

## **HYPROP INVESTMENTS LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number 1987/005284/06)

JSE share code: HYP ISIN: ZAE000190724

(Approved as a REIT by the JSE)

(“**Hyprop**” or the “**company**”)



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### **DIVIDEND: TAX TREATMENT AND SALIENT DATES**

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Shareholders are referred to Hyprop’s summarised consolidated audited results for the year ended 30 June 2019, published on SENS on Thursday, 5 September 2019, and in particular, the notification of a gross dividend of 359.33956 cents per Hyprop share (“**the dividend**”) referred to therein, and are advised as follows:

In accordance with Hyprop’s status as a REIT, shareholders are advised that the dividend meets the requirements of a qualifying distribution for the purposes of section 25BB of the Income Tax Act, 58 of 1962 (“**Income Tax Act**”). The distribution on the shares will be deemed to be a dividend for South African tax purposes in terms of section 25BB of the Income Tax Act.

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because they are dividends distributed by a REIT. The dividend is, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that such shareholders provide 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) a declaration that the dividend is exempt from dividends tax; and
- b) 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 dividend, if such documents have not already been submitted.

Dividends received by non-resident shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. Any distribution received by a non-resident from a REIT will be subject to dividend withholding tax at 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 dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 287.47165 cents per share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder 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) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
- b) 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 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 dividend if such documents have not already been submitted, if applicable.

The dividend is payable to Hyprop shareholders in accordance with the timetable set out below:

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Last date to trade <i>cum</i> dividend:	Tuesday, 8 October 2019
Shares trade <i>ex</i> dividend:	Wednesday, 9 October 2019
Record date:	Friday, 11 October 2019
Payment date:	Monday, 14 October 2019

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Share certificates may not be dematerialised or rematerialised between Wednesday, 9 October 2019 and Friday, 11 October 2019, both days inclusive. Payment of the dividend will be made to shareholders on Monday, 14 October 2019. In respect of dematerialised shares, the dividend will be transferred to the CSDP accounts/broker accounts on Monday, 14 October 2019. Certificated shareholders' dividend payments will be deposited on or about Monday, 14 October 2019.

Shares in issue at the date of declaration of the dividend: 255 894 516

Hyprop's income tax reference number: 9425177715

5 September 2019

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