

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



DIVIDEND ELECTION DECLARATION AND AVAILABILITY OF DIVIDEND REINVESTMENT ALTERNATIVE CIRCULAR

As announced on Wednesday, 5 June 2024, the board of directors of Vukile has declared a cash dividend of 72.17501 cents per Vukile share for the year ended 31 March 2024 (the "**cash dividend**") and shareholders have been provided with the election to reinvest the cash dividend in return for Vukile shares (the "**dividend reinvestment alternative**"). Shareholders will be entitled, in respect of all or a part of their Vukile shareholding, to elect to participate in the dividend reinvestment alternative, failing which they will receive the cash dividend that will be paid to those shareholders not electing to participate in the dividend reinvestment alternative.

The number of shares to which shareholders are entitled will be determined with reference to the ratio that 72.17501 cents per share bears to the reinvestment price. The reinvestment price will be determined by Vukile with reference to market conditions at the time, including with reference to the spot price per Vukile share (less the cash dividend) and the volume weighted average trade price per Vukile share for up to 30 days prior to the finalisation date (less the cash dividend). The reinvestment price will be announced on SENS on the finalisation date, which will be by no later than 11:00 (SA time) on Tuesday, 18 June 2024.

A circular to Vukile shareholders (the "**circular**") in respect of the dividend reinvestment alternative will be distributed to shareholders today, Wednesday, 5 June 2024, and is also available on the website of the Company at:

www.vukile.co.za/wp-content/uploads/2024/06/VKE-2024-Drip-Declaration-Announcement.pdf.

Copies of the circular may be obtained from the registered offices of Vukile, 11 Ninth Street, Houghton Estate, 2198, during normal business hours, 08:00 until 16:00 (SA time), from Wednesday, 5 June 2024 to Friday, 28 June 2024.

Salient dates and times

2024	
Publication of Vukile results, including declaration of a final distribution, on SENS on	Wednesday, 5 June
Circular and form of election distributed to shareholders on	Wednesday, 5 June
Finalisation information, including the share ratio and reinvestment price per share, published on SENS by 11:00 (SA time) on	Tuesday, 18 June
Last day to trade in order to participate in the election to receive shares in terms of the dividend reinvestment alternative or to receive a cash dividend (" LDT ")	Tuesday, 25 June
Shares trade <i>ex-dividend</i>	Wednesday, 26 June

Listing of maximum possible number of shares under the dividend reinvestment alternative on	Friday, 28 June
Last day to elect to receive shares in terms of the dividend reinvestment alternative or to receive a cash dividend (no late forms of election will be accepted) at 12:00 (SA time)	Friday, 28 June
Record date for the election to receive shares in terms of the dividend reinvestment alternative or to receive a cash dividend (the “ record date ”)	Friday, 28 June
Results of cash dividend and dividend reinvestment alternative published on SENS on	Monday, 1 July
Cash dividends paid to certificated shareholders by electronic funds transfer on or about	Monday, 1 July
Dematerialised shareholders’ accounts credited by CSDP or broker with the cash dividend payment on	Monday, 1 July
Share certificates posted to certificated shareholders on or about	Wednesday, 3 July
Dematerialised shareholders’ accounts updated with the new shares (if applicable) by CSDP or broker on	Wednesday, 3 July
Adjustment to shares listed on or about	Friday, 5 July

Notes:

1. **Shareholders electing the dividend reinvestment alternative are alerted to the fact that the new shares will be listed on LDT + 3 and that these new shares can only be traded on LDT + 3 due to the fact that settlement of the shares will be three days after the record date, which differs from the conventional one day after record date settlement process.**
2. Shares may not be dematerialised or rematerialised between Wednesday, 26 June 2024 and Friday, 28 June 2024, both days inclusive.
3. The above dates and times are subject to change. Any changes will be released on SENS.

Tax implications

Vukile is listed on the JSE as a REIT in line with the REIT structure as provided for in the Income Tax Act, No. 58 of 1962, as amended (the “**Income Tax Act**”) and section 13 of the JSE Listings Requirements.

The REIT structure is a tax regime that allows a REIT to deduct qualifying distributions paid to investors, in determining its taxable income.

The cash dividend of 72.17501 cents per share meets the requirements of a “qualifying distribution” for the purposes of section 25BB of the Income Tax Act (“**qualifying distribution**”) with the result that:

- dividends received by 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 dividend is 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 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 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 dividend, 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. Any dividends received by non-resident Vukile shareholders are subject to dividends 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 dividends withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 57.74001 cents per share. A reduced dividend withholding rate in terms of the applicable DTA, may only be relied upon 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 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 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.

Shareholders who are South African residents are advised that in electing to participate in the dividend reinvestment alternative, pre-taxation funds are utilised for reinvestment purposes and that taxation will be due on the total cash dividend amount of 72.17501 cents per share.

Other information:

- The ordinary issued share capital of Vukile is 1 104 719 779 ordinary shares of no par value before any election to reinvest the cash dividend.
- Income Tax Reference Number of Vukile: 9331/617/14/3.

This cash dividend or dividend reinvestment alternative may have tax implications for resident as well as non-resident shareholders. Shareholders are therefore encouraged to consult their tax and/or professional advisors should they be in any doubt as to the appropriate action to take.

A worked example illustrating the tax implications for resident and non-resident shareholders will be announced as part of the finalisation information on SENS by 11:00 (SA time) on Tuesday, 18 June 2024.

Fractions

Trading in the Strate environment does not permit fractions and fractional entitlements. Accordingly, where a shareholder’s entitlement to the shares in relation to the dividend reinvestment alternative, as calculated in accordance with the mechanism outlined above, gives rise to an entitlement to a fraction of a new share, the number of shares to be issued will be rounded down to the nearest whole number, with the cash balance of the dividend being retained by the shareholders.

Foreign shareholders

The distribution of the circular and/or accompanying documents and the right to elect shares under the dividend reinvestment alternative in jurisdictions other than South Africa may be restricted by law and a failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions.

The shares to be issued pursuant to the dividend reinvestment alternative have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), or under the securities laws of any state or other jurisdiction of the United States of America (“**United States**”) and accordingly may not be offered, sold, taken up, re-sold or delivered, directly or indirectly, in or into the United States absent registration under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or any other jurisdiction of the United States. There will be no public offering in the United States.

The shares to be issued pursuant to the dividend reinvestment alternative have not been and will not be registered for the purposes of election under the securities laws of the United Kingdom, European Economic Area, Canada, Japan or Australia (together with the United States, “**restricted territories**”) and accordingly are not being offered, sold, taken up, re-sold or delivered directly or indirectly to recipients with registered addresses in such jurisdictions other than to permitted restricted territory shareholders who comply with the requirements of paragraph 7.4 of the circular.

Vukile shareholders with registered addresses in, or who are resident in any of, the restricted territories who wish to elect to receive shares pursuant to the dividend reinvestment alternative must warrant, represent and certify to Vukile’s satisfaction, in its sole and absolute discretion, by no later than 28 June 2024 that their receipt of shares will not result in the contravention of any registration or other legal requirement in such jurisdiction.

Any non-resident Vukile shareholder which does not comply with paragraph 7.4 of the circular will not, irrespective of their election, be entitled to receive the shares pursuant to the dividend reinvestment alternative, directly or indirectly, in the restricted territories, and shall be deemed not to have elected the dividend reinvestment alternative.

Vukile shareholders who are not resident in, or who have a registered address outside of South Africa, must satisfy themselves as to the full observance of the laws of any relevant territory concerning the receipt of shares pursuant to the dividend reinvestment alternative, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction. If in doubt, Vukile shareholders should consult their professional advisors immediately.

5 June 2024

Corporate advisor and JSE sponsor



NSX sponsor

