



CMP/MAR/2019/0022

18th March 2019

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: Clarification on GFH's Board Recommendation

As per the request of Capital Market Supervision Directorate of the Central Bank of Bahrain to re-issue the notification on the subject dated 17th March 2019.

Further to GFH's announcement of its Board of Director's recommendations for the cancellation of treasury shares, the distribution of cash dividend of USD 30 million, and the issuance of bonus shares equating to USD 55 million for GFH's shareholders as on the date of the Annual General Meeting (the 'record date'). GFH would like to advise its shareholders that it has received confirmation from Bahrain Bourse, Dubai Financial Market and Boursa Kuwait that there will be no price adjustment following the issuance of bonus shares due to the cancelation of equivalent amount of treasury shares. It is to be noted that the total number of issued shares will remain the same with no increase.

The clarification is as follows:

1. Cancellation of Treasury Shares:

A total of 207,547,170 treasury shares held by GFH will be cancelled which equate to 5.637% of the total issued shares of GFH, while 20 million shares will be maintained for the purpose of market making/liquidity activities.

2. Distribution of Bonus Shares:

Bonus shares amounting to US\$ 55 million will be distributed to shareholders after the cancelation of 207,547,170 treasury shares. The remaining total issued shares post the cancelation of treasury shares will be 3,474,103,271 shares and accordingly bonus shares will be issued at a rate of 5.97% of par value at 1 share for every 16.74 shares held.

3. Distribution of Cash Dividends:

Cash dividend amounting to US\$ 30 million will be distributed at a rate of 3.34% of the nominal value of the shares equating to US\$0.0087 per share (excluding the treasury shares).



In consideration of the above, the shareholders will effectively receive yield of 9.31% as compared to 8.71% last year (dividend of FY2017).

It is to be noted that the above recommendations are subject to the approvals of Extra-Ordinary General Assembly (EGM), Ordinary General Assembly ('OGM') and the relevant authorities.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Nabeel Mirza', enclosed within a blue oval.

Nabeel Mirza
Head of Compliance & MLRO