



GFH FINANCIAL GROUP B.S.C.

(Incorporated in the Kingdom of Bahrain)
Commercial Registration Number 44136

ANNOUNCEMENT OF GFH FINANCIAL GROUP B.S.C.'s (the "OFFEROR" or "GFH ") WAIVER OF THE MINIMUM ACCEPTANCE CONDITION AND OF THE REVISED OFFER BECOMING UNCONDITIONAL IN ALL RESPECTS IN RELATION TO GFH'S VOLUNTARY CONDITIONAL OFFER TO ACQUIRE UP TO 100% OF THE ISSUED AND PAID UP ORDINARY SHARES OF KHALEEJI COMMERCIAL BANK B.S.C. ("KHCB"), REPRESENTING UP TO 187,589,034 ORDINARY SHARES OF KHCB, (CONSTITUTING VOTING RIGHTS), NOT CURRENTLY OWNED BY GFH, REPRESENTING UP TO 21.03% STAKE OF KHCB'S ISSUED AND PAID-UP SHARE CAPITAL, BY WAY OF A REVISED SHARES EXCHANGE RATIO OF 0.384 GFH SHARES AND BHD 0.024 PER KHCB SHARE

20th December 2021

ANNOUNCEMENT OF GFH FINANCIAL GROUP B.S.C.'s (the "OFFEROR" or "GFH ") WAIVER OF THE MINIMUM ACCEPTANCE CONDITION AND THE OFFER TO ACQUIRE UP TO 100% OF THE ISSUED AND PAID UP ORDINARY SHARES OF KHALEEJI COMMERCIAL BANK B.S.C. (the "OFFEREE" or "KHCB") BECOMING UNCONDITIONAL IN ALL RESPECTS

DISCLAIMER STATEMENT

THE CENTRAL BANK OF BAHRAIN ("CBB") AND BAHRAIN BOURSE ASSUME NO RESPONSIBILITY FOR THE CONTENTS OF THIS ANNOUNCEMENT, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ANNOUNCEMENT. THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR THE SECURITIES OF KHCB.

DIRECTORS' DECLARATION

THE DIRECTORS OF GFH ISSUING THIS ANNOUNCEMENT JOINTLY AND SEVERALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF INFORMATION CONTAINED IN THIS ANNOUNCEMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT IS IN ACCORDANCE WITH THE TERMS OF THE OFFER FROM GFH AND CONTAINS NO MATERIAL OMISSIONS LIKELY TO AFFECT THE IMPORTANCE AND COMPLETENESS OF THIS ANNOUNCEMENT.

Reference is hereby made to the revised offer document dated 24 November 2021 of GFH (the "Revised Offer Document") to acquire up to 100% of the issued and paid up ordinary shares of KHCB, representing up to 187,589,034 ordinary shares of KHCB (constituting voting rights), not currently owned by GFH, representing up to 21.03% stake of KHCB's issued and paid-up share capital, by way of a shares exchange ratio of 0.384 GFH Shares and cash consideration of BHD 0.024 per KHCB share at the discretion of each shareholder of KHCB and subject to satisfaction or waiver by GFH of the Conditions Precedent, where applicable.

The Offer was conditional upon acceptances being received in respect of at least 168,830,131 KHCB shares representing at least 18.93% of the issued share capital of KHCB.

On 20th December 2021, the Initial Closing Date, KFin Technologies ("KFin Tech"), the appointed Receiving Agent for the Offer, confirmed in writing to the Board of Directors of GFH that during business hours on 20th December 2021 valid acceptances received did not meet the above conditional threshold and totaled 30.7% of the outstanding KHCB shares not currently owned by GFH.

GFH hereby waives the condition stipulated under paragraph 3.6.1 of the Revised Offer Document for the receipt of minimum acceptances of 168,830,131 KHCB Shares representing 18.93% of the entire issued share capital of KHCB, which would result in total ownership by GFH of at least 87.98% of the total issued share capital of KHCB, represented by 784,887,418 shares of KHCB.

With the waiver of the minimum acceptance condition, GFH hereby declares that the Offer to the shareholders of KHCB is deemed to have become unconditional in all respects. Please refer to Section 3.6 of the Offer Document setting out a number of conditions relating to the Offer, in which all have been fulfilled/waived.

Furthermore, the required threshold to exercise the right of compulsory acquisition i.e. 90% acceptances of the outstanding KHCB Shares subject to the voluntary conditional revised offer ("Compulsory Acquisition Threshold") has not been met as of the date of this announcement.

If the Offeror meets the abovementioned Compulsory Acquisition Threshold and pursuant to section 13.2.1 of the Revised Offer Document, the Offeror shall dispatch a Notice of Compulsory Acquisition to the KHCB Shareholders who did not accept the Offer during the Offer period informing them of the Offeror's intention to acquire their remaining KHCB Shares under its right of compulsory acquisition within (15) calendar days from the date of this announcement.

In accordance with the provisions of the Takeovers, Mergers and Acquisitions Module of the Central Bank of Bahrain Rulebook, Volume 6 Rule 2.14.2A, it is announced that the Offer shall remain open for acceptance for a minimum period of 15 calendar days from the date of this announcement and the Final Closing Date for receiving acceptances is extended to the end of working hours on 4th January 2022.

Shareholders of KHCB who have not yet participated in the Offer may do so by visiting one of the participating branches of GFH, KHCB or KFin Tech before the close of business hours on the Final Closing Date of 4th January 2022. The procedures for accepting the Offer are stated in section 4 of the Revised Offer Document which is available at the participating locations and on the websites of GFH, KHCB, and



Bahrain Bourse.

It is worth noting that out of the total 187,589,034 ordinary shares of KHCB under the offer, 104,734 shares relate to KHCB's Share Incentive Scheme, which do not hold any voting rights. Hence, the total ordinary shares of KHCB under the offer will be considered 187,484,300 shares rather than 187,589,034 shares as disclosed in the Revised Offer Document.

The Offer timetable is revised as following:

Last Trading Date	2 December 2021
Suspension of Trading Date for KHCB Shares	5 December 2021
Offer Opening Date	6 December 2021
Initial Offer Closing Date	20 December 2021
Final Closing Date	4 January 2022
Announcement of Results of the Offer Date	5 January 2022
Settlement Date	11 January 2022

For or on behalf of the board of GFH Financial Group B.S.C.

A handwritten signature in black ink, appearing to be "Ghazi Al Hajeri", written over a horizontal line.

Mr. Ghazi Al Hajeri
Vice Chairman

