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**UPDATE TO THE FINALISATION ANNOUNCEMENT IN RESPECT OF THE INTERIM DIVIDEND FOR THE SIX MONTHS ENDED 28 FEBRUARY 2018**

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Shareholders are referred to the Company’s announcement released on 20 April 2018, in relation to the finalisation for the interim dividend for the six months ended 28 February 2018 wherein shareholders were advised that the total dividend of 3.0 pence per share will be paid as follows:

- 2.91829 pence (97.27643%) will comprise a property income distribution (“PID”). The PID will be subject to a deduction of a 20% UK withholding tax unless exemptions apply; and
- 0.08171 pence (2.72357%) will comprise a non-PID. The non-PID will be treated as an ordinary UK company dividend, with no withholding tax deducted.

Shareholders on the South African (“SA”) share register were further advised that the South African Rand exchange rate for the dividend will be 16.95860 ZAR to 1 GBP, resulting in a gross local dividend amount of 50.87580 ZAR cents per share.

This announcement has been updated for the tax implications for South African (“SA”) shareholders. For the sake of clarity and completeness, much of the initial announcement will be repeated herein to ensure a full understanding of the dividend payment.

**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% (provided certain conditions are met). South African resident shareholders are therefore entitled to claim a 5% rebate from HMRC under the 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 these circumstances, SA dividends tax at a reduced rate of 5% should apply.

In summary, therefore, 20% will be withheld in the UK, of which South African resident shareholders will be entitled to claim back 5% from HMRC (where the applicable conditions are met), and a further 5% will be withheld in SA (where appropriate), which will bring the overall total UK and SA withholding tax to 20%.

Accordingly, shareholders will be paid a cash dividend per share in respect of the PID element as follows:

	<b>Shareholders on the Mauritius share register</b>	<b>Shareholders on the South African share register</b>
PID element (gross)	2.91829 pence	49.49011 ZAR cents
*Less 20% withholding tax	0.58366 pence	9.89802 ZAR cents
PID element (net)**	2.33463 pence	39.59209 ZAR cents
Less effective 5% SA dividend tax for SA shareholders ***	n/a	2.47451 ZAR cents
Net PID dividend payable***	n/a	37.11758 ZAR cents

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

*\*\* Net position after deducting UK withholding tax for both Mauritian and SA shareholders, but before SA shareholders have claimed back 5% from UK's HMRC, resulting in an effective UK withholding tax rate of 15%.*

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

#### *Cash non-PID*

No UK withholding tax is applicable to non-PID distributions. SA dividends tax at the rate of 20% will apply to cash non-PIDs paid by the Company, unless the beneficial owner of the dividend is exempt from SA dividends tax (e.g. if the beneficial owner is a South African company or a non-South African resident). Since no withholding tax is suffered in the UK on cash non-PIDs, no rebate can be claimed.

Accordingly, shareholders will be paid a cash dividend per share in respect of the non-PID element as follows;

	<b>Shareholders on the Mauritius share register</b>	<b>Shareholders on the South African share register</b>
Non-PID element*	0.08171 pence	1.38569 ZAR cents
Less 20% withholding tax**	n/a	0.27714 ZAR cents
Net non-PID dividend payable	0.08171 pence	1.10855 ZAR cents

*\* Non-PID – treated as a normal dividend for UK purposes, i.e no UK withholding tax applicable.*

*\*\* Certain categories of SA shareholders are exempt from SA dividends tax, e.g. SA resident companies.*

The salient dates for the dividend are set out below:

	<b>2018</b>
Last day to trade <i>cum</i> dividend	Monday, 30 April
Securities trade <i>ex</i> dividend	Wednesday, 2 May
Record date	Friday, 4 May
Payment date on or after	Monday, 7 May

No dematerialisation or rematerialisation of share certificates may take place between Wednesday, 2 May 2018 and Friday, 4 May 2018, both dates inclusive. No transfer of shares between sub-registers in Mauritius and South Africa may take place between Friday, 20 April 2018 and Friday, 4 May 2018, both dates inclusive.

By order of the board

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24 April 2018

This notice is issued pursuant to SEM Listing Rule 11.3 and Rule 5(1) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. The Board of New Frontier Properties Ltd accepts full responsibility for the accuracy of the information in this notice

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