

Maybank Investment Bank Lists 6 New Call Warrants

April 2, 2012

Maybank Investment Bank Berhad (Maybank IB) is listing six new European style cash-settled structured warrants over ordinary shares of Berjaya Sports Toto Bhd (BJTOTO), Eastern & Oriental Bhd (E&O), Genting Malaysia Bhd (GENM), Malaysia Marine and Heavy Engineering Holdings Bhd (MHB), MSM Malaysia Holdings Bhd (MSM) and Ta Ann Holdings Bhd (TAANN). The warrants, which will be listed on 3 April 2012, will have tenures of 9 months and an issue size of RM100 million each.

We like BJTOTO for its positive revenue and earnings reversal from 4D Toto Jackpot, defensive earnings profile and attractive dividend yields. We also favour MSM for its high dividend payout policy rate of 50% and its status as a Government-Linked Company. With fairly inelastic sugar consumption, it is expected that the demand for MSM's products will remain stable, even under a tough economic environment. BJTOTO and MSM warrants are each priced at 15 cents with an exercise ratio of 4 and 6, respectively for every 1 underlying share and a gearing ratio of 7.30 and 5.68 times, respectively.

For the property sector, we selected E&O. The company is expected to release favourable announcements on their tie-up with Sime Darby on 37,000 acres of undeveloped land with an estimated Gross Development Value of RM100 billion as well as on the 760-acre reclamation project in Seri Tanjung Pinang 2. TAANN's oil palm division is growing rapidly, with its fresh fruit bunch sales volume being driven up by the rising crude palm oil prices since January 2012. Maybank IB is issuing warrants on E&O and TAANN, priced at 15 cents each with an exercise ratio of 2 and 8 and gearing ratios of 5.33 and 4.77 times respectively.

We like GENM as it has resilient base earnings from the hospitality and gaming sector. Additionally, it has also pitched for a US\$3.8 billion casino-and-hotel project in Miami. For the oil & gas sector, we have MHB, as a direct Petronas-proxy play. MHB's long-term prospects are positive, based on the integration of Sime Darby's yard in 1Q12. The aim of the integration is to provide a prolific platform for MHB to capitalise on PETRONAS' domestic capex programmes. With high-impact projects in the pipeline (i.e. Malikai, FLNG, RAPID), we anticipate strong order book visibility for 2013. GENM and MHB warrants are priced at 15 cents each with an exercise ratio of 4 and 7 for every 1 underlying, respectively. The GENM warrant has a gearing of 6.53 times and MHB, at 5.10.

The terms and conditions of the above call warrants are stated in their respective term sheets and should be read in conjunction with the Base Prospectus dated 19 September 2012.

Please do not hesitate to call the following contact should you need more queries:

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About Maybank Investment Bank Berhad

Maybank Investment Bank Berhad (“Maybank IB”), incorporated under the name of Asian & Euro-American Merchant Bankers Malaysia in 1973, was formed to undertake the full range of investment banking services. Maybank IB has one of the most extensive dealing networks in the country, supported by one of the best research houses. It has vast experience in undertaking large Initial Public Offerings of both domestic and international firms, and executing primary/ private placements, share buybacks, and mergers & acquisitions. In addition, Maybank IB has a history of successfully arranging and advising on both conventional and Islamic bond issues. Maybank IB also provides equity and commodity solutions, which serve as a catalyst for product innovation and provide a platform to customise products and solutions for retail, corporate and institutional clients.