



DIVIDEND FINALISATION ANNOUNCEMENT

Further to the announcement made by the Company on 11 August 2022, an interim dividend of 2.5 pence per share (the "Dividend") has been declared and will be paid 100% as a property income distribution ("PID"). The PID will be subject to a deduction of a 20% UK withholding tax unless exemptions apply.

The Dividend is payable on Friday, 7 October 2022 to shareholders registered on the UK principal register ("UK Shareholders") and the South African branch register ("SA Shareholders"). The Record Date for both UK Shareholders and SA Shareholders is at the close of business on Friday, 16 September 2022.

The Directors are offering a scrip alternative ("Scrip Alternative") to the Dividend, further details of which are contained in the Scrip Dividend Rules available from <http://capreg.com/investor-info/scrip/> and from the Company's Registrars.

A cash dividend will be paid to shareholders unless they elect to receive the Scrip Alternative.

Capitalised terms used in this announcement will be the same meaning as defined in the Scrip Dividend Rules.

(i) Shareholders receiving the dividend in cash:

SA shareholders are advised that the exchange rate for the dividend will be 19.77 ZAR to 1.00 GBP (the "Exchange Rate"), resulting in a gross local dividend amount of 49.42500 ZAR cents per share. Accordingly, shareholders who do not elect to receive New Ordinary Shares pursuant to the Scrip Dividend Scheme will be paid a cash dividend per share as follows:

PID	UK Shareholders (GBP pence)	SA Shareholders (ZAR cents)
Gross amount of PID	2.5p	49.42500 cents
Less 20% UK withholding tax *	0.5p	9.88500 cents
Net PID dividend payable**	2.0p	39.54000 cents
Less effective 5% SA dividends tax for SA Shareholders***	n/a	2.47125 cents
Net PID dividend payable***	n/a	37.06875 cents

* Certain categories of UK shareholders may apply for exemption, in which case the PID element will be paid gross of UK withholding tax.

** Net position after deducting UK withholding tax for both UK and SA Shareholders, but before SA shareholders have claimed back 5% from HMRC under the double tax agreement between the United Kingdom and South Africa in respect of the UK withholding tax.

*** SA dividends tax applies at the rate of 20% for SA Shareholders, but SA Shareholders receive a rebate of the UK withholding taxes suffered (which is effectively 15%, after taking into account the 5% refund).

(ii) Shareholders who elect to take shares:

The Scrip Calculation Price for UK shareholders is 56.94 pence, being the average of the middle market quotations of an Ordinary Share derived from the Daily Official List of the LSE for the last five dealing days ending on Monday, 5 September 2022, less the gross amount of Dividend per share. The Scrip Calculation Price for SA shareholders is 11.25704 ZAR, being the Scrip Calculation Price for UK shareholders, converted to Rand at the Exchange Rate.

The number of New Ordinary Shares to be allocated to shareholders electing to participate in the Scrip Dividend Scheme will be calculated by dividing the net value of the Dividend otherwise receivable by a Shareholder by the Scrip Calculation Price and rounding down to the nearest whole number. As no fraction of a new share will be issued, for UK shareholders any residual Cash Balance, i.e. the total value of the dividend receivable less the value of the shares allocated, will be rolled forward and factored into the Scrip calculation for the next relevant Dividend.

For SA shareholders, any entitlement which results in a fractional share will be rounded down to the nearest whole number, with a cash payment to be made to the relevant SA shareholder in respect of the fraction (“**Cash Payment**”). Such fractions of shares will be sold in the market on behalf of the SA shareholders entitled to the fractions of shares and the Cash Payment in respect of the fractions will be paid to those SA shareholders. The Cash Payment is calculated by multiplying the fractional entitlement by the scrip dividend reference price. SA shareholders are only entitled to the proceeds for their fractional entitlements, which are sold on their behalf, equal to the amount of the Cash Payment.

The Cash Payment will be made on the payment date, being Friday 7 October 2022.

By way of illustration, a shareholder who holds 1,000 shares, and who elects to receive New Ordinary Shares pursuant to the Scrip Dividend Scheme (in respect of the PID element), will receive a number of New Ordinary Shares calculated as follows:

PID	UK Shareholders (£)	SA Shareholders (ZAR)
PID dividend net of UK withholding tax entitled to receive* <i>(As per (i) above x 1,000):</i>	2p x 1000 = £20.00	395.40000 ZAR
Scrip Calculation Price	£0.56940	11.25704 ZAR
Calculated number of new shares to which shareholder is entitled	35.12469	35.12469
Actual number of new shares received	35	35
Gross cash residual <i>(multiply fractional entitlement by Scrip Calculation Price)</i>	£0.071	1.40364 ZAR

* A scrip dividend is not subject to SA dividends tax, therefore no SA dividends tax is deducted for SA Shareholders in this instance, only UK withholding tax. SA shareholders may claim back 5% from HMRC under the double tax agreement between the United Kingdom and South Africa in respect of the UK withholding tax

TIMETABLE

The key dates in relation to the payment of the Dividend are:

	2022
Last day to trade (SA shareholders)	Tuesday, 13 September
Shares trade ex-dividend on the JSE	Wednesday, 14 September
Shares trade ex-dividend on the LSE	Thursday, 15 September
Record date for LSE and JSE and last election for scrip	Friday, 16 September
Closing date to elect to receive the Scrip Alternative (JSE and LSE shareholders)	Friday, 16 September
Announcement of the total amount of new shares to be issued	Monday, 26 September
Dispatch of share certificates, payment of cash dividend and residual cash balances (if applicable), CREST/CSDP/broker accounts credited/updated and new shares listed	Friday, 7 October

Notes:

- JSE shareholders will receive a cash dividend in South African Rand, based on the conversion rate.
- Share certificates (in respect of shares held on the South African register) may not be dematerialised or rematerialised between Wednesday, 14 September 2022 and Friday, 16 September 2022, both days inclusive.
- Transfers of shares between sub-registers in the United Kingdom and South Africa may not take place between Tuesday, 6 September 2022 and Friday, 16 September 2022, both days inclusive.
- Shareholders should note that new shares should not be traded until they are issued or reflected in their respective accounts.

TAX IMPLICATIONS FOR SA SHAREHOLDERS

Cash PID

A 20% UK withholding tax will be deducted from cash PIDs. The Company will account to Her Majesty’s Revenue & Customs (“**HMRC**”) in sterling for the total UK withholding tax deducted. Under the double tax agreement between the UK and South Africa (the “**DTA**”), the maximum tax payable in the UK is 15%. South African resident shareholders are therefore entitled to claim a 5% rebate from HMRC in terms of the DTA.

SA dividends tax, at a rate of 20%, will apply to cash PIDs to the extent that the Company shares are held on the SA share register, unless the beneficial owner of the dividend is exempt from dividends tax (e.g. if it is a South African resident company). SA resident shareholders can, however, claim a rebate against the SA dividends tax for any UK withholding tax suffered. Accordingly, 15% of the UK withholding tax may be claimed as a rebate against the 20% SA dividends tax.

In summary, 20% will be withheld in the UK, a further 5% will be withheld in SA (where appropriate), but South African resident shareholders will be entitled to claim back 5% from HMRC which will bring the overall total to 20%.

New shares issued pursuant to the Scrip Alternative consisting of PID element

A 20% UK withholding tax will have been deducted in calculating the number of new shares issued to shareholders in terms of the Scrip Dividend Scheme. On application by a JSE shareholder, a 5% rebate is claimable from HMRC, resulting in an effective UK withholding tax rate of 15%. As new shares issued pursuant to the Scrip Alternative should not constitute dividends or foreign dividends for South African dividends tax purposes, South African dividends tax does not apply to that part of any dividend satisfied by the issue of new shares where such new shares are provided in lieu of the dividend.

UK taxation

The receipt of the cash dividend or election to receive the Scrip Alternative may have tax implications for shareholders who are resident in the United Kingdom or other countries and such shareholders are advised to obtain appropriate advice from their professional advisors in this regard.

6 September 2022

JSE sponsor



Notes to editors:

About Capital & Regional plc

Capital & Regional is a UK focused retail property REIT specialising in shopping centres that dominate their catchment, serving the non-discretionary and value orientated needs of the local communities. It has a strong track record of delivering value enhancing retail and leisure asset management opportunities across a portfolio of in-town shopping centres.

Capital & Regional owns seven shopping centres in Hemel Hempstead, Ilford, Luton, Maidstone, Walthamstow and Wood Green. Capital & Regional manages these assets through its in-house expert property and asset management platform.

Capital & Regional is listed on the main market of the London Stock Exchange (LSE) and has a secondary listing on the Johannesburg Stock Exchange (JSE)

For further information see capreg.com/