with AmBank's objective to continuously expand our warrant programme by including new companies and providing investors with more trading alternatives to participate under our warrant programme," said Ms Ng Ee Fang, Director/Head, Equity Derivatives, AmInvestment Bank Berhad.

Gas company PETGAS was responsible for the development of the Peninsular Gas Utilisation project which enables the processing and transmission of gas to the entire peninsula. PETGAS is a subsidiary of Petronas Berhad, the national oil company. The company will be involved in the development of liquefied natural gas (LNG) regasification facilities in Melaka which includes floating storage units, regasification units, an island jetty and subsea and onshore pipelines. The entire project is estimated to be potentially worth RM3.0 billion with the regasification facilities expected to have a maximum send out capacity of 3.8 million tonnes per annum. PETGAS' earnings for 9MFY11, ended Dec 31, 2010, was RM1.17 billion, up 59% year-on-year on the back of a new gas processing and transmission agreement last year. AmBank's CW on PETGAS is priced at 15 sen with a gearing of 6.53 times.

Plantations company KULIM has diversified plantation operations in three countries i.e. Malaysia, Papua New Guinea and the Solomon Islands. Its total landbank is over 150,000 hectares with a planted area over 100,000 hectares. KULIM's subsidiary New Britain Palm Oil, which carries out KULIM's plantation activities in Papua New Guinea saw its EBIT surge 62% year-on-year for FY10 to RM456 million, driven by Kula Plantation. Besides plantations, KULIM is also a market leader in the quick service restaurant sector as it operates well known brands such as KFC, Pizza Hut and Ayamas through subsidiary QSR Brands. AmBank's CW on KULIM is priced at 15 sen with a gearing of 4.52 times.

Hospital operator KPJ is the leading private healthcare provider in Malaysia with 21 hospitals and two in Indonesia. It is supported by a staff strength of around 7,000, about 700 medical consultants and more than 2,600 licensed beds. It is currently expanding into the underserved healthcare market in East Malaysia and is in the process of acquiring the Sibul Specialist Medical Centre and Love Care Centre, a nursing care centre for the aged. The Sibul Specialist Medical Centre will be KPJ's twenty-first hospital in Malaysia while Love Care Centre will be its second in the aged care business. For FY10, ended Dec 31, 2010, KPJ registered revenues of RM1.656 billion, up 13.7% year-on-year, and a net profit of RM117.5 million, up 5.9% year-on-year. AmBank's CW on KPJ is priced at 15 sen with a gearing of 6.33 times.

The Sarawak government is expected to award an estimated RM2 billion worth of road jobs this year with marine engineering and construction firm HSL expected to benefit from some of them. It is also reported to be looking at potential jobs such as the Kuching Wastewater Project (Phase 2) worth RM500 million, Mukah Airport and a number of technical training institutes. For FY10, ended Dec 31, 2010, HSL posted total revenues of RM488.3 million, up 30.2% year-on-

year while total earnings were RM73.4 million, up 30.4% year-on-year. Moving forward, HSL's management is targeting to win RM500 million worth of new jobs for this year. AmBank's CW on HSL is priced at 15 sen with a gearing of 4.0 times.

Investment holding company, BKAWAN, owns close to 47% of plantations company KL Kepong, one of the largest listed plantation companies in Malaysia. It also owns a 11-storey commercial office building with four-storey podium located at Mutiara Damansara, a prime commercial area in the Klang Valley. It leases out office space from the building which has a total of 137,000 sq ft of lettable office space. AmBank's CW on BKAWAN is priced at 15 sen with a gearing of 5.07 times.

This offer is aimed at sophisticated traders who are bullish on PETGAS, KULIM, KPJ, HSL and BKAWAN. The new CWs have gearings ranging between 4.0 and 6.53 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](http://ambankgroup.com)

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

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