MALAYSIA – ISLAMIC DEVELOPMENT BANK (IDB) GROUP
INVESTMENT FORUM

“BRIDGING THE GAP - FROM SILK ROAD PERSPECTIVE (DEVELOPING LINKAGES WITH THE FAR EAST COUNTRIES)”

10th May 2012

BY: DR. MASHHOUR F. MOURAD
CEO ANFAAL CAPITAL
A Closed Joint Stock Investment Company founded in May 2010

Authorised Person licensed by the Capital Market Authority of Saudi Arabia (CMA)

Licensed by the Saudi Arabian General Investment Authority (SAGIA)

Our core business activities include managing, custody, advising and arranging of securities

Key shareholders include ICD & Maybank – IB among others
Our range of products and services include Asset Management, Arranging and Corporate Finance Advisory Services, Investment Advisory Services and Custodian Services.

- Sukuk Structuring, Capital Raising, Fund Structuring, M&A, Valuation, Strategic Financial Advisory, Structured Products, IPO & Equities and Corporate Restructurings
- Advising clients on the merits of specific securities investments
- Management of Real Estate Funds and Private Equity/SME Funds based on Shariah Principles
- Complementing our Asset Management services, safeguarding the assets of clients and providing the necessary administration
ANCIENT SILK ROUTE – LINKS BETWEEN ARABIA AND SE ASIA ARE CIVILIZATIONAL
However, modern day trade between KSA and Malaysia is less than 1% of their total trade with the ROW.

89% of KSA exports to Malaysia comprises of Petroleum related products.

86% of Malaysia’s exports to KSA comprises of diversified manufactured goods.
Neither country figures in the top 10 investor list in the other.

FDI Inflow by Source in 2010 (Total USD 28 Bn.)

FDI Inflow by Source in 2010 (Total USD 9.1 Bn.)

Source: SAGIA

Source: http://www.mida.gov.my/
KSA offers immense opportunities for trade & investments – it has a strong and stable economy

<table>
<thead>
<tr>
<th>(% Growth)</th>
<th>2011a</th>
<th>2012f</th>
<th>2013f</th>
<th>2014f</th>
<th>2015f</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP</td>
<td>7.0</td>
<td>5.0</td>
<td>4.7</td>
<td>5.0</td>
<td>4.8</td>
</tr>
<tr>
<td>Private consumption</td>
<td>7.5</td>
<td>6.2</td>
<td>5.7</td>
<td>5.8</td>
<td>5.2</td>
</tr>
<tr>
<td>Gross fixed investment</td>
<td>6.2</td>
<td>6.3</td>
<td>6.4</td>
<td>6.6</td>
<td>5.8</td>
</tr>
<tr>
<td>Industry</td>
<td>8.4</td>
<td>4.1</td>
<td>3.7</td>
<td>5.6</td>
<td>5.3</td>
</tr>
<tr>
<td>Services</td>
<td>6.1</td>
<td>6.0</td>
<td>5.8</td>
<td>5.0</td>
<td>4.9</td>
</tr>
<tr>
<td>Oil exports (USD bn)</td>
<td>283.5</td>
<td>301.3</td>
<td>261.9</td>
<td>241.7</td>
<td>228.5</td>
</tr>
<tr>
<td>Current-account balance (US$ bn)</td>
<td>144.2</td>
<td>148.5</td>
<td>95.5</td>
<td>85.6</td>
<td>56.3</td>
</tr>
<tr>
<td>Inflation (%)</td>
<td>5.0</td>
<td>4.7</td>
<td>3.5</td>
<td>4.0</td>
<td>4.8</td>
</tr>
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Source: Economic Intelligence Unit (EIU)

- KSA not only managed to remain unscathed from the financial crisis but also managed to post impressive growth numbers
- High oil prices have brought windfall foreign exchange reserves, which have been used to provide stimulus for infrastructure spending
- Macroeconomic indicators reflect strong growth in the coming years
Saudi Arabia has one of the best supporting physical infrastructure in the world. Past stimulus package also focused on promoting infrastructure specially social infrastructure like schools, hospitals, roads and bridges.

- **Roads**: spent USD 5.8 bn between 2005 -11 on expanding road network. 28,100km of roads already under construction and plan to add another 4,200km roads for which government will spend USD 29.6bn between 2010-14.

- **Ports**: has six major ports, two specialized industrial ports and 14 minor ports. In 2011, KSA's ports handled 165 million tons of cargo, with Saudi Ports Authority planning to expand national container capacity to more than 15 million TEUs\(^1\) by 2015.

- **Airports**: country has three major international airports and 18 major and minor domestic airports throughout the country, which handled 45.4 million passengers and 571.1 tons of cargo in 2010.

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1 TEUs=20-foot equivalent units
GOVERNMENT IS PROACTIVELY PROMOTING INVESTMENTS

- The Ninth Saudi Development Plan announced in 2010 sets out investment spending of USD 385 bn in 2010-2014
- Saudi budget of 2012 has proposed capital expenditure of USD 70.7bn out of which the main beneficiary would be:
  - **Education and training**: USD 45bn, to build 742 new schools and 40 new colleges
  - **Health and social affairs**: USD 23bn, to build 17 new hospitals in addition to 130 currently under construction
  - **Water, agriculture and related infrastructure**: USD 15.2 bn. to provide for population which is expected to touch 36.5mn by 2020
  - **Municipality services**: USD 7.7bn. to cater to increasing population
  - **Transport and communication**: USD 9.3bn for airport, road and railway expansion
Identified investment opportunities amounts to USD 1.4 tn.

Promising investment sectors in KSA
- Construction; All types, but mostly roads,
- Public services, and middle income housing
- Infrastructure for Power and Water.
- Education and training services.
- Consumer durables & food
- Manufacturing, especially petrochemicals
- Consumer finance

Source: USD – Saudi Arabian Business Council
Yet challenges exist to do business in KSA

- New labor reforms introducing the Nitaqat program aimed at improving Saudization – the employment of local nationals - in the private sector
- Difficulty in getting timely visas for expatriates sometimes leading to loss of business and resources
- Differences in business culture of the two countries, especially concerning the interpretation of legal contracts. There have been instances of Malaysian companies coming to KSA under certain terms and conditions, but once here, there were differences with the local partner over these terms
- Getting the ‘right’ local partner – although not required by SAGIA as foreigners may own 100% of the company - may speed things up. At the end of the day, it’s not just about the know-how but also who you know that can get you under way much quicker.
- No clarity on companies with majority foreign shareholding wishing to participate directly in the primary and secondary securities capital market
ABOUT ANFAAL CAPITAL
ANFAAL CAPITAL AT A GLANCE

**ANFAAL CAPITAL**

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- Our core business activities include managing, custody, advising and arranging of securities
- Key shareholders include ICD, Maybank – IB, among others
VISION AND MISSION

ANFAAL CAPITAL'S VISION

- To be the leading Islamic investment banking service provider in Saudi Arabia

ANFAAL CAPITAL'S MISSION

- To create innovative real estate and investment products and customized financial solutions in order to deliver superior value to our stakeholders
ICD is a multilateral organization, affiliated with the Islamic Development Bank ("IDB") Group. Its shareholders are IDB (50%), public financial institutions (20%) and the member countries (30%).

The mandate of ICD is to support economic development of its member countries through provision of finance to private sector projects in accordance with principles of the Shariah through promoting private sector development.

ICD also provides advice to governments and private organizations to encourage the establishment, expansion and modernization of private enterprises.

Maybank-IB is the investment banking arm of and wholly-owned by Malayan Banking Berhad ("Maybank"); Malaysia’s largest financial services group with total assets exceeding US$100 billion.

The Maybank Group has an extensive global network of 1,750 offices in 14 countries namely Malaysia, Singapore, Indonesia, Philippines, Brunei Darussalam, Vietnam, Cambodia, China, United Kingdom, U.S.A., Bahrain, Papua New Guinea, Pakistan and Uzbekistan. Its Islamic banking arm, Maybank Islamic is the industry leader in the Asia Pacific region and among the world’s top 15 Islamic banks.

Held via Alnmo Real Estate Company ("Alnmo")

Alnmo is a real estate investment and management company affiliated to the Saudi Economic and Development Company ("SEDCO"), a leading Saudi private wealth management organization that conducts its business according to Islamic principles.

Abed Abdulrasool Abdulnabi Al Zeera – 18%

Khalid Mohamed Nasser Al Aboodi – 9%.

Afnal Capital
Leveraging on our shareholders’ diverse global network, we are able to offer unrivalled distribution reach and valuable operational insights into government and businesses from around the globe particularly the Islamic nations.

With a focus in niche real estate investment opportunities, we pride ourselves with being flexible and responsive to the market’s ever changing needs driven by our determination to provide the optimum solutions products and services level to meet out client’s needs and expectations.

Most importantly, we aim to contribute towards creating the maximum value (opportunity) for our clients through a mutually beneficial working relationship by tapping on our experience as well as the special experience of our clients.

We are uniquely poised with our asset management services and comprehensive Shariah-compliant investment banking services to deliver distinctive and tangible values to our clients.
Our range of products and services include Asset Management, Arranging and Corporate Finance Advisory Services, Investment Advisory Services and Custodian Services.

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SHAREHOLDER CREDENTIALS: MAYBANK-IB

Maybank Fact Sheet

- The largest banking group in Malaysia; has led the banking industry for over three and a half decades.
- The largest balance sheet domestically.
- Largest Islamic Bank in Asia Pacific region.
- Ratings:
  - Fitch: A -; RAM: AAA
  - S&P: A -; Moody’s: A3
- Similar rating as Malaysia’s sovereign rating

Notable Deals

- Joint Lead Manager and Joint Managing Underwriter – Maxis RM11.2 billion IPO - 2009
- Principal Adviser and Joint Bookrunners – Malaysian Marine & Heavy Engineering RM2.0 billion IPO – 2010
- Advised in approximately RM28 billion worth of M&A transactions in Malaysia for FY2011, representing a market share of 25.9%
- Joint Principal Adviser and Joint Lead Arranger – Celcom Transmission RM4.2 billion Sukuk Ijarah - 2011
- Joint Lead-Arranger in syndicated facilities of SAR6 bn comprising of LC’s, performance bonds, advance payment bonds and murabaha facilities to Saudi Binladen Group - 2011

Product Offering to Clients

<table>
<thead>
<tr>
<th>Maybank</th>
<th>Maybank-IB</th>
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<tbody>
<tr>
<td>Loans^</td>
<td>IB Origination</td>
</tr>
<tr>
<td>Cash Management</td>
<td>Corporate Finance</td>
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<tr>
<td>Trade Finance</td>
<td>Equity Capital Markets</td>
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<td>Islamic Markets</td>
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<td>Debt Markets</td>
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<td>Strategic Advisory</td>
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<td>PE &amp; Venture Capital</td>
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<td>Research</td>
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<td>Equities</td>
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<tr>
<td></td>
<td>Treasury</td>
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</tbody>
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Maybank Balance Sheet Strength

- Maybank: 86 USD bn
- Emirates National Bank of Dubai: 77 USD bn
- Al-Rajhi Bank: 44 USD bn
- Citigroup: 1,938 USD bn

Note:
^ Islamic financing via Maybank Islamic
Thank You

If you require any further information please feel free to contact us:

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