

12 September 2012

AmBank Issues Five New Call Warrants

AmBank (M) Berhad ("AmBank") is issuing five new European style cash-settled structured call warrants ("CW") over the ordinary shares of Dialog Group Berhad ("DIALOG"), WCT Berhad ("WCT"), Malaysian Resources Corporation Berhad ("MRCB"), QL Resources Berhad ("QL") and Apple Inc ("AAPL") to meet investors' demand for trading and investment opportunities in the current market scenario. The structured warrants will be listed for trading on 13 September 2012, via the market making method, with issue size of up to 100 million each.

"Based on 2Q12 results, the construction sector experienced significant growth on the back of increased residential related activities as well as major infrastructure projects such as KLIA2, MRT, LRT and the second Penang Bridge. The construction sector is expected to continue to enjoy strong growth especially with the progress of ongoing ETP projects. Oil & gas services is another sector expected to benefit from ETP projects over the coming months as the market anticipates further risk-service contracts to develop marginal oil and gas fields as well as initiatives for enhanced oil recovery. Therefore, for AmBank's upcoming tranche of warrants, AmBank will be offering three call warrants over WCT, MRCB and DIALOG which are expected to benefit from increased activities in the infrastructure construction and oil & gas sectors. There will also be two call warrants over QL and AAPL. QL is a market leader in marine products manufacturing and integrated livestock farming with expanding operations in Indonesia and Vietnam. AAPL is currently the world's most valuable company by market capitalisation and the imminent launch of its 4G-LTE iPhone 5 and mini-

iPad is likely to sustain its growth and global market share," said Ms Ng Ee Fang, Director/Head, Equity Derivatives, AmInvestment Bank Berhad.

Oil & gas services provider DIALOG reported higher 4QFY12 (ended 30 June) net profit and revenues on the back of initial contributions from the 150-acre Pengerang Phase 1 tank terminal project as well as stronger numbers from its specialist and products segment. A potential expansion in the Pengerang tank terminal operations from an estimated five million cubic metres to 8-10 million cubic metres would provide a further boost to revenues. Besides that, the group is looking to secure another two more marginal field risk-sharing contracts to its current one at the Balai cluster field. DIALOG's recent memorandum of understanding with Halliburton Energy Services also indicates its intention to venture into enhanced oil recovery projects. AmBank's CW on DIALOG is priced at 15 sen each with gearing of 3.93 times.

Construction firm WCT recently announced the acquisition of a plot of commercial land together with an abandoned shopping mall in Tebrau, Johor Bahru from Malaysia Building Society Bhd for RM180 million. Considering the success of its flagship Paradigm Mall in Kelana Jaya, the abandoned mall in Tebrau could potentially be revived and relaunched under the Paradigm brand. Property earnings for WCT continue to be robust and for 2012 it is targeting to achieve RM700 million in new sales from RM1 billion of property launches. New launches over the coming months may include high-rise condominiums at Bukit Jelutong, Bandar Parklands in Southern Klang and 1Medini Residences in Iskandar Johor. WCT is also looking to boost its landbank significantly via the acquisition of 57 acres of prime land in Overseas Union Garden (OUG) in Old Klang Road with an estimated gross development value (GDV) of RM4 billion. AmBank's CW on WCT is priced at 15 sen each with gearing of 4.47 times.

The government's decision to take over the Eastern Dispersal Link (EDL) provided a boost for MRCB's share price as it lifted concerns on toll collections which have yet to commence at EDL although the highway has been open since April this year. The cost and terms are expected to be announced before the end of the year. On the property development side, MRCB is looking to launch high-rise residential units in Jalan Kia Peng at an average price of RM1,200 psf with

total GDV of RM300 million. Its development in Setapak is expected to be launched over the next two years. AmBank's CW on MRCB is priced at 15 sen each with gearing of 3.71 times.

QL's revenue for 1Q13 (ended June 30) increased by 8.8% on the back of higher sales recorded for its manufactured marine products and integrated livestock farming, up 30% year on year (y-o-y) and 21% y-o-y respectively. This helped to offset weaker revenues from palm oil activities which declined 36% y-o-y. The strong growth in marine products manufacturing was mainly due to improved fish landing in Sabah and better contribution from its Surabaya fishery operations. Moving forward, QL is expecting to double its fishmeal production capacity from 5,000MT to 10,000MT by 2013 while poultry production in Indonesia and Vietnam is also expected to register significant increases by next year. AmBank's CW on QL is priced at 15 sen each with gearing of 5.42 times.

AAPL, the world's most valuable company by market capitalisation, is expected to unveil its much anticipated iPhone 5 on 12 September. The iconic iPhone has been a consistent best-seller and the iPhone5 is expected to continue this trend. Besides the iPhone, a smaller version of AAPL's current iPad is also anticipated to be announced in October. AAPL's iPad is the dominant leader in the fast-growing tablet market. Besides AAPL's upcoming product releases, it had also recently won a lawsuit against competitor Samsung Electronics for patents infringement and was awarded more than USD1 billion in damages. AAPL is also seeking a U.S. sales ban on a number of Samsung smartphone models which would further benefit the sales of AAPL's iPhone. AmBank's CW on AAPL is priced at 15 sen each with gearing of 4.35 times.

This offer is aimed at sophisticated traders who want to trade on the direction and volatility of DIALOG, WCT, MRCB, QL and AAPL. The new CWs have gearings ranging between 3.71 and 5.42 and are targeted at investors who want to enjoy leveraged exposure to the underlying stocks.

About AmBank Group

Established in August 1975, AmBank Group is one of the largest banking groups 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, AmLife Insurance Berhad and AmFamily Takaful 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 insurance, general insurance and takaful.

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

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

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