

## CASTLEVIEW PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2017/290413/06)

JSE share code: CVW

ISIN: ZAE000251633

(Approved as a REIT by the JSE)

("Castlevview")



## DECLARATION OF A CASH DIVIDEND WITH THE ELECTION TO REINVEST THE CASH DIVIDEND IN RETURN FOR CASTLEVIEW SHARES

Shareholders are referred to Castlevview's provisional summarised reviewed consolidated financial statements for the twelve months ended 29 February 2020, released on SENS on 12 June 2020, wherein shareholders were advised that the Castlevview board has approved the final gross dividend of 15.34 cents per share for the six months ended 29 February 2020. Shareholders were further advised that the board has proposed a further dividend of 0.87 cents per share as a result of extra profits in the financial year ended February 2020, bringing the total dividend payable up to 16.21 cents per share (the "**dividend**"). Accordingly, a higher than anticipated overall dividend per share will be payable to shareholders. Shareholders should not expect such dividend to recur in the future.

Shareholders will be entitled, in respect of all or part of their shareholdings, to elect to reinvest the cash dividend in return for Castlevview shares (the "**dividend reinvestment alternative**"), failing which they will receive the cash dividend of 16.21 cents per share that will be paid to those shareholders not electing to participate in the dividend reinvestment alternative.

A circular providing further information in respect of the cash dividend and share reinvestment alternative will be sent to Castlevview shareholders on 23 June 2020.

Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("**CSDP**") or broker should instruct their CSDP or broker with regard to their election, in accordance with the terms of the custody agreement entered into between them and their CSDP or broker.

Due to extreme circumstances, beyond Castlevview's control, the JSE has granted Castlevview dispensation such that the finalisation date for the dividend is no later than 30 June 2020. The salient dates and times for the dividend and the dividend reinvestment alternative are set out below.

<b>Salient dates and times</b>	<b>2020</b>
Circular and form of election posted to shareholders	Tuesday, 23 June
Finalisation information including the share ratio and reinvestment price per share published on SENS by 11:00 (SA time)	Tuesday, 30 June
Last day to trade in order to participate in the election to receive the dividend reinvestment alternative or to receive a cash dividend (" <b>LDT</b> ")	Tuesday, 7 July
Shares trade 'ex' dividend	Wednesday, 8 July
Listing of maximum possible number of shares under the dividend reinvestment alternative	Friday, 10 July
Last day to elect to receive the dividend reinvestment alternative or to receive a cash dividend (no late forms of election will be accepted) at 12:00 (SA time)	Friday, 10 July
Record date for the election to receive shares in terms of the dividend reinvestment alternative or to receive a cash dividend (" <b>record date</b> ")	Friday, 10 July
Results of cash dividend and dividend reinvestment alternative published on SENS	Monday, 13 July
Cash dividend paid to certificated shareholders by electronic funds transfer on or about	Monday, 13 July
Accounts credited by CSDP or broker to dematerialised shareholders with the cash dividend payment	Monday, 13 July
Share certificates posted to certificated shareholders on or about	Wednesday, 15 July
Accounts updated with the new shares (if applicable) by CSDP or broker to	Wednesday, 15 July

dematerialised shareholders

Adjustment to shares listed on or about

Friday, 17 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, 8 July 2020 and Friday, 10 July 2020, both days inclusive.
3. The above dates and times are subject to change. Any changes will be released on SENS.

Shareholders are advised that in electing to participate in the dividend reinvestment alternative, pre-taxation funds are utilised for the purposes and that taxation will be due on the total cash dividend amount of 16.21 cents per share.

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

#### FRACTIONS

Trading in the Strate environment does not permit fractions and fractional entitlements. Where a shareholder's entitlement to the shares in relation to the dividend reinvestment alternative gives rise to an entitlement to a fraction of a new share, such fraction will be rounded down to the nearest whole number with the cash balance of the dividend being retained by the shareholders.

#### FOREIGN SHAREHOLDERS

The release, publication or distribution of this announcement and the circular and/or accompanying documents and the right to elect shares pursuant to the dividend reinvestment alternative in jurisdictions other than the Republic of South Africa may be restricted or affected by the laws of such jurisdictions, and a failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdictions. The shares issued pursuant to the dividend reinvestment plan have not been and will not be registered for the purposes of the election under the securities laws of the United States, Australia, Canada, countries in the European Economic Area, Japan and Hong Kong and accordingly are not being offered, sold, taken up, re-sold or delivered directly or indirectly to recipients with registered addresses in such jurisdictions unless certain exemptions from the requirements of those jurisdictions are applicable.

#### TAX IMPLICATIONS

Castlevision was granted REIT status by the JSE Limited upon listing on the JSE, in line with the REIT structure as provided for in the Income Tax Act, No. 58 of 1962, as amended from time to time (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 16.21 cents per share meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act (a "**qualifying distribution**") with the result that:

- qualifying distributions received by resident Castlevision 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 qualifying distribution is taxable as income in the hands of the Castlevision shareholder. These qualifying distributions 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.

- qualifying distributions received by non-resident Castleview 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 is 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 12.96800 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 share dividend alternative, pre-taxation funds are utilised for the reinvestment purposes and that taxation will be due on the total cash dividend amount of 16.21 cents per share.

Other information:

- The ordinary issued share capital of Castleview is 34 188 521 ordinary shares of no par value before any election to reinvest the cash dividend.
- Income Tax Reference Number of Castleview: 9366916188.

The 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.

Shareholders are referred to the summarised reviewed consolidated financial statements for the year ended 29 February 2020, published on 12 June 2020 and are advised that the summarised reviewed consolidated financial statements for the year ended 29 February 2020 have been reviewed by Nolands Inc, who expressed an unmodified review conclusion. A copy of their report is available for inspection at the company’s registered office together with the annual financial statements identified in the report. The report does not necessarily report on all the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the engagement they should obtain a copy of the review report together with the accompanying financial information from the company’s registered office.

23 June 2020

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**Corporate Advisor and Designated Advisor**

**JAVACAPITAL**