CMP/AUG/2015/0005
1st August 2015

Mr. Hassan Al Serkal
EVP, COO – Head of Operations Division
Market Operations Division
Dubai Financial Market
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Dear Mr. Al Serkal,

Subject: <u>GFH Signs Restructuring Agreement for Villamar Project</u>

GFH Financial Group would like to inform its shareholders and the markets that a restructuring agreement has been signed recently towards the remobilization of Villamar Project, which is based in the Bahrain Financial Harbour. Gulf Holding Company, the developers of the Villamar Project, has signed the restructuring agreement with Al Rajhi Bank as the original financiers of the Project, GFH Financial Group as the Project's new financiers, and Al Hamad Construction as the Project's contractor.

Under the terms of this agreement, GFH will finance the Project's completion and cover funding shortfalls up to an amount of USD50 million over the anticipated Project's completion period of 24 months.

The agreement and the Villamar investment are expected to have a positive impact on GFH's financial results on the medium term.

Yours Sincerely,

Nabeel Mirza
Compliance Director & MLRO