



**Press Release**

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29 June 2011

## **AmBank Issues Seven New Put and Call Warrants**

AmBank (M) Berhad ("AmBank") is issuing seven new European style cash-settled structured warrants to meet investors' demand for trading opportunities and alternative investments for the current market. Under AmBank's Put-Call Pair Programme, there will be three pairs of put and call warrants (the "PW" and "CW" respectively) over the ordinary shares of Dialog Group Berhad ("DIALOG"), DRB-HICOM Berhad ("DRBHCOM") and Malaysia Marine and Heavy Engineering Holdings Berhad ("MHB"). There will also be a CW issued over the ordinary shares of Tan Chong Motor Holdings Berhad ("TCHONG"). The structured warrants on DIALOG, DRBHCOM and MHB will have tenures of approximately eight months while the call warrant on TCHONG will have a tenure of approximately twelve months. The structured warrants will be listed on 1 July 2011 with issue size of up to 100 million each.

"For AmBank's upcoming tranche of structured warrants, we are issuing three put and call warrant pairs on DIALOG, DRBHCOM and MHB under our Put-Call Pair Programme, all of which have seen significant trading interest recently on the back of the Malaysian government's ETP initiatives and M&A activities. However, as market sentiment remains uncertain and conditions volatile over fears of a slowdown in global growth and Eurozone debt issues, AmBank's put-call pair programme enables investors to profit on both the ups and downs of share price movements. AmBank's put warrants can also be used by investors to hedge their exposure to the underlying share. Each put and call warrant pair is issued with the same strike price over the underlying share," said Ms Ng Ee Fang, Director/Head, Equity Derivatives, AmInvestment Bank Berhad.

Oil and gas services company DIALOG recently signed a RM1.9 billion agreement to provide engineering, procurement, construction and commissioning (EPCC) works for the first phase of a deepwater petroleum terminal at Pengerang, Johor. The construction cost of RM1.9 billion is higher than management's earlier guidance of RM1.7 billion with the schedule of completion extended from end-2013 to 2014. The first phase of the terminal will have a capacity of 1.3 million cubic metres and will comprise a harbour port, jetty and other marine facilities with water depth up to 26 metres. Besides the Pengerang tank terminal project, DIALOG could also be potentially involved in the Bentara/Balai marginal field development. AmBank's CW and PW on DIALOG are both priced at 15 sen each with gearing of 6.09 times.

Major oil & gas fabricator MHB's acquisition of Sime Darby's 130-acre Pasir Gudang yard for RM399 million cash is expected to transform Malaysia's fabrication landscape. Along with Petronas' Teluk Ramunia yard, MHB will have access to Malaysia's largest domestic fabrication yard of 672 acres. Petronas' capex programme of RM250 billion for the next five years points to an abundance of new projects for fabrication yards. Therefore, MHB's capacity expansion from the Pasir Gudang yard acquisition is expected to accelerate order book recognition, enhance deepwater capabilities and drive margin efficiencies. AmBank's CW and PW on MHB are both priced at 15 sen each with gearing of 5.69 times.

Conglomerate DRBHCOR had recently won the bid for Khazanah Nasional's 32.2% stake in POS Malaysia. With its stake in POS Malaysia, DRBHCOR subsidiary Bank Muamalat can leverage on POS Malaysia's extensive network of branches to reach a wider consumer base. POS Malaysia also has an attractive land bank with potential for commercial development. DRBHCOR's automotive joint-venture with Volkswagen AG to assemble Volkswagen vehicles is slated to start production towards the end of 2011. AmBank's CW and PW on DRBHCOR are both priced at 15 sen each with gearing of 5.02 times.

Automotive assembler and distributor TCHONG posted strong quarter-on-quarter earnings growth of 53% for Q1 2011 (ended 31 Mar 2011) on the back of a 36% increase in sales revenue. Strong demand for its high-end CKD Teana model also

helped boost average selling prices for its vehicles by 19%. For Q1 2011, 1,790 units of Teana were sold compared with only 476 units in Q4 2010. Although parts supply was disrupted by the major Japan earthquake and tsunami in March, parts supply from Nissan to TCHONG is expected to return to normal by July. As for TCHONG's operations overseas, subsidiary Nissan Vietnam Ltd. is breaking even at EBITDA level. AmBank's CW on TCHONG is priced at 15 sen each with gearing of 3.77 times.

This offer is aimed at sophisticated traders who want to trade on the direction and volatility of DIALOG, DRBHCOM, MHB and TCHONG. The new CWs and PWs have gearings ranging between 3.77 and 6.09 and are targeted at investors who want leveraged exposure to the underlying on both the upside and downside.

### **About AmBank Group**

Established in August 1975, AmBank Group is the fourth largest banking group 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 and general insurance.

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)***

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