CMP/DEC/2016/0002
4th December 2016

Mr. Hassan Al Serkal
EVP, COO – Head of Operations Division, Market Operations Division
Dubai Financial Market
P.O Box 9700
Dubai - United Arab Emirates

Dear Mr. Al Serkal,

Subject: GFH Signs Final Sukuk Restructuring Agreement with Gulf Holding and Al Rajhi Bank

GFH Financial Group ("GFH") would like to inform its shareholders and the markets that it has, as the project sponsor, signed a final Sukuk restructuring agreement with Gulf Holding Company (GHC), the project's real estate project development firm, and Al Rajhi Bank as the project financer. The agreement allows for the rescheduling of the Villamar project's finances and officially marks the re-launch of the project located in the Bahrain Financial Harbour.

Villamar @ The Harbour is one of the flagship projects of GHC and forms an integral part of the Company's portfolio of projects. Valued at US$700 million, Villamar @ The Harbour is the Kingdom of Bahrain's most advanced and exclusive residential complex spread over 35,900 square meters at the landmark Bahrain Financial Harbour.

As per the agreement, GFH will participate in financing completion of the project with an amount up to US$50 million.

This restructuring will have a positive impact on GFH's shareholding in Gulf Holding Company.

Yours Sincerely,

Nabeel Mirza
Compliance Director & MLRO