



CMP/JAN/2016/0001

3rd January 2016

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: Complementary Announcement to Announcement Dated 31st December 2015

As per the request of the Capital Markets Authority-Kuwait (CMA) via their letter dated 31st December 2015, GFH Financial Group (“GFH”) would like to clarify to its shareholders and the markets its opinion and assessment concerning the reasons (1), (3) and (4) based on which its Board of Directors resolved the decision to de-list from Kuwait Stock Exchange (KSE) on 3rd September 2015, as follows:

- 1- GFH confirms that although the Board of Directors’ resolution to de-list from KSE dated 3rd September 2015 was based on four reasons, however the main and fundamental reason was the second clause from the referred resolution. The referred second clause was as follows: “Protect the Group from falling into any violations of directives and regulations of Kuwait’s Capital Market Authority which may contradict with regulations of other market authorities including the home market of the Group (Kingdom of Bahrain).” Accordingly, GFH did provide a detailed explanation for the reasons for suspending its delisting decision with relation to this clause in its last announcement dated 31st December 2015.
- 2- The other reasons (1, 3, and 4) as referred above are secondary reasons and continue to exist. Accordingly, the reasons regarding the focus on Dubai Financial Market as the main secondary market, and the costs incurred by the Group related to fees and other expenses associated with a continued listing on the Kuwait Stock Exchange remain as part of our concerns. As for the last reason, evidently arbitrage opportunities between Kuwait and Dubai markets continue to exist from a practical standpoint as witnessed by the Arab markets. However, as previously mentioned, the amendments that have been made to some of the rules of the new Implementing Regulations, as per the CMA Resolution No. 72 of 2015, was the main and direct reason for suspending the de-listing resolution regardless of the other aforementioned reasons.



Finally, GFH hereby confirms its full compliance with the CMA's instructions in respect of complete disclosure in accordance with the provisions of the CMA's letter addressed to GFH, dated 31st December 2015.

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'Nabeel Mirza', written over a faint circular stamp or watermark.

Nabeel Mirza
Compliance Director & MLRO