

PressRelease

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AmBank Issues Three New Call Warrants (Listing 29 March)

AmBank (M) Berhad ("AmBank") is issuing three new European style cash-settled call warrants ("CW") to meet investor demand for trading opportunities based on recent market events. The CWs will be listed on 29th March 2011 with tenures of approximately twelve 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 three new CWs will be issued on the ordinary shares of Ta Ann Holdings Berhad ("TAANN"), Top Glove Corporation Berhad ("TOPGLOV") and units of the iShares MSCI Japan Index Fund ("EWJ").

"For this issuance there is a focus on the impact of the recent tragic events in Japan and its recovery. The 9.0-magnitude Tohoku earthquake and tsunami took the lives of thousands and caused billions of dollars in destruction of property. The total recovery and reconstruction costs are estimated conservatively at above USD100 billion by analysts and economists. On March 21, the World Bank itself estimated total damage between USD122 billion and USD235 billion. Global markets were sold down and the Nikkei 225, Japan's benchmark index, plunged almost 20% in the first two trading days after the disaster. With the Japanese equity markets dislocated and massive reconstruction works looming, sophisticated investors may view current market levels as a good entry opportunity to ride on the recovery story of Japan. To provide investors a trading opportunity via our warrant programme, AmBank is issuing a CW on EWJ, an ETF that tracks the MSCI Japan Index and two Malaysian companies that might benefit from the coming reconstruction, Ta Ann and Top Glove. In evaluating the EWJ warrant, investors should also take a more medium term approach," said Ms Ng Ee Fang, Director/Head, Equity Derivatives, AmInvestment Bank Berhad.

Current events related to the aftermath of the Japan earthquake has contributed to the volatility and uncertainty in the marketplace. With total damages estimated by the World Bank at between USD122 billion and USD235 billion and the potentially punitive impact on the economy, the Central Bank of Japan has poured in massive liquidity in trillions of dollars to prevent the economy from falling into a recession. Analysts are confident that the Japanese government will continue to pursue committed fiscal measures to sustain reconstruction efforts, which could push up GDP by 5 to 8 trillion yen. Therefore, investors in the EWJ warrants could capitalize on (i) volatility in the underlying Nikkei index and/or (ii) rebound in the Japanese economy in light of the disciplined stimulus measures by the government. The EWJ is an exchange-traded fund ("ETF") that is listed on the NYSE Arca with BlackRock Fund Advisors serving as the investment advisor to the fund. As at December 31, 2010 EWJ had net assets of USD4.9 billion. It is a highly liquid ETF which adopts a "passive" indexing approach to tracking the MSCI Japan Index and is used by many fund managers to gain exposure to the Japanese equity markets. AmBank's CW on EWJ is priced at 15 sen with a gearing of 4.01 times.

Timber products company, TAANN, is another company that stands to benefit from the upcoming reconstruction works in Japan. Log and plywood demand in Japan is very much expected to rise, together with other raw materials such as steel and cement as infrastructure and construction spending ramps up. Japan is plagued by supply woes as many of its plywood and wood-based mills are believed to have been destroyed or damaged by the tsunami as many are located in the Miyagi prefecture, one of the worst hit areas. Currently TAANN produces about 230,000-240,000 cubic metres of plywood annually and exports over 90% of its plywood products to Japan. It recently announced that it will raise annual output by about 15 percent to 280,000 cubic meters on expectations of orders from Japan. TAANN has two mills in Tasmania which produce veneer for making plywood. It also carries out replanting activities and has replanted over 30,000 ha of deforested areas. AmBank's CW on TAANN is priced at 15 sen with a gearing of 3.33 times.

Glove maker, TOPGLOV, is the world's largest rubber glove manufacturer with total production capacity of 33.7 billion pieces per year. The recent correction in latex prices was exacerbated by the Tohoku earthquake as major Japanese automakers shut down production. Automakers consume approximately 70% of global rubber supply. Lower latex prices are considered a positive for TOPGLOV as up to 82% of its exports are made from natural rubber. TOPGLOV is

also planning to commence greenfield rubber tree plantings on 10,000 ha of land in Cambodia by March-April. This is expected to contribute 20% of its total latex usage, lifting the total latex amount sourced in-house to 70% of TOPGLOV's annual requirement of 120,000 metric tons. AmBank's CW on TOPGLOV is priced at 15 sen with a gearing of 3.57 times.

This offer is aimed at sophisticated traders who are bullish on EWJ, TAANN and TOPGLOV. The new CWs have gearings ranging between 3.33 and 4.01 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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