

VUKILE PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2002/027194/06)
JSE share code: VKE NSX share code: VKN
ISIN: ZAE000180865
Debt company code: VKEI
(Granted REIT status with the JSE)
("Vukile")



DECLARATION OF THE FINAL DIVIDEND

Shareholders are referred to:

- Vukile's trading statement released on SENS on 14 August 2020 wherein shareholders were informed that, in the absence of any amendments or rulings applicable to the REIT sector, Vukile intended to pay out a final dividend for the year ended 31 March 2020 of 48.18672 cents per share (the "**final dividend**") in order to meet the minimum distribution requirement imposed on REITs in terms of paragraph 13.47 of the JSE Listings Requirements (the "**minimum distribution requirements**"); and
- Vukile's distribution update released on SENS on 28 August 2020 wherein Vukile shareholders were advised that Vukile had deferred the declaration of its final dividend until no later than 29 September 2020;
- the JSE's announcement released on SENS yesterday 22 September 2020 in which the JSE informed the market that the Financial Services Conduct Authority had advised the JSE that it is not in a position to consent to the SA REIT Association's request to the JSE to provide REITs with certain temporary exemptions regarding the minimum distribution requirements.

Accordingly, the Vukile board has now declared the final dividend.

Following the payment of the final dividend, Vukile will retain its strong solvency and liquidity position, with cash balances of approximately R920 million and available but undrawn debt facilities in excess of R1.8 billion. In addition, Vukile has approximately R7.9 billion of unencumbered assets.

In accordance with Vukile's status as a REIT, shareholders are advised that the final dividend of 48.18672 cents per share meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 (the "**Income Tax Act**") with the result that:

- dividends received by South African resident Vukile shareholders must be included in the gross income of such shareholders (as a non-exempt dividend in terms of section 10(1)(k)(i)(aa) of the Income Tax Act), with the effect that the dividends are taxable as income in the hands of the Vukile shareholder. These dividends are, however, exempt from dividends withholding tax, provided that the South African resident shareholders provided the following forms to their Central Securities Depository Participant ("**CSDP**") or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:
 - a declaration that the distribution is exempt from dividends tax; and
 - a written undertaking to inform the CSDP, broker or the company, as the case may be, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner;

both in the form prescribed by the Commissioner for the South African Revenue Service. Shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution, if such documents have not already been submitted.

- dividends received by non-resident Vukile shareholders will not be taxable as income and instead will be treated as ordinary dividends but which are exempt in terms of the usual dividend exemptions per section 10(1)(k) of the Income Tax Act. It should be noted that dividends received by non-residents are subject to dividends withholding tax at a rate of 20% unless the rate is reduced in terms of any applicable agreement for

the avoidance of double taxation (“DTA”) between South Africa and the country of residence of the shareholder. Assuming dividends withholding tax will be withheld at a rate of 20%, the net distribution amount due to non-resident shareholders is 38.54938 cents per share. A reduced dividend withholding rate in terms of the applicable DTA, may only be relied upon if the non-resident holder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

- a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
- a written undertaking to inform their CSDP, broker or the company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner;

both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident holders are advised to contact their CSDP, broker or the company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution if such documents have not already been submitted, if applicable.

Shareholders are further advised that:

- the issued capital of Vukile at the date of declaration of the final dividend is 956 226 628 shares of no par value; and
- Vukile’s tax reference number is 9331/617/14/3.

The salient dates relating to the final dividend are as follows:

	2020
Last day to trade <i>cum</i> dividend	Tuesday, 13 October
Shares trade <i>ex</i> dividend	Wednesday, 14 October
Record date	Friday, 16 October
Payment date	Monday, 19 October

Share certificates may not be dematerialised or rematerialised between Wednesday, 14 October 2020 and Friday, 16 October 2020, both days inclusive.

23 September 2020

JSE sponsor



NSX sponsor

