FAIRVEST
PROPERTY HOLDINGS

EXPERIENCE THE DIFFERENCE

SUMMARISED AUDITED CONSOLIDATED RESULTS AND CASH DIVIDEND DECLARATION

FOR THE PERIOD ENDED 30 JUNE 2019

HIGHLIGHTS

- Distribution for the period increased by **8.1%** to **21.773 cents per share**
- Total property portfolio increased by **5.8%** to **R3.16 billion**
- Like-for-like net property income growth of **8.7%**
- Vacancies at **4.0%** of total lettable area
- Tenant retention remained high at **79.8%**
- Arrears reduced to **1.3%** of revenue
- Interest cover high at **3.6** times

SUMMARISED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Audited 30 June 2019 R'000	Audited 30 June 2018 R'000
Assets		
Non-current assets	**3 452 025**	3 242 160
Investment property	**3 092 382**	2 928 514
Loans receivable	**297 933**	258 008
Investments	**4 816**	4 772
Office equipment	**258**	311
Operating lease asset	**56 636**	50 555
Current assets	**98 042**	82 812
Loans receivable	**10 699**	4 900
Amounts owing by non-controlling interests	**10 594**	5 980
Operating lease and other receivables	**61 393**	61 989
Cash and cash equivalents	**15 356**	9 943
Total assets	**3 550 067**	3 324 972
Equity and liabilities		
Equity attributable to owners of the company	**2 335 351**	2 257 385
Share capital	**804 177**	747 349
Retained earnings	**1 531 174**	1 510 036
Non-controlling interest	**127 816**	106 469
Total equity	**2 463 167**	2 363 854
Non-current liabilities	**937 910**	469 212
Interest-bearing borrowings	**810 829**	342 845
Amounts owing to non-controlling interests	**106 001**	112 788
Derivative financial instrument	**7 963**	2 073
Deposits received	**11 712**	10 836
Deferred tax liability	**1 405**	670
Current liabilities	**148 990**	491 906
Interest-bearing borrowings	**74 549**	411 931
Amounts owing to non-controlling interests	**8 206**	–
Trade and other payables	**66 235**	79 975
Total equity and liabilities	**3 550 067**	3 324 972

SUMMARISED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited 12 months to 30 June 2019 R'000	Audited 12 months to 30 June 2018 R'000
Property revenue	**489 653**	404 257
Rental income – contractual and tenant recoveries	**480 521**	392 424
– straight-line adjustment	**9 132**	11 833
Sundry income	**1 946**	3 780
Property expenses	**(175 872)**	(143 293)
Net property income	**315 727**	264 744
Corporate administrative expenses	**(30 174)**	(25 046)
Operating profit	**285 553**	239 698
Fair value adjustment to investment properties	**27 839**	108 241
Fair value adjustment to derivatives	**(5 890)**	2 331
Fair value adjustment to investments	**44**	(7)
Finance costs	**(89 486)**	(77 876)
Finance and other investment income	**40 823**	27 175
Profit before capital expenses	**258 883**	299 562
Capital expenses	**(1 205)**	(5 605)
Profit before tax	**257 678**	293 957
Income tax expense	**(735)**	(198)
Total comprehensive income for the period	**256 943**	293 759
Profit and total comprehensive income attributable to:		
– Owners of the parent	**230 440**	273 289
– Non-controlling interest	**26 503**	20 470
	256 943	293 759
Headline Earnings Reconciliation		
Comprehensive income attributable to owners of the parent	**230 440**	273 289
Fair value adjustment to investment properties (attributable to owners of the parent)	**(15 555)**	(93 474)
Headline and diluted headline profit attributable to shareholders	**214 885**	179 815

	Audited 12 months to 30 June 2019 R'000	Audited 12 months to 30 June 2018 R'000
Distributable earnings calculation*		
Net property income	**315 727**	264 744
Straight-line rental income adjustment	**(9 132)**	(11 833)
Corporate administrative expenses	**(30 174)**	(25 046)
Finance costs	**(87 543)**	(76 081)
Finance and other investment income	**40 823**	27 175
Antecedent dividends**	**1 709**	13 146
Non-controlling interest share of distribution	**(11 033)**	(5 159)
Distributable earnings	**220 377**	186 946
Distribution	**220 377**	186 946
Dividend		
Interim dividend per share (cents)	**10.616**	9.806
Final dividend declaration per share (cents)	**11.157**	10.344
Total distribution per share (cents)	**21.773**	20.150
Earnings per share		
Basic and diluted earnings per share (cents)	**22.94**	31.69
Headline and diluted headline earnings per share (cents)	**21.39**	20.85
Net asset value per share (cents)	**229.38**	227.78
Share statistics		
Shares in issue	**1 018 125 441**	991 020 553
Weighted average number of shares	**1 004 697 875**	862 248 577

* *This is a voluntary and non-IFRS disclosure and has been included to align the disclosure of the company with the REIT sector standards.*

** *In the determination of distributable earnings, an adjustment is made where equity is raised during the period to avoid diluting the returns of existing shareholders prior to the issue of shares. All shares issued during the period were through the dividend reinvestment alternative.*

SUMMARISED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Audited 12 months to 30 June 2019 R'000	Audited 12 months to 30 June 2018 R'000
Cash generated from operations	270 903	213 511
Finance costs	(79 983)	(69 873)
Finance and other investment income	2 570	2 500
Dividends paid	(213 838)	(158 517)
Cash outflow from operating activities	(20 348)	(12 379)
Acquisitions of and improvements to investment properties	(138 772)	(249 662)
Development of investment property	(13 360)	(78 037)
Acquisition of subsidiary	–	(81 586)
Acquisition of investment	–	(2 625)
Acquisition of office equipment	(102)	(69)
Cash outflow to investing activities	(152 234)	(411 979)
Net interest-bearing borrowings advanced	131 186	97 769
Net amounts owing to non-controlling interests (repaid)/raised	(13 282)	75 914
Net repayments/(advances) to loans receivable	3 263	(171 419)
Proceeds from issue of share capital	56 828	419 375
Repurchase of treasury shares	–	(2)
Proceeds from disposal of treasury shares	–	30
Cash inflow from financing activities	177 995	421 667
Net increase/(decrease) in cash and cash equivalents	5 413	(2 691)
Cash and cash equivalents at the beginning of the period	9 943	12 634
Cash and cash equivalents at the end of the period	15 356	9 943

SUMMARISED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital R'000	Retained earnings R'000	Equity attributable to owners of the company R'000	Non-controlling interest R'000	Total equity R'000
Balance at 1 July 2017	327 951	1 395 267	1 723 218	4 454	1 727 672
Shares issued	422 379	–	422 379	–	422 379
Capital issue expenses	(3 004)	–	(3 004)	–	(3 004)
Acquisition of treasury shares	(2)	–	(2)	–	(2)
Disposal of treasury shares	25	5	30	–	30
Acquisition of subsidiary with non-controlling interest	–	–	–	81 989	81 989
Dividends paid and declared	–	(158 525)	(158 525)	(444)	(158 969)
Total comprehensive income for the period	–	273 289	273 289	20 470	293 759
Balance at 30 June 2018	**747 349**	**1 510 036**	**2 257 385**	**106 469**	**2 363 854**
Shares issued	**57 333**	**–**	**57 333**	**–**	**57 333**
Capital issue expenses	**(505)**	**–**	**(505)**	**–**	**(505)**
Dividends paid and declared	**–**	**(209 302)**	**(209 302)**	**(5 156)**	**(214 458)**
Total comprehensive income for the period	**–**	**230 440**	**230 440**	**26 503**	**256 943**
Balance at 30 June 2019	**804 177**	**1 531 174**	**2 335 351**	**127 816**	**2 463 167**

OTHER SEGMENTAL INFORMATION

	Audited 30 June 2019	Audited 30 June 2018
Regional profile based on leasable area		
Gauteng	**25.0%**	25.0%
KwaZulu-Natal	**23.4%**	23.8%
Western Cape	**17.5%**	17.8%
Free State	**11.8%**	12.5%
Eastern Cape	**8.5%**	6.8%
Northern Cape	**7.2%**	7.3%
Limpopo	**4.7%**	4.8%
Mpumalanga	**1.9%**	2.0%
Vacancy profile based on gross lease area		
Gross lease area in metres squared as at end of period	**243 030**	237 965
Properties held*	**42**	41
Vacancy area in metres squared	**9 670**	8 255
Vacancy area as % of gross lease area	**4.0%**	3.5%
Regional vacancy profile (m^2) (regions where vacancies are located)		
KwaZulu-Natal	**3 249**	1 002
Gauteng	**2 581**	3 743
Western Cape	**1 820**	2 122
Free State	**1 081**	721
Northern Cape	**510**	611
Limpopo	**305**	50
Eastern Cape	**124**	6

* *Number of properties in the prior year was reduced from 44 to 41 as certain properties have been consolidated for reporting purposes.*

CONDENSED CONSOLIDATED SEGMENT REPORT

	KwaZulu-Natal R'000	Western Cape R'000	Gauteng R'000	Free State R'000	Northern Cape R'000	Limpopo R'000	Eastern Cape R'000	Mpumalanga R'000	Reconciling items/ (eliminations) R'000	Total R'000
For the year ended 30 June 2019										
Revenue – external customers	**113 606**	**89 990**	**114 445**	**55 101**	**43 048**	**23 359**	**30 557**	**10 268**	**147**	**480 521**
Operating profit	**79 868**	**52 702**	**75 419**	**36 369**	**25 174**	**16 025**	**22 769**	**6 860**	**(29 633)**	**285 553**
Total assets	**787 171**	**576 414**	**789 327**	**381 378**	**228 781**	**145 050**	**223 999**	**67 736**	**350 211**	**3 550 067**
For the year ended 30 June 2018										
Revenue – external customers	103 138	77 289	69 372	50 816	39 121	20 913	21 256	10 519	–	392 424
Operating profit	74 055	50 146	49 240	32 762	21 583	14 124	16 110	6 724	(25 046)	239 698
Total assets	801 520	547 217	746 040	332 620	220 280	137 067	157 280	67 174	315 774	3 324 972

NOTES TO SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The preparation of these provisional audited summarised consolidated financial statements was supervised by the Chief Financial Officer, BJ Kriel CA(SA).

The accounting policies applied in the preparation of these audited summarised consolidated results for the period ended 30 June 2019, which are based on reasonable judgements and estimates, are in accordance with International Financial Reporting Standards ("**IFRS**") and are consistent with those applied in the annual financial statements for the period ended 30 June 2018, except for the adoption of IFRS 9 and IFRS 15. The application of the new Expected Credit Loss impairment model under IFRS 9 had no impact on the impairment losses recognised in the group's results at adoption or during the year due to collateral on receivables and strong risk management processes in place. The group concluded that IFRS 15 does not have a significant impact on the group's consolidated financial statements and accounting policies at the implementation date, as rental income and municipal recoveries are based on contractual lease terms and are accounted for in terms of IAS 17, therefore outside of the scope of IFRS 15. Consequently the group is not required to provide disaggregate revenue disclosures in terms of IAS 34 par 16A(l). Any new and amendments to IFRS and IFRIC interpretations did not impact the financial position or performance of the company but has resulted in additional disclosures. These summarised audited consolidated results, as set out in this report, have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and containing the information required by IAS 34: *Interim Financial Reporting*, the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Council, the Companies Act of South Africa, No. 71 of 2008, as amended ("**Companies Act**") and the Listings Requirements of JSE Limited.

In terms of IFRS 9 and IFRS 7, the group's interest rate derivatives are measured at fair value through profit or loss and are categorised as level 2 investments. Interest rate derivatives are valued using discounted cash flow techniques and observable market interest rates off the interest rate yield curve. There were no transfers between levels 1, 2 and 3 during the period.

The revaluation of investment property requires judgement in the determination of future cash flows from leases. An appropriate capitalisation rate which varies between 9.25% and 11.00%, with a discount rate of between 14.00% and 16.00% was used.

Changes in the capitalisation and discount rates are attributable to changes in market conditions and can have a significant impact on the property valuations. A 25 basis points decrease in the capitalisation rate will increase the value of investment property by R66.2 million. A 25 basis points increase in the discount rate will decrease the value of investment property by R30.4 million.

This announcement does not include the information required pursuant to paragraph 16A(j) of IAS 34 as permitted by the JSE Listing Requirements. The information is available in the annual financial statements is in Note 2.2, Note 5, and Note 15, which is available at the company's registered office upon request.

These summarised audited consolidated results for the year ended 30 June 2019 have been prepared in accordance with the historic cost basis, except for the measurement of investment properties and certain financial assets and financial liabilities which are stated at fair value.

The financial results are presented in rand, which is Fairvest's functional and presentation currency and have been prepared on a going concern basis.

AUDIT REPORT

The summarised audited consolidated results for the year ended 30 June 2019 set out herein, have been extracted from the group's consolidated annual financial statements which have been audited by BDO South Africa Inc, but are not themselves audited. A copy of their unmodified audit opinion is available for inspection at the company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company's auditors.

The directors take full responsibility for the preparation of the audited summarised consolidated results presented and that the financial information has been correctly extracted from the underlying financial statements.

ESTIMATES AND CRITICAL JUDGEMENTS

Except for the measurement of investment properties, and certain financial assets and financial liabilities, the financial statements do not include any material estimates.

COMMENTARY

INTRODUCTION

Fairvest is a Real Estate Investment Trust ("**REIT**"), with a unique focus on retail assets weighted toward non-metropolitan and rural shopping centres, as well as convenience and community shopping centres servicing the lower LSM market, in high-growth nodes, close to commuter networks. The Fairvest property portfolio consists of 42 properties, with 243 030 m^2 of lettable area and valued at R3.16 billion.

REVIEW OF RESULTS

Fairvest's board of directors is pleased to announce a final dividend distribution of 11.157 cents per share for the six months ended 30 June 2019, which brings the total combined dividend for the year to 21.773 cents per share, resulting in a 8.1% increase from the previous year and maintaining distribution growth within the issued guidance of 8% to 10%.

	Interim	Final	Total
June 2015	7.427	7.679	15.106
June 2016	8.171	8.489	16.660
June 2017	8.953	9.380	18.333
June 2018	9.806	10.344	20.150
June 2019	**10.616**	**11.157**	**21.773**

Total property revenue increased by 21.1% to R489.7 million, as a result of income growth in the historic portfolio, as well as acquisitions during the period. Net profit from property operations increased by 19.3% to R315.7 million, while corporate administration expenses increased by 20.5% to R30.2 million. Distributable earnings increased by 17.9% to R220.4 million. Cost containment and efficient recoveries of municipal charges remain strong focus areas. Gross cost to income ratio increased slightly from 36.4% to 36.7%.

The weighted average contractual escalation for the portfolio remained unchanged at 7.4%. Gross rentals across the portfolio trended upwards, with an 8.1% increase in the weighted average rental to R121.64/m^2 at 30 June 2019 compared to R112.50/m^2 at 30 June 2018. This was as a result of contractual escalations, increases in rental achieved on new leases, and a 0.5% weighted average rental increase achieved on renewals. The weighted average retail rental increased to R119.75/m^2.

The net asset value increased by 3.5% to R2.34 billion compared to R2.26 billion at 30 June 2018. On a per share basis, this equates to a net asset value per share of 229.38 cents per share, or an increase of 0.7%.

NET ASSET VALUE AND MARKET CAPITALISATION

	Market capitalisation R'million	Net asset value R'million	Net asset value per share (cents)
June 2015	1 079.0	1 105.4	184.40
June 2016	1 020.3	1 327.1	201.60
June 2017	1 540.2	1 723.2	218.18
June 2018	2 081.1	2 257.4	227.78
June 2019	**2 015.9**	**2 335.4**	**229.38**

PROPERTY PORTFOLIO

The value of the property portfolio increased by 5.8% from R2.99 billion at 30 June 2018 to R3.16 billion. This increase is as a result of the Bokleni Plaza acquisition to the value of R49.5 million, capital expenditure incurred of R86.5 million and a 3.8% increase in the historic portfolio. Asset quality continues to improve, with the average value per property increasing by 3.2% to R75.2 million, and the average value per square metre increased by 3.6% to R13 002/m^2.

PORTFOLIO VALUATION HISTORY

	Valuation R'million	Number of properties	Average value per property R'million	Value per m^2 R
June 2015	1 361.8	31*	43.9	9 780
June 2016	1 925.1	36*	53.5	10 355
June 2017	2 204.4	38*	58.0	11 345
June 2018	2 987.0	41*	72.9	12 552
June 2019	**3 160.0**	**42**	**75.2**	**13 002**

* *Certain properties were consolidated for reporting purposes in the current period, historic properties were therefore reduced by three for comparable analysis.*

In line with the group accounting policy, at least a third of the portfolio was valued by independent external valuers. Of the 42 properties in the portfolio, 16 properties equating to 39.6% by value, were valued by independent valuers, DDP Valuers, De Leeuw Valuers and Jones Lang LaSalle, with the remainder valued by the directors. All properties are valued by independent external valuers at least every three years. The properties are valued using a combination of a five-year discounted cash flow and the income capitalisation method. Assumptions are made on the discount rates used to determine the present value of the cash flows and on the capitalisation rate on an assumed sale. The weighted average discount rate used was 14.6% and the weighted average capitalisation rate 10.1%, which continues to show conservative but fair valuations.

ACQUISITIONS

Shareholders are referred to Fairvest's various SENS announcements, regarding certain acquisitions by the company. Two new properties were acquired during the period, of which one transferred during the current period and one transferred after year-end.

Property	Location	GLA (m^2)	Value R'000	Anchor tenant	Date of transfer
Property transferred during the year					
Bokleni Plaza*	Eastern Cape	4 991	49 000	Boxer	3 October 2018
Property transferred after 30 June 2019					
Nonkqubela Mall**	Western Cape	10 811	162 876	Shoprite and Pick n Pay	23 August 2019

* *The property was acquired in a newly incorporated subsidiary Libode Shopping Centre Proprietary Limited of which Fairvest owns 55% of the shares.*

** *The property was acquired in Fairvest Property Holdings Limited.*

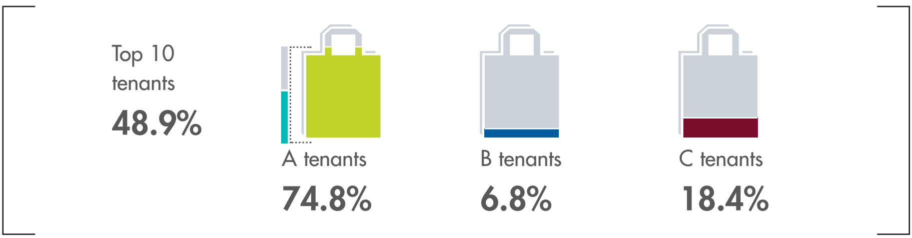
VALUE CREATION

As part of our sustainability initiatives we commenced the installation of photovoltaic rooftop solar systems on 10 of our properties. R22.4 million was spent during the period, with a further R35.5 million committed. The estimated annual energy generation is 7 793 661 kWh.

The Middestad Mall first floor retail redevelopment and activation of ground floor retail premises were completed during the period with capital expenditure to the value of R43.5 million being incurred. The new retail space opened on Black Friday with key first floor tenants, Total Sport and Sports Scene's turnover exceeding expectations.

PORTFOLIO COMPOSITION, LETTING AND VACANCIES

Tenant composition as a percentage of GLA



A Anchor and national tenants (48.9% are occupied by the top 10 largest tenants)

B Franchise, professional and large tenants

C Other

The portfolio remains well diversified across South Africa, with the four largest provinces, KwaZulu-Natal, Western Cape, Free State and Gauteng contributing 80.2% of revenue. The high national tenant component of 74.8% of the portfolio provides shareholders with a low-risk investment profile with national food retailers occupying 34.0% of the portfolio in terms of GLA.

Vacancies increased from 3.5% to 4.0% or 9 670 m² during the year, mainly as a result of new vacancies at Richmond Shopping Centre, Middestad Mall and Omni Place, partly offset by the letting of vacancies at The Palms and Paddagat.

Lease expiry profile

	Based on rentable area %	Based on gross rental %
Vacant	**4.0**	–
Monthly	**4.3**	**5.0**
June 2020	**21.3**	**23.6**
June 2021	**20.3**	**20.8**
June 2022	**16.2**	**16.6**
June 2023	**14.3**	**15.9**
After June 2024	**19.6**	**18.1**

During the period under review, 119 new leases were concluded with a total GLA of 14 475 m². Fairvest successfully renewed 32 948 m² of leases, with a positive reversion of 0.2% being achieved on these renewals. Tenant retention for the period remained high at 79.8%, a reduction from the 86.9% achieved in the previous financial year. The weighted average lease term increased from 32 to 38 months.

CAPITAL RAISING ACTIVITIES

Shareholders are referred to the company's SENS announcements dated 8 October 2018 and 8 April 2019, regarding the issuing of 14 919 845 and 12 185 043 new ordinary shares which were issued through the dividend reinvestment alternative. The shares were issued at R2.13686 and R2.08868 per share respectively resulting in the retention of R57.3 million of equity.

BORROWINGS

The loan to value ("**LTV**") ratio increased to 27.9% (2018: 25.1%) due to the acquisitions during the period, partially offset by the capital retained. LTV is calculated as total interest-bearing debt divided by total property assets. Of the debt 67.6% was fixed through interest rate swaps as at 30 June 2019, with a weighted average expiry for the fixed debt of 24 months.

The weighted average all-in cost of funding increased to 9.29% (2018: 9.16%) due to the 0.25% interest rate increase in November 2018. During the period a number of large facilities were refinanced resulting in increased facilities and reduced rates. The weighted average maturity of debt increased from 17 months to 24 months.

PROSPECTS

Despite difficult economic conditions, the company remains confident that the nature of its portfolio, its low-risk tenant base and the company's letting expertise will prove to be defensive in the face of economic headwinds, with growth in distributions per share approximating or exceeding current inflation. Fairvest remains well positioned for long-term value creation, with a clearly focused strategy of servicing non-metropolitan and lower LSM markets and maintaining strong operational metrics including conservative gearing levels, high tenant retention and low arrears.

Fairvest has four large long-term leases, with above market rentals, that expire during the 2020 financial year. The expectation is that the rentals on these four leases will be reduced on renewal or re-letting to ensure sustainable rentals over the new lease periods. As a result we expect lower than historic distribution per share growth of between 4% and 6% for the 2020 financial year.

This forecast assumed no material deterioration in the macroeconomic environment relative to current levels, that no major corporate and tenant failures will occur and that tenants will be able to absorb increases in municipal and utility costs. Forecast rental income is based on contractual lease terms and anticipated market related renewals. This forecast is the responsibility of the board of directors of Fairvest and has not been reviewed or reported on by the auditors.

DIVIDEND DISTRIBUTION DECLARATION

The board has approved and declared a final gross dividend of 11.157 cents per share, from income for the six months ended 30 June 2019, payable to shareholders registered as such at the close of business on Friday, 4 October 2019.

	2019
Last day to trade *cum* dividend	**Tuesday, 1 October**
Shares commence trading *ex* dividend	**Wednesday, 2 October**
Record date	**Friday, 4 October**
Payment date	**Monday, 7 October**

Share certificates may not be dematerialised or rematerialised between Wednesday, 2 October 2019 and Friday, 4 October 2019, both days inclusive.

Tax implications

In accordance with Fairvest'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, No. 58 of 1962 ("**Income Tax Act**").

Qualifying distributions received by shareholders who are South African tax residents must be included in the gross income of such shareholders (as a non-exempt dividend in terms of section 10(1)(k)(aa) of the Income Tax Act), with the effect that the qualifying distribution is taxable as income in the hands of the shareholder. These qualifying distributions are, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders have provided the following forms to their Central Securities Depository Participant ("**CSDP**") or broker, as the case may be, in respect of uncertificated shares, or Fairvest's transfer secretaries, Computershare Investor Services Proprietary Limited, ("**transfer secretaries**"), in respect of certificated shares:

(a) a declaration that the distribution is exempt from dividends tax; and
(b) a written undertaking to inform the CSDP, broker or the transfer secretaries, as the case may be, should the distribution cease to be exempt from dividend withholding tax,

both in the form prescribed by the Commissioner for the South African Revenue Service ("**SARS**") and shareholders are advised to contact their CSDP, broker or the transfer secretaries, 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.

Qualifying distributions received by non-resident 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. Any qualifying 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 amount due to non-resident shareholders will be 8.9256 cents per share. A reduced dividend withholding tax 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 the uncertificated shares, or the transfer secretaries, 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 transfer secretaries, 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 SARS. Non-resident shareholders are advised to contact their CSDP, broker or the transfer secretaries, 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.

Local tax resident shareholders as well as non-resident shareholders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

Shares in issue at the date of declaration of the final distribution: 1 018 125 441

Fairvest income tax reference number: 9205/066/06/1

SUBSEQUENT EVENTS

The acquisition of the Nonkqubela Mall to the value of R162.9 million was concluded on 14 May 2019. The transfer of the property was registered in the name of Fairvest Property Holdings Limited on 23 August 2019.

The directors of Fairvest are not aware of any other material matters or circumstances arising between 30 June 2019 and the date of this report which may materially affect the financial position of the group or the results of its operation.

APPRECIATION

We extend our appreciation to our directors, management and staff for their valued efforts as well as our advisers and shareholders for their continuing belief in and support of Fairvest.

For and on behalf of the board

Fairvest Property Holdings Limited
Cape Town

4 September 2019

Fairvest Property Holdings Limited
(Incorporated in South Africa)
(Registration number 1998/005011/06)
("Fairvest" or "the company" or "the group")
Share code: FVT
ISIN: ZAE000203808
Granted REIT status by the JSE

Executive directors
DM Wilder (Chief executive officer)
BJ Kriel (Chief financial officer)
AJ Marcus (Chief operating officer)*
** Alternate to DM Wilder*

Non-executive directors
JF du Toit (Chairman)
LW Andrag (Lead independent director)#
N Mkhize#
JD Wiese#
TJ Cohen#
KR Nkuna#*
 # Independent
** Appointed 20 March 2019*

Company Secretary
Fluidrock Co Sec Proprietary Limited

Registered office
8th Floor
The Terraces
34 Bree Street
Cape Town
8001

Postnet Suite 30
Private Bag X3
Roggebaai
8012

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg
2196

PO Box 61051
Marshalltown
2107

Auditor
BDO South Africa Incorporated
Registered Auditors

Sponsor
PSG Capital Proprietary Limited

Announcement date
5 September 2019

www.fairvest.co.za