
TEXTON PROPERTY FUND LIMITED
Granted REIT status by the JSE
Incorporated in the Republic of South Africa
(Registration number 2005/019302/06)
Share code: TEX ISIN: ZAE000190542
("Texton" or "the Company")

TAX TREATMENT AND SALIENT DATES

Shareholders are referred to Texton's provisional condensed financial results for the year ended 30 June 2018, as published on SENS on 28 September 2018, wherein shareholders were advised that Texton's Board of Directors has approved and declared a dividend of 41.36 cents per share for the year ended 30 June 2018, payable to shareholders registered as such at the close of business on Monday, 22 October 2018.

In accordance with Texton's status as a REIT, shareholders are advised that the dividends meet the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("Income Tax Act"). The dividends on the shares will be deemed to be a dividend, for South African tax purposes, in terms of section 25BB of the Income Tax Act.

The dividends received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because they are dividends distributed by a REIT. These dividends are, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders provide the following forms to their Central Securities Depository Participant ("CSDP") or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

- a) a declaration that the dividend is exempt from dividends tax; and
- b) 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 dividends, if such documents have not already been submitted.

Dividends received by non-resident shareholders will not be taxable as income in South Africa and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. It should be noted that, up to 31 December 2013, dividends received by non-residents from a REIT were not subject to dividend withholding tax. Since 1 January 2014, any dividend received by a non-resident from a REIT will be subject to dividend withholding tax. On 22 February 2017, the dividends withholding tax rate was increased from 15% to 20% and accordingly, any 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 dividend amount due to non-resident shareholders is 33.088 cents per share. A reduced dividend withholding 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 uncertificated shares, or the Company, 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 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 dividends if such documents have not already been submitted, if applicable.

The dividend is payable to Texton shareholders in accordance with the timetable set out below:

	2018
Declaration date:	Friday, 28 September
Last day to trade:	Tuesday, 16 October
Ex-dividend date:	Wednesday, 17 October
Record date:	Friday, 19 October
Payment date:	Monday, 22 October

Share certificates may not be dematerialised or rematerialised between Wednesday, 17 October 2018 and Friday, 19 October 2018, both dates inclusive.

Payment of the dividends will be made to shareholders on or about Monday, 22 October 2018. In respect of dematerialised shares, the dividends will be transferred to the CSDP accounts/broker accounts on or about Tuesday, 3 April 2018. Certificated shareholders' dividend payments will be deposited on or about Monday, 22 October 2018.

Texton's Income Tax reference number: 9353785158.

Issued shares as at 28 September 2018: 376 066 766.

Johannesburg
1 October 2018

Sponsor
Merchantec Capital