



**GFH FINANCIAL GROUP B.S.C.**

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

GFH FINANCIAL GROUP B.S.C.'S ("GFH") 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 SHARES EXCHANGE RATIO OF 0.914 GFH SHARES PER KHCB SHARE AT THE DISCRETION OF EACH SHAREHOLDER OF KHCB.

**OFFEROR'S ANNOUNCEMENT OF DISPATCH OF THE OFFER DOCUMENT TO THE OFFEREE**

THE OFFER DOCUMENT IS A COMPLEX DOCUMENT AND THE FOLLOWING IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY, AND IS SUBJECT TO, THE CONTENTS OF THE OFFER DOCUMENT

**DISCLAIMER STATEMENT**

THE CENTRAL BANK OF BAHRAIN, BAHRAIN BOURSE, AND THE MINISTRY OF INDUSTRY, COMMERCE AND TOURISM, IN THE KINGDOM OF BAHRAIN, 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 SECURITIES OF GFH FINANCIAL GROUP B.S.C.

**DIRECTORS' STATEMENT**

THE DIRECTORS OF GFH FINANCIAL GROUP B.S.C. ISSUING THIS NOTIFICATION OF DISPATCH OF THE OFFER DOCUMENT, WHOSE NAMES APPEAR IN THIS DOCUMENT JOINTLY AND SEVERALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF INFORMATION CONTAINED IN THIS NOTIFICATION. 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 NOTIFICATION IS IN ACCORDANCE WITH THE FACTS AND CONTAINS NO OMISSIONS LIKELY TO AFFECT THE IMPORTANCE AND COMPLETENESS OF THIS NOTIFICATION.

**Reference is made to the notice of Firm intention to make an Offer issued by GFH Financial Group B.S.C.'s (the "Offeror" or "GFH") dated 14<sup>th</sup> October 2021 to Khaleeji Commercial Bank B.S.C. (the "Offeree" or "KHCB")'s board of directors.**

**The Offer** GFH's voluntary conditional offer 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 0.914 GFH shares 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").

**Dispatch of the Offer Document** GFH dispatched the Offer Document to the board of directors of KHCB on Thursday 4<sup>th</sup> November 2021

**Pursuant to TMA-2.7.7 of the Central Bank of Bahrain ("CBB") Rulebook, Volume 6, Takeovers, Mergers and Acquisitions Module ("TMA"), the offer document, the Offeree board circular and the Acceptance and Transfer Form must be sent to the Offeree's shareholders by, or on behalf of, the Offeree within 21 calendar days of the date of receipt of the offer document by the Offeree.**

**The Offeror** GFH Financial Group B.S.C.  
Bahrain Financial Harbour, East Tower, 29th Floor  
Road 4626, Block 346 Manama, Sea Front  
P.O. Box 10006  
Manama, Kingdom of Bahrain  
Tel: (973) 1753 8538  
Fax: (973) 1754 0006

GFH is registered with the Ministry of Industry, Commerce and Tourism ("MOICT") with commercial registration number 44136 as a public Bahraini shareholding company. It is licensed and regulated by the CBB as an Islamic wholesale bank. GFH has an issued and paid-up capital of USD 1,000,637,366.96 made up of 3,775,990,064 shares of USD 0.265 each. Its securities are listed on the Bahrain Bourse, Boursa Kuwait and Dubai Financial Market.

**The Offeree** Khaleeji Commercial Bank B.S.C.  
Bahrain Financial Harbour, East Tower  
PO Box 60002  
Manama  
Kingdom of Bahrain  
Tel: (973) 1754 0054  
Fax: (973) 1710 0017

KHCB is registered with the MOICT with commercial registration number 55133 as a public Bahraini shareholding company. KHCB has an issued and paid-up capital of BHD 89,211,948 made up of 892,119,480 shares of 100 fils each. It is licensed and regulated by the CBB as an Islamic retail bank. Its securities are listed on the Bahrain Bourse.

**Details of securities for which the offer is made** 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 ("KHCB Shares").



**Consideration for the Offer** The consideration for the offer is shares in the Offeror at a share exchange ratio of 0.914 GFH shares per KHCB Share.

**Rights of the GFH Shares** Share Ranking: GFH Shares shall rank pari passu with the existing ordinary shares of GFH.

Dividend Rights: Provided that the Offer becomes unconditional after the fulfilment of the Conditions Precedent, KHCB Shareholders who accept the Share Exchange Offer at the discretion of each KHCB Shareholder will be entitled to any dividends declared by GFH pertaining to the financial year ending 31<sup>st</sup> December 2021, and for subsequent financial years on a pari passu basis with other holders of shares in GFH.

Voting, Capital Distributions and Liquidation Rights: Holders of the GFH Shares will enjoy all the rights and obligations of the existing shareholders of GFH, including but not limited to, participation and voting in shareholders general assembly meetings and participation on a pari passu basis in any distributions or other returns of capital whether on a liquidation or otherwise.

**Conditions Precedent** The implementation of the offer will be subject to the fulfilment, or waiver by GFH where applicable, of the following conditions precedent. For the avoidance of doubt, the offer shall not become unconditional unless the below 4 conditions precedent are fulfilled, or waived by GFH, where applicable:

1. Acceptances are received from KHCB's shareholders in respect of at least 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.
2. Receipt of all regulatory and statutory approvals in connection with the offer.
3. Availability of treasury shares required for the settlement.
4. KHCB does not undertake any of the following from the date of the firm intention until the expiration of the Offer Period:
  - a. issue any shares and /or distribute cash dividends;
  - b. create, issue or grant, or permit the creation, issue or grant of, any convertible securities, options or warrants in respect of the shares of KHCB;
  - c. other than in the normal course of business, sell, dispose of or acquire assets without a written consent of GFH;
  - d. enter into contracts, including service contracts, other than in the ordinary course of business, including contracts or actions which may give rise to any contingent liability;
  - e. cause KHCB or any subsidiary or associate of KHCB to purchase or redeem any shares in KHCB or provide financial assistance for any such purchase;



- f. acquire any company, partnership, other business organization or division thereof, or enter into any joint venture, or strategic alliance;
- g. enter into any commitment, agreement or arrangement for assumption of third party financing or bank debt or any other loan or debt, nor obtain or procure any such financing for KHCB;
- h. make any changes in the memorandum and articles of association or nature of bank licence or registered address of KHCB;
- i. amend, waive, modify or consent to the termination of any contract or the KHCB's rights thereunder other than in the ordinary course of business consistent with past practice;
- j. enter into any contract which is not in the ordinary course of business with any related party;
- k. enter into any formal or informal agreement, or otherwise make a commitment to do any of the foregoing; or
- l. carry out any actions prohibited by the TMA Module.

Shareholders and/or potential investors of KHCB should note that the offer shall be subject to the satisfaction or waiver (where applicable) of the conditions and conditional upon, the offer becoming or being declared unconditional in all respects. Accordingly, the offer may or may not become unconditional. Shareholders and/or potential investors of KHCB should therefore exercise caution when dealing in the securities of KHCB. Persons who are in doubt as to the action they should take should consult their licensed brokers, dealers, solicitors, professional accountants or other professional advisors.

**Offer  
expected  
timeline and  
key dates**

The key dates for the Offer will be determined in accordance with the CBB's regulations and, in particular, the TMA Module. Certain of the key dates are to be determined by reference to dates which are not, as at the date of this Offer Document, possible to determine because, for example, they are linked to the date the board of directors of KHCB publishes its Offeree Board Circular in accordance with the TMA or because they relate to the date upon which conditions to the Offer are satisfied or waived. In such case, these dates are referenced as "To be announced" in the table below and announcements will be made in accordance with the CBB regulations to the KHCB Shareholders as these dates are determined.

Date of Pre-conditional Offer	Voluntary	15 <sup>th</sup> September 2021
Date of Firm Intention		14 <sup>th</sup> October 2021
Date for convening OGM of Offeror		14 <sup>th</sup> October 2021
Last Practicable Date		3 <sup>rd</sup> November 2021
Date of this Offer Document		4 <sup>th</sup> November 2021



Latest date for posting of the Offeree Board Circular	25 <sup>th</sup> November 2021. Under TMA 2.7.7, KHCB must send to all its shareholders within a maximum period of twenty-one (21) calendar days from the receiving date of this Offer Document, the Offeree Board Circular. The CBB's consent is required if the Offeree Board Circular may not be posted within this period
Last Trading Date	To be announced, being the date two (2) Business Days prior to the Offer Opening Date
Suspension of Trading Date for KHCB Shares	To be announced, being the date one (1) Business Day prior to the Offer Opening Date
Offer Opening Date	To be announced
Initial Offer Closing Date	To be announced, being the date which is fifteen (15) calendar days from the Offer Opening Date, subject to extension and subject to the Final Closing Date
Final Closing Date	To be announced, being the Initial Offer Closing Date, or fifteen (15) calendar days from the date the Offer is revised or announced as unconditional in all respects, whichever is later. This is to be announced if the date differs from the Initial Offer Closing Date
Last date upon which the Offer can be declared unconditional as to Acceptances	3 <sup>rd</sup> January 2022
Right to withdraw Date	To be announced, being an acceptor will be entitled to withdraw his acceptance after 14 days from the Initial Closing Date of the Offer, if the Offer has not become unconditional as to acceptances by that date. Such entitlement to withdraw will be exercisable until the Unconditional as to Acceptances Date and subject to relevant provisions of the TMA.
Announcement of Results of the Offer Date	To be announced, being one (1) Business Day after the Final Closing Date
Settlement Date	To be announced - within seven (7) calendar days from the Final Closing Date.



**Procedures for accepting the Offer** The Offer Document outlines further details in regards to the procedures for accepting the Offer. KHCB shareholders participating in the Offer will be required to complete, sign and deliver an original Acceptance and Transfer Form (along with the required documentation) at one of the participating branches of GFH, one of the participating branches of KHCB, or at the office of the receiving agent. The Acceptance and Transfer Form will be available together with the Offer Document and the Offeree Board Circular during the Offer period.

**Possible Compulsory Acquisition and Delisting** If the Offeror obtains 90% or more of the acceptances of the outstanding KHCB Shares subject to the voluntary conditional offer by the Offeror, the Offeror intends to exercise its right to compulsorily acquire those Offer Shares not acquired by the Offeror under the Offer within (3) months from the date when the level of acceptances of the Offer reaches the prescribed level under the Commercial Companies Law required for compulsory acquisition. Subject to the satisfaction of the requirements under the Article 319 of the Commercial Companies Law and requirements under the TMA Module.

If the Offeror exercises its right to compulsorily acquire those Offer Shares not acquired by the Offeror under the Offer and completes the compulsory acquisition, the Offeree will become a direct wholly-owned subsidiary of the Offeror and the Offeree will apply to the CBB to delist its shares from Bahrain Bourse in compliance with the rules of the TMA Module.

If the Offeror obtains less than 90% acceptances of the outstanding KHCB Shares subject to the voluntary conditional offer, KHCB's shares may be subject to voluntary delisting from the Bahrain Bourse subject to the approval of the CBB, Bahrain Bourse, KHCB's Board and the general meeting of the shareholders of KHCB.

Further details are disclosed in the Offer Document.

**Offer finance sources** Acquisition of the shares of Khaleeji Commercial Bank B.S.C. pursuant to an acquisition offer, using treasury shares of 171,416,377 ordinary shares (approximation subject to rounding as described in section 4.3.1 c of the Offer Document) equivalent to 4.5% of the Group's shares.

**Important note:** Pursuant to TMA-2.20 and TMA-2.21, the Offeror's associates are reminded of the restrictions to dealing and to disclose all dealings in any securities of Khaleeji Commercial Bank B.S.C.

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



Mr, Ghazi Al Hajeri  
Vice Chairman

Receiving Agent	Issue Execution Advisor and Allotment Agent	Central Securities Depository and Issue Registrar
KFin Technologies (Bahrain) W.L.L.	Bahrain B.S.C.(c) Clear	Bahrain B.S.C.(c) Clear