

HYPROP INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1987/005284/06)

JSE share code: HYP ISIN: ZAE000190724

JSE bond issuer code: HYPI

(Approved as a REIT by the JSE)

(“Hyprop” or “the Company”)



TRADING STATEMENT

Shareholders are referred to the following:

- In Hyprop’s integrated annual report for the year ended 30 June 2019 (“**FY2019**” or “**prior year**”), shareholders were advised that the Company expected a reduction of 10% - 13% in distributable income per share for the financial year ending 30 June 2020 (“**FY2020**”).
- On 2 December 2019 shareholders were advised that the Company intended distributing 92% of its distributable income until further notice, with effect from the distribution for the six months ended 31 December 2019 (“**FY2020 interim distribution**”).
- Hyprop issued SENS announcements on 23 March, 1 April, 10 June and 16 July 2020 relating to, *inter alia*, the impact of Covid-19 on the Company and its subsidiaries/investments (the “**Group**”).
- In its announcement of 23 March 2020, Hyprop announced it would pay the FY2020 interim distribution, of 308.73709 cents per share, on or about 5 October 2020, which date was expected to coincide with the anticipated date of payment of the final distribution for the year ending 30 June 2020, being the distribution for the six months ended 30 June 2020 (“**FY2020 final distribution**”).
- On 1 April 2020, Hyprop withdrew its distribution guidance for FY2020 due to the impact of Covid-19 on the Group, and the consequent uncertainty.
- Accordingly, as shareholders were advised on 16 July 2020, using Hyprop’s FY2019 distribution of 744.89034 cents per share as the base, the combination of the anticipated 10% - 13% reduction in distributable income per share, the reduced dividend pay-out ratio and the impact of Covid-19, has meant that Hyprop’s distribution per share (“**DPS**”) for FY2020 will be at least 15% or 111.7 cents per share less than the DPS for the prior year.

Hyprop is now in a position to advise shareholders that:

- it expects distributable income per share of between 474 cents and 513 cents for FY2020, being a decrease of between 271 cents and 232 cents (36% and 31%), compared to the prior year;
- the Company’s balance sheet remains healthy and all banking covenants were met at 30 June 2020; and
- the financial results for FY2020 are expected to be released after market close on 21 September 2020.

In terms of paragraph 13.47 of the JSE Listings Requirements, a REIT must distribute at least 75% of its distributable profits to its shareholders within four months of its financial year end, subject to meeting the solvency and liquidity tests in terms of the Companies Act (the “**minimum distribution requirements**”). On 26 June 2020 the Financial Services Conduct Authority issued a market notice increasing the period within which REITs, with financial years ending from 29 February 2020 to 30 September 2020, must meet the minimum distribution requirements from four to six months after their financial year end. Accordingly, in order to retain its REIT status, Hyprop is, *inter alia*, required to make a distribution in compliance with the minimum distribution requirements by no later than 31 December 2020.

Hyprop’s board of directors (the “**Board**”) is considering different options in regard to settlement of the FY2020 interim distribution and declaration of the FY2020 final distribution, having regard to the minimum distribution requirements. Shareholders will be informed of the Board’s decisions once the process is completed, but by no later than December 2020.

The financial information contained in this trading statement has not been reviewed or reported on by Hyprop's auditors.

17 September 2020

Sponsor

JAVACAPITAL