dipula
INCOME FUND
Sustainable Property Returns

2022

EXTRACTS OF CONSOLIDATED FINANCIAL RESULTS AND NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 31 AUGUST 2022

AVAILABILITY OF 2022 INTEGRATED ANNUAL REPORT

This document is important and requires your immediate attention

This document contains a summary of the audited annual financial statements for the year ended 31 August 2022. The audited annual financial statements for the year ended 31 August 2022 were prepared by Mr R Asmal (financial director) and Mrs R Maree (finance executive).

We are committed to providing stakeholders with an integrated annual report outlining a complete overview of the company's strategy, governance systems, performance and prospects as well as social and environmental aspects.

In our commitment to sustainability, we have taken cognisance of international trends to supply this information in electronic format, as a means of cost savings and conservation of natural resources. The full integrated annual report containing the audited annual financial statements for the year ended 31 August 2022 is therefore available on our website www.dipula.co.za/investors/financials/annual-reports. Further, a hard copy of the report is available from Dipula's offices on request.

Please find enclosed the notice of AGM and proxy form as well as summarised financial statements.

Montrose Place

NOTICE OF AGM

Dipula Income Fund Limited
(Incorporated in the Republic of South Africa)
(Registration number 2005/013963/06)
JSE share code: DIB ISIN: ZAE000203394
(Approved as a REIT by the JSE)
("Dipula" or "the company" or "the group")

Notice is hereby given to shareholders of the company that the company's annual general meeting ("AGM") will be held at its registered address, at 12th Floor, Firestation Rosebank, 16 Baker Street, Rosebank on Wednesday, 22 February 2023 at 09:00.

The purpose of the meeting is to:

- present the audited consolidated annual financial statements of the company and the group for the year ended 31 August 2022 incorporating the reports of the directors, the independent auditor, the audit and risk committee and the social and ethics committee. The company's social and ethics committee report, which deals with matters within its mandate, is included on page 80 of the company's integrated annual report. Copies of the complete consolidated annual financial statements of the company and the social and ethics committee report may be obtained from the company's registered address during office hours or from the company's website, www.dipula.co.za;
- deal with any other business as may be dealt with at the AGM; and
- consider and, if deemed fit, to adopt, with or without modification, the special and ordinary resolutions set out below in the manner required by the Companies Act No. 71 of 2008, as amended ("the Companies Act"), as read with the Listings Requirements of the JSE Limited ("the JSE Listings Requirements").

Identification of meeting participants

In terms of section 63(1) of the Companies Act, meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. Forms of identification that will be accepted include original and valid identity documents, drivers' licences and passports.

Important dates

Record date for purposes of receiving this notice	Friday, 9 December 2022
Notice of AGM together with the accompanying form of proxy posted to shareholders on	Thursday, 15 December 2022
Announcement relating to the issue of the notice of AGM released on SENS on	Thursday, 15 December 2022
Last day to trade in order to be eligible to participate in and vote at the AGM	Tuesday, 7 February 2023
Record date for purposes of voting at the AGM ("voting record date")	Friday, 10 February 2023
Recommended last day to lodge forms of proxy by 09:00 on	Monday, 20 February 2023
AGM held at 09:00 on	Wednesday, 22 February 2023
Results of AGM released on SENS on	Wednesday, 22 February 2023

Dipula shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trades. Therefore, Dipula shareholders who acquire Dipula shares after close of trade on Tuesday, 7 February 2023 will not be eligible to vote at the AGM.

Electronic participation

The company has made provision for shareholders or their proxies to participate electronically in the AGM by way of an interactive electronic platform.

Shareholders who wish to participate electronically at the AGM are required to contact the company secretary at dipula@acorim.co.za (for the attention of Natasha Davies) as soon as possible, but in any event, for administrative purposes only, by no later than 16:00 on Thursday, 16 February 2023. However, this will not in any way affect the rights of shareholders to register for the AGM after this date, provided that only those shareholders who are fully verified (as required in terms of section 63(1) of the Companies Act) and subsequently registered at the commencement of the AGM, will be allowed to participate by electronic means. Shareholders wishing to vote, will be assisted by the company's transfer secretaries, JSE Investor Services where required and only through means of submitting their vote on the appropriate proxy form issued by JSE Investor Services as provided in this notice of AGM.

Shareholders wishing to participate electronically are also required to provide the following details:

- an email address;
- cellular number and landline; and
- full details of the shareholder's title to securities issued by the company and proof of identity:
  - for certificated ordinary shares – copies of identity documents and share certificates; and
  - for dematerialised ordinary shares – written confirmation from the shareholder's CSDP confirming the shareholder's title to the dematerialised ordinary shares.

Upon receipt of the required information the shareholder concerned will be provided with a secure link and instructions to access the electronic communication during the AGM.

Aside from the costs incurred by the company as a result of the hosting of the AGM by way of a remote interactive electronic platform, which shareholders can choose to access, shareholders will be liable for their own network charges in relation to electronic participation at the AGM. Any such charges will not be for the account of the company and/or the company secretary. Neither the company nor the company secretary can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder from participating at the AGM.

Voting procedures and proxies

Shareholders are reminded that they are still able to vote normally through proxy submission, despite deciding to participate either electronically or not at all in the AGM.

A form of proxy is enclosed for the convenience of certificated and own-name dematerialised shareholders, who hold shares and cannot attend the AGM, but wish to be represented thereat. A shareholder of the company entitled to attend, speak and vote at the AGM is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. The proxy need not be a shareholder of the company.

Completed proxy forms should be delivered by email to JSE Investor Services at meetingservices@jseinvestorservices.co.za or by post to JSE Investor Services at 13th Floor, 19 Ameshoff Street, Braamfontein, 2001, before the person(s) so empowered seeks to exercise any right granted to it under such instrument, and are requested to be lodged timeously so as to be received, for administrative purposes, by 09:00 on Monday, 20 February 2023. Proxy forms delivered on the day of the meeting must be delivered by email to JSE Investor Services at meetingservices@jseinvestorservices.co.za with a copy thereof to Acorim at dipula@acorim.co.za to be received by at least one of these parties before the person so empowered seeks to exercise any right granted to it under such instrument.

Shareholders are strongly encouraged to submit votes by proxy before the AGM.

If dematerialised shareholders without "own-name" registration wish to participate in the AGM, they must instruct their Central Securities Depository Participant ("CSDP") or broker to issue them with the necessary letter of representation. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. Such shareholders are advised that they must provide their CSDP or broker with separate voting instructions in respect of their shares.

The chairman of the AGM may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with the proxy notes, provided that he/she is satisfied as to the manner in which the shareholder concerned wishes to vote.

On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote. On a poll, every shareholder of the company present in person or represented by proxy shall have one vote for every share held in the company by such shareholder.

Voting requirements

Votes may be exercised in person or by proxy in accordance with the above instructions. Apart from ordinary resolution number 13, all ordinary resolutions require the support of more than 50% of the voting rights exercised by shareholders on the relevant resolution to be approved. Special resolutions require the support of at least 75% of the total voting rights exercised on the relevant resolution to be approved.

In terms of the JSE Listings Requirements, ordinary resolution number 13 requires the support of at least 75% of the voting rights exercised thereon by shareholders to be approved.

The non-binding advisory resolution numbers 1 and 2 are of an advisory nature and if voted against by 25% or more of the voting rights exercised on each such resolution, the company undertakes to engage with dissenting shareholders to address any legitimate and reasonable objections and concerns raised.

Quorum

A quorum for the purpose of considering the resolutions to be proposed at the AGM shall be three shareholders of the company entitled to vote at the meeting, present in person or represented by proxy and persons holding at least 25% of all voting rights that are entitled to be exercised by shareholders in respect of the resolutions to be proposed at the AGM.

Re-election of the company's directors by separate resolutions

As per the Memorandum of Incorporation ("MOI") of the company, no director shall be appointed for life or for an indefinite period, and directors shall rotate in accordance with the following provisions at each AGM:

1. One-third of the directors (both executive and non-executive), or if their number is not 3 or a multiple of 3, the number nearest to one-third, but not less than one-third, shall retire from office, provided that at least one-third of the non-executive directors for the time being, or if their number is not 3 or a multiple of 3, the number nearest to one-third, but not less than one-third, shall retire from office; and
2. the directors to retire in every year are, firstly, those who have been appointed to fill a casual vacancy or an additional appointment to the board, and secondly, those who have been longest in office since their last election, Notwithstanding the aforegoing, if at the date of any annual general meeting, any director will have reached the age of 75 years or older; and/or a non-executive director will have held office for an aggregate period of nine years since his first election or appointment then such director shall retire at such annual general meeting.

The company wishes to elect/re-elect, by way of separate resolutions, the following directors, each of whom retire in terms of the provisions of the MOI, and, each being eligible, offer themselves for re-election:
ZJ Matlala*
BH Azizollahoff*
Z Adams****
ND Khoele****
K Teeroovengadum****
Y Waja* (to be re-elected and will retire on 31 May 2023)
SA Halliday** (to be re-elected and will retire on 31 May 2023)
E Links*** (to be re-elected and will retire on 31 May 2023)

* *Retiring as a result of having held office for an aggregate period of nine years.*
** *Retiring as a result of having reached the age of 75 years.*
*** *Retiring as a result of having held office for an aggregate period of nine years and reached the age of 75 years.*
**** *New appointment with effect from 1 February 2023.*

The board of directors ("the board") has determined that each of the non-executive members standing for re-election is independent and that they possess the required qualifications, skills and experience to fulfil their duties. The board has also considered the past performance and contribution of each of the currently serving directors retiring by rotation and recommends to shareholders each such retiring director's re-election. As announced on SENS on 15 December 2022, Dipula will appoint Z Adams, ND Khoele and K Teeroovengadum to the board with effect from 1 February 2023 to replace board members Y Waja, E Links and SA Halliday who will retire on 31 May 2023. The board would like to recognise the retiring directors for having served the board with distinction over the past decade, guiding the group through several significant and complex challenges. We thank them for their service and dedication to Dipula and wish them the very best in their future endeavours.

Shareholders are requested to consider and, if deemed fit, to re-elect these retiring directors as members of the board of the company, by way of passing the separate ordinary resolutions set out below.

Abridged curricula vitae of each of the directors offering themselves for re-election as directors of the company are detailed on pages 15 to 17.

1. Ordinary resolution number 1: Re-election of ZJ Matlala as a director

"Resolved that Z Matlala be and is hereby re-elected as an independent non-executive director of the company with effect from the date of the AGM."

2. Ordinary resolution number 2: Re-election of BH Azizollahoff as a director

"Resolved that BH Azizollahoff be and is hereby re-elected as an independent non-executive director of the company with effect from the date of the AGM."

3. Ordinary resolution number 3: Re-election of Prof E Links as a director

"Resolved that Prof E Links be and is hereby re-elected as an independent non-executive director of the company with effect from the date of the AGM to 31 May 2023."

4. Ordinary resolution number 4: Re-election of Y Waja as a director

"Resolved that Y Waja be and is hereby re-elected as an independent non-executive director of the company with effect from the date of the AGM to 31 May 2023."

5. Ordinary resolution number 5: Re-election of SA Halliday as a director

"Resolved that SA Halliday be and is hereby re-elected as an executive director of the company with effect from the date of the AGM to 31 May 2023."

6. **Ordinary resolution number 6: Re-election of Z Adams as a director**
   "Resolved that Z Adams be and is hereby re-elected as an independent non-executive director of the company with effect from the date of the AGM."

7. **Ordinary resolution number 7: Re-election of ND Khoele as a director**
   "Resolved that ND Khoele be and is hereby re-elected as an independent non-executive director of the company with effect from the date of the AGM."

8. **Ordinary resolution number 8: Re-election of K Teeroovengadum as a director**
   "Resolved that K Teeroovengadum be and is hereby re-elected as an independent non-executive director of the company with effect from the date of the AGM."

Annual reappointment of members of the audit and risk committee

In terms of the Companies Act and the King IV Report on Corporate Governance for South Africa ("King IV™"), the audit and risk committee members should be appointed by the company's shareholders at each AGM. In terms of the regulations to the Companies Act, at least one-third of the members of a company's audit and risk committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

The company's board, having satisfied itself, *inter alia*, of the independence, qualifications, experience and expertise of the independent non-executive directors offering themselves for appointment or reappointment, as the case may be, as members of the company's audit and risk committee, recommends their appointment or reappointment.

9. **Ordinary resolution number 9: Appointment of Z Adams as a member and chairman of the audit and risk committee**
   "Resolved that in terms of section 94(2) of the Companies Act, Z Adams, an independent non-executive director of the company, be appointed as a member and chairman of the audit and risk committee, subject to her election as a director in terms of ordinary resolution number 6."

10. **Ordinary resolution number 10: Reappointment of BH Azizollahoff as a member of the audit and risk committee**
    "Resolved that in terms of section 94(2) of the Companies Act, BH Azizollahoff, an independent non-executive director of the company, be reappointed as a member of the audit and risk committee, subject to his re-election as a director in terms of ordinary resolution number 2."

11. **Ordinary resolution number 11: Appointment of ND Khoele as a member of the audit and risk committee**
    "Resolved that in terms of section 94(2) of the Companies Act, ND Khoele, an independent non-executive director of the company, be appointed as a member of the audit and risk committee, subject to his election as a director in terms of ordinary resolution number 7."

Abridged curricula vitae of each of the members standing for reappointment to the audit and risk committee are detailed on pages 15 to 17.

Appointment of the independent external auditor

In terms of section 90(1) of the Companies Act, each year at its AGM, the company must appoint an auditor who complies with the requirements of section 90(2) of the Companies Act. The audit and risk committee has confirmed Mazars' independence and recommends Mazars for appointment as auditors of the company. Furthermore, in accordance with paragraph 3.84(g)(iii) of the JSE Listings Requirements, the audit and risk committee is satisfied that Mazars, the reporting accountant and individual auditor, are accredited and appear on the JSE's list of accredited auditors in compliance with section 22 of the JSE Listings Requirements and are suitable for appointment.

12. Ordinary resolution number 12: Appointment of the independent auditor and appointment of individual designated audit partner

"Resolved that Mazars be appointed as the company's independent external auditor with Susan Truter appointed as the designated audit partner of the company."

13. Ordinary resolution number 13: General authority to issue shares for cash

"Resolved that, subject to the restrictions set out below and subject to the provisions of the Companies Act and the JSE Listings Requirements, the directors of the company be and are hereby authorised until this authority lapses at the next AGM of the company or 15 months from the date on which this resolution is passed, whichever is the earlier date, to allot and issue shares in the company for cash, on the basis that:

(a) the shares which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such shares or rights as are convertible into a class already in issue;

(b) the allotment and issue of shares must be made to persons qualifying as public shareholders and not to related parties as defined in the JSE Listings Requirements provided that if the company undertakes an equity raise via a bookbuild process, shares may be allotted and issued to related parties on the basis that such related parties may only participate in the equity raise at the maximum bid price at which they are prepared to take up shares or at the book close price in accordance with the provisions contained in paragraph 5.52(f) of the JSE Listings Requirements;

(c) shares which are the subject of general issues for cash shall not exceed 89 366 647shares, being 10% of the company's existing issued shares (excluding treasury and any shares subject to the ongoing appraisal rights process following the capital restructure) as at the date of notice of this AGM, provided that:
- any shares issued under this authority, prior to this authority lapsing, shall be deducted from the 89 366 647 shares the company is authorised to issue in terms of this authority; and
- in the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;

(d) the maximum discount at which shares may be issued is 5% of the weighted average traded price of such shares measured over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares adjusted for a dividend where the "ex" date of the dividend occurs during the 30 business day period in question; and

(e) after the company has issued shares in terms of this general authority to issue shares for cash representing on a cumulative basis within a financial year, 5% or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of that issue, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 business days prior to the date that the issue is agreed in writing between the company and the party/ies subscribing for the shares and an explanation, including supporting information (if any) of the intended use of the funds."

In terms of the JSE Listings Requirements, in order for ordinary resolution number 13 to be adopted, the support of at least 75% of the total number of votes exercised on this ordinary resolution is required to pass this resolution.

14. Ordinary resolution number 14: Specific authority to issue shares pursuant to a reinvestment option

"Resolved that, subject to the provisions of the Companies Act, the company's MOI and the JSE Listings Requirements, the directors be and are hereby authorised by way of a specific standing authority to allot and issue shares, as and when they deem appropriate, for the exclusive purpose of affording shareholders opportunities from time to time to elect to reinvest their distributions in new shares of the company pursuant to a reinvestment option."

Remuneration policy and remuneration implementation report

In terms of King IV™ and the JSE Listings Requirements, the company's remuneration policy and the report in respect of the implementation thereof should be tabled for separate non-binding advisory votes at the AGM. The essence of these votes is to enable shareholders to express their views on the remuneration policy adopted by the company and the manner in which the policy is implemented. Non-binding advisory resolution numbers 1 and 2 are of an advisory nature and failure to pass these resolutions will therefore not have any legal consequences relating to existing arrangements.

Should 25% or more of the votes exercised on either of the non-binding advisory resolution numbers 1 and 2 be votes against either such resolution, the company undertakes to engage with such dissenting shareholders in order to ascertain the reasons therefore and to address legitimate and reasonable objections and/or concerns.

15. Non-binding advisory resolution number 1: Endorsement of the remuneration policy

"To endorse, through a non-binding advisory vote, the company's remuneration policy as set out on page 121 of the integrated annual report."

16. Non-binding advisory resolution number 2: Endorsement of the remuneration implementation report

"To endorse, through a non-binding advisory vote, the company's remuneration implementation report as set out on page 123 of the integrated annual report."

17. Ordinary resolution number 15: Signature of documentation

"Resolved that any one director of the company or the company secretary be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of the ordinary and special resolutions which are passed by the shareholders in accordance with and subject to the terms thereof.

Financial assistance

The company requires the ability to continue to provide financial assistance, if necessary, in accordance with sections 44 and 45 of the Companies Act. This authority is necessary for the company to provide financial assistance in appropriate circumstances to subsidiaries and/or other entities that are or become related or inter-related to the company. Under the Companies Act, the company will, however, require special resolutions number 1 and number 2 to be adopted, provided that the board of directors of the company is, in any event, required to be satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and, immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act. In the circumstances and in order to ensure, inter alia, that the company's subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial backing from the company (as opposed to banks), it is necessary to obtain the approval of shareholders, as set out in special resolution number 1 and number 2. Special resolution number 1 will permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the entities referred to in special resolution number 1 below. Special resolution number 2 will permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the entities referred to in special resolution number 2 below for the purposes of the subscription of options and/or securities, issued or to be issued by the company or its related or inter-related companies, or for the purchase of any securities of the company or its related or inter-related companies.

18. Special resolution number 1: Financial assistance to related or inter-related parties

"Resolved that, to the extent required by section 45 of the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company's MOI, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance in terms of section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the company for any purpose or in connection with any matter, such authority to endure for two years from the adoption of this special resolution number 1."

Reason for and effect of special resolution number 1

Permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the entities referred to in special resolution number 1.

19. Special resolution number 2: Financial assistance for the subscription and/or purchase of securities in the company or in related or inter-related companies

"Resolved that, to the extent required by section 44(3)(a)(ii) of the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company's Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance in terms of section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any related or inter-related company of the company ("related" and "inter-related" will herein have the meanings attributed to those terms in section 2 of the Companies Act) and/or to any financier of the company or any of its related or inter-related companies for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company of the company, or for the purchase of any securities of the company or a related or inter-related company of the company, on the terms and conditions and for the amounts that the board may determine, such authority to endure for two years from the adoption of this special resolution number 2."

Reason for and effect of special resolution number 2

To provide a general authority to the board for the company to provide financial assistance to its related and inter-related companies and/or the financiers of the group for the purposes of the subscription of options and/or securities, issued or to be issued by the company or its related or inter-related companies, or for the purchase of any securities of the company or its related or inter-related companies, to fund the activities of the group.

20. Special resolution number 3: Share repurchases

"Resolved as a special resolution that the company or any of its subsidiaries be and are hereby authorised by way of a general authority to acquire shares issued by the company, in terms of sections 46 and 48 of the Companies Act and in terms of the JSE Listings Requirements being that:

(a) any acquisition of shares shall be implemented through the order book of the JSE and without prior arrangement between the company and the counterparty;

(b) this general authority shall be valid until the company's next AGM, provided that it shall not extend beyond 15 months from the date of passing this special resolution;

(c) the company (or any subsidiary) is duly authorised by its MOI to do so;

(d) acquisitions of shares in the aggregate in any one financial year may not exceed 20% (or 10% where the acquisitions are effected by a subsidiary) of the company's issued ordinary share capital as at the date of passing this special resolution;

(e) in determining the price at which shares issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired will be 10% of the weighted average of the market value on the JSE over the five business days immediately preceding the repurchase of such shares;

(f) at any point in time the company (or any subsidiary) may appoint only one agent to effect repurchases on its behalf;

(g) repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the JSE Listings Requirements) unless a repurchase programme is in place (where the dates and quantities of shares to be repurchased during the prohibited period are fixed) and has been submitted in writing to the JSE prior to the commencement of the prohibited period;

(h) an announcement will be published as soon as the company or any of its subsidiaries have acquired shares constituting on a cumulative basis, 3% of the number of shares in issue prior to the acquisition pursuant to which the aforesaid threshold is reached and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions; and

(i) the board of directors of the company must resolve that the repurchase is authorised, the company and its subsidiaries have passed the solvency and liquidity test, as set out in section 4 of the Companies Act, and since that test was performed, there have been no material changes to the financial position of the group."

In accordance with the JSE Listings Requirements the directors may utilise this general authority to repurchase shares as and when suitable opportunities present themselves, which may require expeditious and immediate action. The directors confirm that they have authorised the potential repurchase, that the company and its subsidiaries have passed the solvency and liquidity test, as set out in section 4 of the Companies Act, and that, after considering the maximum number of shares that may be repurchased and the price at which the repurchases may take place pursuant to the share repurchase general authority, for a period of 12 months after the date of notice of this AGM:

- the company and the group will, in the ordinary course of business, be able to pay its debts;
- the consolidated assets of the company and the group fairly valued in accordance with International Financial Reporting Standards, will exceed the consolidated liabilities of the company and the group fairly valued in accordance with International Financial Reporting Standards; and
- the company's and the group's share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information, some of which may appear elsewhere in the integrated annual report, is provided in terms of paragraph 11.26 of the JSE Listings Requirements for purposes of this general authority:

- Major beneficial shareholders – page 247 of the integrated annual report; and
- Capital structure of the company – page 181 of the integrated annual report.

Directors' responsibility statement

The directors whose names appear on pages 15 and 16 of this notice, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the Companies Act and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report for the financial year ended 31 August 2022 and up to the date of this notice.

Reason for and effect of special resolution number 3

The reason for and effect of special resolution number 3 is to afford the directors of the company (or a subsidiary of the company) general authority to effect a repurchase of the company's shares on the JSE within the limitations prescribed in this special resolution number 3.

21. Special resolution number 4: Non-executive directors' remuneration

At the AGM held on 21 February 2022, shareholders approved a maximum increase of 6% to the remuneration of non-executive directors of the company for the period 1 September 2022 to 31 August 2023. The board approved a total increase for the period 1 September 2022 to 31 August 2023 in line with shareholder approval. Details of the fees are as follows:

	Chairman (per annum) Rand	% increase	Member (per annum) Rand	% increase
Board	416 482	6.0	296 881	6.0
Audit and risk committee	138 235	6.0	80 637	6.0
Investment committee	105 629	6.0	77 461	6.0
Social and ethics committee	101 788	6.0	74 644	6.0
Remuneration and nomination committee	101 788	6.0	74 644	6.0

Approval is now sought for the non-executive directors' fees for the period 1 September 2023 to 31 August 2024, as follows:

An internal fee benchmark exercise was completed against similar South African focused REITS. An inflation linked increase of 7% was applied and adjustments made to certain positions to align with the benchmark.

	Chairman (per annum) Rand	% increase	Member (per annum) Rand	% increase
1 September 2023 to 31 August 2024				
Board	495 636	19.0	317 663	7.0
Audit and risk committee	167 911	21.5	106 282	31.8
Social and ethics committee	108 913	7.0	79 869	7.0
Remuneration and nomination committee	108 913	7.0	79 869	7.0
Investment committee (annual fee)*	80 000	*	60 000	*
Investment committee (per meeting fee)*	15 000	*	10 000	*

"Resolved, as a special resolution, that the fees payable by the company to non-executive directors for their services as directors (in terms of section 66 of the Companies Act) be and are hereby approved for the period 1 September 2023 to 31 August 2024, as tabled above."

The proposed remuneration excludes value added tax ("VAT") in terms of the current VAT legislation.

Reason for and effect of special resolution number 4

To obtain shareholder approval in terms of section 66(9) of the Companies Act for payment by the company of remuneration to non-executive directors for their services as directors.

22. Special resolution number 5: Approval to issue shares in terms of section 41(1) of the Companies Act

"Resolved that, in accordance with section 41(1) of the Companies Act, the issue by the company of shares to any director, future director, prescribed officer or future prescribed officer of the company, or to a person related or inter-related to the company, or to a person related or inter-related to a director or prescribed officer of the company, or to any nominee of such person, in terms of any private placement, offer, book build or similar capital raising, at the same price and on the same terms as those upon which shares are issued to other investors in terms of such capital raising, be and is hereby approved."

Reason for and effect of special resolution number 5

The reason for and effect of special resolution number 5 is to authorise the issue of shares in terms of capital raising if and to the extent that such shares are issued to directors of the company and/or related persons.

OTHER BUSINESS

To transact such other business as may be transacted at the annual general meeting of the company or raised by shareholders with or without advance notice to Dipula.

By order of the board

Acorim Proprietary Limited
Company secretary

13th Floor, Illovo Point
68 Melville Road, Illovo
Sandton
2196

15 December 2022

Transfer secretaries
JSE Investor Services Proprietary Limited
13th Floor
19 Ameshoff Street
Braamfontein
2001

(PO Box 4844, Johannesburg, 2000)

NOTES

FORM OF PROXY

Dipula Income Fund Limited
(Incorporated in the Republic of South Africa)
(Registration number 2005/013963/06)
JSE share code: DIB ISIN: ZAE000203394
(Approved as a REIT by the JSE)
("Dipula" or "the company" or "the group")

This form of proxy is for use by the holders of the company's certificated shares ("certificated shareholders") and/or dematerialised shares held through a Central Securities Depository Participant ("CSDP") or broker who have selected own-name registration and who cannot attend but wish to be represented at the AGM of the company to be held on Wednesday, 22 February 2023 at 09:00 or any adjournment, if required.

Additional forms of proxy are available at the company's registered office or from its website at www.dipula.co.za/investors/notices.

Not for use by holders of the company's dematerialised shares who have not selected own-name registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the AGM and request that they be issued with the necessary authorisation to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the AGM but wish to be represented thereat, in order for the CSDP or broker to vote in accordance with their instructions.

I/We (name in block letters)

of (address)

being the registered holder/s of ordinary shares,

hereby appoint: of or failing him/her,

the chairman of the AGM, as my/our proxy to vote for me/us on my/our behalf at the AGM of the company and at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. Unless this is done, the proxy will vote as he thinks fit.

		In favour of	Against	Abstain
1.	**Ordinary resolution number 1:** Re-election of ZJ Matlala as a director			
2.	**Ordinary resolution number 2:** Re-election of BH Azizollahoff as a director			
3.	**Ordinary resolution number 3:** Re-election of Prof E Links as a director			
4.	**Ordinary resolution number 4:** Re-election of Y Waja as a director			
5.	**Ordinary resolution number 5:** Re-election of SA Halliday as a director			
6.	**Ordinary resolution number 6:** Re-election of Z Adams as a director			
7.	**Ordinary resolution number 7:** Re-election of ND Khoele as a director			
8.	**Ordinary resolution number 8:** Re-election of K Teeroovengadum as a director			
9.	**Ordinary resolution number 9:** Re-election of Z Adams as a member and chairman of the audit and risk committee			
10.	**Ordinary resolution number 10:** Re-election of BH Azizollahoff as a member of the audit and risk committee			
11.	**Ordinary resolution number 11:** Re-election of ND Khoele as a member of the audit and risk committee			
12.	**Ordinary resolution number 12:** Re-election of Mazars as independent external auditor and Susan Truter as the designated audit partner of the company			
13.	**Ordinary resolution number 13:** General authority to issue shares for cash			
14.	**Ordinary resolution number 14:** Specific authority to issue shares pursuant to a reinvestment option			
15.	**Non-binding advisory resolution number 1:** Endorsement of the remuneration policy			
16.	**Non-binding advisory resolution number 2:** Endorsement of the remuneration implementation report			
17.	**Ordinary resolution number 15:** To authorise the signature of documentation			
18.	**Special resolution number 1:** Financial assistance to related or inter-related companies			
19.	**Special resolution number 2:** Financial assistance for the subscription and/or purchase of securities in the company or in related or inter-related companies			
20.	**Special resolution number 3:** Share repurchases			
21.	**Special resolution number 4:** Approval of non-executive directors' remuneration			
22.	**Special resolution number 5:** Approval to issue shares in terms of section 41(1) of the Companies Act			

Signed this day of 2023

Signature assisted by (if applicable)

Please read the notes on the reverse.

NOTES TO THE FORM OF PROXY

1. Certificated and own-name dematerialised shareholders are advised that they must complete a form of proxy for certificated and own-name dematerialised shareholders in order for their vote/s to be valid.
2. This form of proxy is to be completed only by those members who are holding shares in certificated form or recorded in the sub-register in electronic form in their "own name".
3. Each shareholder is entitled to appoint one or more proxies (none of whom need to be a shareholder of the company) to attend, speak and vote in place of that shareholder at the AGM.
4. Shareholders who are certificated or own-name dematerialised shareholders may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the AGM", but any such deletion must be initialled by the shareholders. The person whose name stands first on this form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy, the chairman shall be deemed to be appointed as the proxy.
5. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairman, to vote or abstain from voting as deemed fit and in the case of the chairman to vote in favour of any resolution.
6. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained from may not exceed the total of the votes exercisable in respect of the shares held by the shareholder.
7. For administrative purposes, forms of proxy should be lodged at, or posted to the transfer secretaries, JSE Investor Services, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) or fax to 086 674 2450 or email to meetingservices@jseinvestorservices.co.za to be received by 09:00 on Monday, 20 February 2023. Alternatively, proxy forms delivered on the day of the meeting must be delivered by email to JSE Investor Services at meetingservices@jseinvestorservices.co.za with a copy thereof to the company secretary at dipula@acorim.co.za to be received by at least one of these parties before the person so empowered seeks to exercise any right granted to it under such instrument.
8. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so. Where there are joint holders of shares, the vote of the first joint holder who tenders a vote as determined by the order in which the names stand in the register of shareholders, will be accepted. In addition to the aforegoing, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as at the later of the date stated in the revocation instrument, if any; or the date on which the revocation instrument was delivered in the required manner.
9. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares needs to sign this form of proxy.
10. The chairman of the AGM may reject or accept any form of proxy which is completed and/or received, otherwise than in accordance with these notes, provided that, in respect of acceptances, the chairman is satisfied as to the manner in which the shareholder concerned wishes to vote.
11. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or JSE Investor Services/or waived by the chairman of the AGM.
12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
13. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
14. The aforegoing notes contain a summary of the relevant provisions of section 58 of the Companies Act.

DIRECTORATE

ZANELE JOYCE MATLALA (59)

Length of service – *11 years*

RN

Non-executive
BCom, BCompt (Hons), CA(SA)

Appointed: 20 May 2011

Zanele joined the Merafe board in 2005 as an independent non-executive director. She was appointed Merafe's chief financial officer on 1 October 2010 and chief executive officer on 1 June 2012. She is a non-executive director of Stefanutti Stocks Holdings Limited, RAC Limited and Royal Bafokeng Platinum Limited.

IZAK PETERSEN (49)

Length of service – *11 years*

SES I

Chief executive
CA(SA)

Appointed: 20 May 2011

Izak is a qualified chartered accountant. He previously worked at Deloitte and PSG Investment Bank. He serves and has served on a number of company boards and industry bodies in an executive and non-executive capacity. The most notable industry bodies he served on include SA REITs Association, SAPOA, ABASA Western Cape and ABSIP Western Cape and ABSIP National. He co-founded the Mergence Group of companies which led to the formation of the Mergence Africa Property Fund, which later merged with Dipula Property Fund and resulted in the listing of Dipula Income Fund.

RIDWAAN ASMAL (50)

Length of service – *7 years*

Financial director
BCom (Accounting)

Appointed: 1 September 2015

Ridwaan has 28 years of experience in listed property with specific skills in financial reporting and management, acquisitions, disposals, treasury, and hotel property development. He started his career at Anglo American Property Services before joining Broll Property Group and thereafter CORONIB Asset Management. In 2006 Ridwaan was appointed financial director of Hospitality Property Fund Limited. He joined Dipula as financial director in September 2015.

BRIAN AZIZOLLAHOFF (61)

Length of service – *11 years*

AR I

Non-executive
BA (NY), MBA (Wits)

Appointed: 20 May 2011

Brian has over 35 years of experience in the property industry. He was a director of Anglo American Properties and then managing director of ApexHi Properties Limited. He served as CEO of Dipula from 2003 until its merger with ApexHi and Madison Property Fund Managers Limited in 2009 and then resigned from Redefine to form Capstone Property Group. In 2016 he sold out of Capstone to form a new company, Propertiq. He has served on the boards of various listed and unlisted property companies, has been active in various facets of the property sector and currently serves on the audit committee of SAPOA.

SYD HALLIDAY (75)

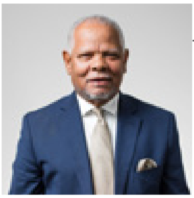
Length of service – *8 years*

RN I

Non-executive
CAIB (SA), ACIS

Appointed: 27 May 2014

Syd retired from Nedbank in 2004 where he held various senior credit risk management positions in the property finance divisions of Nefic, Syfrets, Nedcor Investment Bank and Nedbank. Following his retirement, he served as the independent chairman of Nedbank Corporate Property Finance's main property lending committee up to December 2012 and for three years to November 2019 served on RMB's real estate investment banking credit committee. Syd joined the board of Dipula in May 2014 and is a member of the investment and remuneration committees. Syd also served on the board of Hospitality Property Fund Limited as an independent non-executive director for five years until his retirement in May 2019. He also consults to Sasfin Bank in their property lending division.



ELIAS LINKS (76)

Length of service – *11 years*

AR SES

Non-executive
PhD (Economics)

Appointed: 20 May 2011

Professor Links is a non-executive director of a number of companies including Telesure Holdings Limited, Allianz Global Corporate and Specialty Limited and TerraSan Limited. He has also been appointed as a Professor Extraordinaire at the University of Stellenbosch Business School. Previously he served as a member of The Presidential Advisory Council on B-BBEE as well as the South African Ambassador to the European Union, Belgium, and Luxembourg and as the Permanent Representative of South Africa at the World Bank and International Monetary Fund, Washington DC.

YOUNAID WAJA (70)

Length of service – *11 years*

AR SES RN

Non-executive
BCom (Hons), BCompt, CA(SA), HDip Tax Law

Appointed: 6 June 2011

Younaid is a tax, business and governance consultant, and an independent director of JSE companies and serves and has served as a member of audit, risk, social and ethics, remuneration and investment committees. He has extensive experience across a range of business sectors including telecommunications, property, asset management, gaming, motor and transportation, and economic growth facilitation. Younaid has also served as a director of various public sector and JSE companies. He was a senior partner and executive chairman of APF Chartered Accountants Inc., a consortium of black auditing and accounting firms. During his career, he served as chairman of the Public Accountants and Auditors Board (PAAB, now IRBA); vice president of the Association for the Advancement of Black Accountants of Southern Africa (ABASA); and an executive member of the Black Business Council (BBC). He is also a member of the Income Tax Court.

Audit and risk committee — AR

Remuneration and nomination committee — RN

ZAIDA ADAMS (44)

Independent non-executive director
BCom (Hons), CA(SA)

Appointed: 1 February 2023

Zaida is a qualified chartered accountant with 20 years financial and investment experience spanning a diverse range of sectors including property, banking, food and agriculture, private equity and sport and events. Zaida has held several executive roles in the property sector and was previously financial director of SA Corporate and more recently CFO of Investec Property Fund. Zaida also served on the board of Liberty 2 Degrees as an independent non-executive director and was chairperson of the audit and risk committee. Zaida is currently the CFO of Africa Cricket Development (Pty) Ltd, better known as SA20, the newly formed T20 cricket league in South Africa.

NTHIME KHOELE (50)

Independent non-executive director
B. Busc Sci (Hons), MBA, Dip. Corp Law

Appointed: 1 February 2023

Nthime is a co-founder and Managing Partner of Bopa Moruo Private Equity, a private equity investment management firm, managing over R1.1 billion of equity capital across its private equity funds. Prior to founding Bopa Moruo over 10 years ago, Nthime was a director in Brait's private equity business, which he first joined in 2000, after starting his career at RMB Asset Management. Nthime also serves on the boards of various Bopa Moruo portfolio companies, including as Chairman of Respublica Group and as a non-executive director of WACO International, Skynet Worldwide Couriers International (SA and UK) and One Digital Media. Nthime also serves on the boards of two non-profits, as Chairman of the Independent Schools Association of Southern Africa NPC and as director of the St Mary's School Foundation NPC.

KEVIN TEEROOVENGADUM (48)

Independent non-executive director
BSc (Economics) (Honours), MBA, MSc (Finance)

Appointed: 1 February 2023

Kevin has a BSc in Economics, MBA and MSc in Finance from Leicester University, UK. He worked for KPMG, Deloitte, Ernst & Young in corporate finance and strategic consultancy before moving to Loita Capital Partners Group based in South Africa. He joined Actis in 2007, the leading emerging market private equity firm, as a director as part of their Africa real estate team where he led a number of transactions and exits. He was the co-founder and CEO of AttAfrica in 2013 which became the premier investor of shopping malls in Africa. He is a frequent writer and speaker at conferences globally and currently serves on numerous boards of companies in Mauritius and also advises a number of companies in Africa leveraging his 22 years of experience in Africa in financial services, real estate/hospitality sector. He is also the co-founder of ProptechAfrica.

Social, ethics and sustainability committee — SES

Investment committee — I

VISION LED | PEOPLE DRIVEN | VALUE DELIVERED

Dipula's people drive its vision to be a prominent, diversified, South Africa focused REIT that delivers sustainable value for its shareholders.

SALIENT FEATURES

PERFORMANCE	BALANCE SHEET
Revenue increased by **3%** to **R1.35 billion** (2021: R1.31 billion)	Portfolio value increased by **4.5%** to **R9.6 billion** (2021: R9.2 billion)
Distributable earnings increased by **0.1%** to **R552.6 million** (2021: 552.2 million)	NAV increased **8.7%** to **R5.9 billion** (2021: R5.5 billion)
203 new leases concluded across the portfolio worth **R334 million** (2021: 238 million)	Debt increased by **2.9%** to **R3.5 billion** (2021: R3.4 billion)
300 leases renewed across the portfolio worth **R702 million** (2021: R398 million)	Property disposals of **R56 million** (2021: R70 million)
Portfolio retention rate of **72%** (2021: 72%)	Gearing reduced to **35.9%** (2021: 36.5%)
Average interest rate **8.4%** (2021: 8.2%)	Interest rate hedge level of **75%** (2021: 67%)

GCR credit rating upgrade to: BBB+ (ZA) long-term, A2 (ZA) short-term Stable Outlook

EXTRACTS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 August 2022 R'000	31 August 2021 R'000
ASSETS		
Non-current assets	**9 661 061**	9 127 262
Investment property	**9 583 856**	9 108 970
Fair value of property portfolio	**9 264 087**	8 778 044
Right-of-use asset	**86 794**	84 606
Straight-line rental income accrual	**232 975**	246 320
Deferred tax	**6 281**	6 281
Property, plant and equipment	**2 660**	2 709
Derivative financial instruments – swaps	**61 836**	2 328
Loans receivable	**6 428**	6 974
Current assets	**275 052**	298 287
Trade and other receivables	**209 273**	233 183
Loans receivable	**1 537**	2 528
Cash and cash equivalents	**64 242**	62 576
Non-current assets held-for-sale		
Investment property held-for-sale	**37 445**	101 242
Total assets	**9 973 558**	9 526 791

EXTRACTS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	31 August 2022 R'000	31 August 2021 R'000
EQUITY AND LIABILITIES		
Shareholders' interest	**5 926 588**	5 450 805
Stated capital	**4 197 351**	4 243 513
Fair value reserve	**1 519 831**	1 016 796
Retained income	**196 888**	184 544
Share-based payment reserve	**12 518**	5 952
Non-controlling interests	**151 694**	210 224
Non-current liabilities	**2 469 043**	2 503 933
Interest-bearing liabilities	**2 351 793**	2 329 353
Option premium	**–**	3 568
Lease liability	**111 474**	105 192
Derivative financial instruments – swaps	**5 776**	65 820
Current liabilities	**1 426 233**	1 361 829
Interest-bearing liabilities	**1 164 953**	1 097 516
Trade and other payables	**253 402**	237 987
Lease liability	**4 360**	8 087
Derivative financial instruments – swaps	**3 518**	18 239
Total equity and liabilities	**9 973 558**	9 526 791

EXTRACTS OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	31 August 2022 R'000	Restated* 31 August 2021 R'000
Revenue	**1 351 977**	1 313 956
Contractual rental income	**1 083 119**	1 089 104
Municipal and property recoveries	**282 174**	263 544
Straight-line rental income accrual	**(13 316)**	(38 692)
Property-related expenses	**(466 744)**	(443 929)
Impairment of trade receivables	**(5 468)**	(4 089)
Net property income	**879 765**	865 938
Administration and corporate costs	**(46 583)**	(42 325)
Amortisation of intangible assets	**–**	(37 500)
Fair value adjustments	**519 919**	65 614
Investment properties and properties held-for-sale	**368 761**	(35 013)
Straight-line rental income accrual	**13 316**	38 692
Options	**3 568**	(11 515)
Interest rate swaps	**134 274**	73 450
Net profit before finance cost	**1 353 101**	851 727
Net finance cost	**(275 244)**	(282 812)
Finance income	**15 273**	14 449
Finance cost	**(290 517)**	(297 261)
Profit before taxation	**1 077 857**	568 915
Taxation	**–**	(85 718)
Profit for the year after taxation	**1 077 857**	483 197
Other comprehensive income	**–**	–
Total comprehensive income for the year	**1 077 857**	483 197
Total profit and comprehensive income for the year attributable to:		
Shareholders of the company	**1 080 512**	429 454
Non-controlling interests	**(2 655)**	53 743
	1 077 857	483 197
Basic earnings per A-share (cents)	**–**	–
Diluted earnings per A-share (cents)	**–**	–
Basic earnings per B-share (cents)	**120.91**	48.06*
Diluted earnings per B-share (cents)	**119.32**	47.46*

* *The previous years basic earnings and diluted earnings have been restated to account for the adjusted weighted average number of shares as detailed on page 24.*

The layout of the Statement of Comprehensive Income has been reclassified to achieve better comparability with industry peers and to better reflect the group's operations.

EXTRACTS OF CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital R'000	Fair value reserve R'000	Share-based payment reserve R'000	Retained income/ (loss) R'000	Non-controlling interests R'000	Total equity R'000
Balance at 31 August 2020	4 243 513	978 359	2 155	70 995	250 499	5 545 521
Total profit and comprehensive income for the year	–	–	–	429 454	53 743	483 197
Dividends declared	–	–	–	(275 570)	(35 638)	(311 208)
Additional acquisition of non-controlling interest	–	–	–	(1 898)	(58 380)	(60 278)
Recognition of share-based payments	–	–	3 797	–	–	3 797
Transfer from fair value reserve – investment properties	–	(35 013)	–	35 013	–	–
Transfer to fair value reserve – interest rate swaps	–	73 450	–	(73 450)	–	–
Balance at 31 August 2021	**4 243 513**	**1 016 796**	**5 952**	**184 544**	**210 224**	**5 661 029**
Total profit and comprehensive income for the year	**–**	**–**	**–**	**1 080 512**	**(2 655)**	**1 077 857**
Dividends declared	**–**	**–**	**–**	**(550 504)**	**(28 702)**	**(579 206)**
Repayment of stated capital	**–**	**–**	**–**	**–**	**(5 986)**	**(5 986)**
Additional acquisition of non-controlling interest	**–**	**–**	**–**	**(14 629)**	**(21 187)**	**(35 816)**
Appraisal rights exercised	**(24 355)**	**–**	**–**	**–**	**–**	**(24 355)**
Share issue expenses	**(21 807)**	**–**	**–**	**–**	**–**	**(21 807)**
Recognition of share-based payments	**–**	**–**	**6 566**	**–**	**–**	**6 566**
Transfer to fair value reserve – investment properties	**–**	**368 761**	**–**	**(368 761)**	**–**	**–**
Transfer to fair value reserve – interest rate swaps	**–**	**134 274**	**–**	**(134 274)**	**–**	**–**
Balance at 31 August 2022	**4 197 351**	**1 519 831**	**12 518**	**196 888**	**151 694**	**6 078 282**

EXTRACTS OF CONSOLIDATED STATEMENT OF CASH FLOW

	31 August 2022 R'000	31 August 2021 R'000
Cash flows from operating activities		
Cash generated from operations	**864 995**	850 360
Finance income	**15 273**	14 449
Finance cost	**(279 832)**	(272 174)
Dividends paid	**(588 292)**	(302 122)
Taxation paid	**–**	(85 996)
Net cash generated from operating activities	**12 144**	204 517
Cash flows from investing activities		
Acquisition of business combination	**–**	(19 989)
Capital expenditure on investment property	**(105 740)**	(68 852)
Acquisition of property, plant and equipment	**(804)**	(366)
Proceeds on disposal of investment properties	**97 037**	28 350
Net movement in loans receivable	**1 537**	31 697
Net cash utilised in investing activities	**(7 970)**	(29 160)
Cash flows from financing activities		
Repayment of lease liabilities	**(8 088)**	(7 642)
Share issue expenses paid	**(21 807)**	–
Additional acquisition of interest in subsidiary	**(46 396)**	–
Repayment of stated capital	**(5 986)**	–
Net movement in interest-bearing liabilities	**79 769**	(154 496)
Interest-bearing liabilities raised/(repaid)	**223 050**	(57 496)
Permanent repayment of borrowings	**(143 281)**	(97 000)
Net cash utilised in financing activities	**(2 508)**	(162 138)
Net increase in cash and cash equivalents	**1 666**	13 219
Cash and cash equivalents at the beginning of the year	**62 576**	49 357
Cash and cash equivalents at the end of the year	**64 242**	62 576

RECONCILIATION BETWEEN PROFIT, EARNINGS AND HEADLINE EARNINGS

	31 August 2022 R'000	31 August 2021 R'000
Total profit and comprehensive income for the year (earnings)	**1 080 512**	429 454
Adjustments:	**(412 548)**	15 979
Fair value – investment properties and held-for-sale	**(368 761)**	35 013
Non-controlling interest fair value of investment properties revaluation	**(30 471)**	19 658
Fair value – straight-line rental income	**(13 316)**	(38 692)
Headline earnings	**667 964**	445 433
Total number of shares in issue*	**893 664 473**	529 282 638
A-shares	**–**	264 641 319
B-shares	**893 664 473**	264 641 319
Total weighted average number shares in issue*#	**893 664 473**	893 664 473
A-shares	**–**	–
B-shares	**893 664 473**	893 664 473
Total diluted weighted average number shares in issue*#	**905 568 500**	904 864 477
A-shares	**–**	–
B-shares	**905 568 500**	904 864 477
Headline earnings per A-share (cents)#	**–**	–
Diluted headline earnings per A-share (cents)#	**–**	–
Headline earnings per B-share (cents)#	**74.74**	49.84
Diluted headline earnings per B-share (cents)#	**73.76**	49.23

* *Net of treasury and appraisal rights shares.*

\# *Adjusted for the repurchase and cancellation of A-shares in consideration for the issue of 2.4 B-shares for every A-share effective 6 June 2022 in terms of the scheme of arrangement. In terms of IAS33 the weighted number of shares is to be adjusted for the proportionate change in the number of B-shares outstanding as if the event occurred at the beginning of the earliest period being presented.*

Basic and headline earnings per share are based on the weighted average number of shares in issue.

EXTRACTS OF CONSOLIDATED SEGMENTAL INFORMATION

	Retail R'000	Offices R'000	Industrial R'000	Residential R'000	Land R'000	Corporate R'000	Total R'000
Year to 31 August 2022							
Extracts from the statement of comprehensive income							
Contractual rental	653 039	206 746	179 666	43 668	–	–	1 083 119
Municipal and property recoveries	220 618	35 225	21 247	5 084	–	–	282 174
Property-related expenses	(320 794)	(77 561)	(37 343)	(25 809)	(23)	(10 682)	(472 212)
Net property income	552 863	164 410	163 570	22 943	(23)	(10 682)	893 081
Extracts from the statement of financial position							
Investment property at fair value	6 088 175	1 707 569	1 380 362	387 350	20 400	–	9 583 856
Investment property held-for-sale	10 445	27 000	–	–	–	–	37 445
Total	6 098 620	1 734 569	1 380 362	387 350	20 400	–	9 621 301
Year to 31 August 2021							
Extracts from the statement of comprehensive income							
Contractual rental income	650 516	214 530	178 229	49 885	–	–	1 093 160
Municipal and property recoveries	*204 027*	*35 351*	*16 957*	*3 153*	–	–	259 488
Property-related expenses	(305 982)	(76 013)	(36 719)	(18 766)	(21)	(10 517)	(448 018)
Net property income	548 561	173 868	158 467	34 272	(21)	(10 517)	904 630
Extracts from the statement of financial position							
Investment property at fair value	5 517 754	1 760 730	1 376 800	433 836	19 850	–	9 108 970
Investment property held-for-sale	88 263	–	11 491	–	1 488	–	101 242
Total	5 606 017	1 760 730	1 388 291	433 836	21 338	–	9 210 212

The entity has five reportable segments and corporate based on the sectorial nature – these are the entity's strategic business segments. For each strategic business segment, the entity's executive directors review internal management reports on a monthly basis.

EXTRACTS OF CONSOLIDATED SEGMENTAL INFORMATION (CONTINUED)

	31 August 2022 R'000	31 August 2021 R'000
Reconciliation of reportable segment revenue and profit		
Revenue		
Total revenue for reportable segments	**1 365 293**	1 352 648
Straight-line rental income accrual	**(13 316)**	(38 692)
Consolidated revenue	**1 351 977**	1 313 956
Profit		
Total profit for reportable segments	**893 081**	904 630
Straight-line rental income accrual	**(13 316)**	(38 692)
Administration and corporate costs	**(46 583)**	(42 325)
Net finance cost	**(275 244)**	(282 812)
Fair value adjustments	**519 919**	65 614
Amortisation of intangible assets	**–**	(37 500)
Profit before taxation	**1 077 857**	568 915

EXTRACTS OF ACCOUNTING POLICIES

The accounting policies and methods of computations applied are consistent with those applied in the previous year's consolidated annual financial statements.

Stated capital reconciliation

Authorised

A ordinary share: 1 000 000 000 ordinary shares of no par value
B ordinary share: 1 000 000 000 ordinary shares of no par value

Issued

Reconciliation of issued shares by number – 31 August 2022

	A share	B share	Total
Opening balance at the beginning of the period	264 641 319	264 641 319	529 282 638
Repurchase of A-shares and issue of B-shares*	(262 926 319)	631 023 154	368 096 835
Appraisal right shares**	(1 715 000)	(2 000 000)	(3 715 000)
	–	893 664 473	893 664 473

Reconciliation of issued shares by value – 31 August 2022

	A share R'000	B share R'000	Total R'000
Opening balance at the beginning of the period	2 224 156	2 019 357	4 243 513
Repurchase of A-shares and issue of B-shares*	(2 196 093)	2 196 093	–
Share issue expenses	(11 428)	(10 379)	(21 807)
Appraisal right shares transferred to liability**	(16 636)	(7 720)	(24 356)
	–	4 197 351	4 197 351

Reconciliation of issued shares by number – 31 August 2021

	A share	B share	Total
Opening balance at the beginning of the period	264 641 319	264 641 319	529 282 638
Movement	–	–	–
	264 641 319	264 641 319	529 282 638

Reconciliation of issued shares by value – 31 August 2021

	A share R'000	B share R'000	Total R'000
Opening balance at the beginning of the period	2 224 156	2 019 357	4 243 513
Movement	–	–	–
	2 224 156	2 019 357	4 243 513

* *Effective 6 June 2022 the Company repurchased all of the A-shares in consideration for 2.4 B-shares.*

** *Appraisal rights shares. These shares are currently the subject of appraisal rights exercised following the implementation of the scheme of arrangement. The value related to the shares have been transferred to a liability account until such time that the amount is paid to the previous shareholder.*

Measurement of fair value

The assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 2022 R'000	Level 2 2022 R'000	Level 3 2022 R'000	Total 2022 R'000	Level 1 2021 R'000	Level 2 2021 R'000	Level 3 2021 R'000	Total 2021 R'000
Assets								
Investment property	–	–	9 583 856	9 583 856	–	–	9 108 970	9 108 970
Derivative financial assets – swaps	–	61 836	–	61 836	–	2 328	–	2 328
Investment property held-for-sale	–	–	37 445	37 445	–	–	101 242	101 242
Total	–	61 836	9 621 301	9 683 137	–	2 328	9 210 212	9 212 540
Liabilities								
Derivative financial liabilities – swaps	–	9 294	–	9 294	–	84 059	–	84 059
Option premium	–	–	–	–	–	–	3 568	3 568
Total	–	9 294	–	9 294	–	84 059	3 568	87 627
Net fair value	–	52 542	9 621 301	9 673 843	–	(81 731)	9 206 644	9 124 913

Hierarchy levels

The fair value hierarchy reflects the significance of the inputs used in making fair value measurements. The level within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The different levels have been defined as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for assets or liabilities that are not based on observable market data.

There were no changes in valuation techniques and there were no transfers between Level 1, Level 2 and Level 3 during the period.

Investment property

On an annual basis, properties above R12 million (at the last valuation date) and one-third of properties below R12 million are valued by independent registered valuers.

The remaining two-thirds are valued internally by directors.

The properties are valued using either the discounted cash flow or capitalisation methods by the internal and external valuers. The valuations are done on an open market basis with consideration given to the future earnings potential and applying an appropriate capitalisation rate to a property. The capitalisation rates used range between 8.0% and 14.0% (2021: 8.0% and 15.0%). Investment properties held-for-sale were valued at the net sale price, which is considered to be the fair value.

Investment properties have been categorised as Level 3. There has been no material change between levels during the period and there were no transfers between levels.

Derivative financial instruments

Financial instruments are measured at fair value.

- The fair value of interest rate swaps are based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

Derivative financial instruments — swaps have been categorised as Level 2. There has been no material change between levels during the period and there were no transfers between levels.

- The fair value of the options are determined by utilising open market sales for similar properties in the identified notes at the reporting date.

Derivative financial instruments – options have been categorised as Level 3. There has been no material change between levels during the period and there were no transfers between levels.

Movement in Level 3 instruments

	Investment property 2022 R'000	Investment property held-for-sale 2022 R'000	Option premium 2022 R'000	Investment property 2021 R'000	Investment property held-for-sale 2021 R'000	Derivative financial assets – options 2021 R'000	Option premium 2021 R'000
Balance at the beginning of the year	**9 108 970**	**101 242**	**(3 568)**	9 094 502	13 488	15 447	(11 500)
Acquisitions/additions	**93 247**	**–**	**–**	204 934	137	–	–
Change in fair value	**365 981**	**(2 141)**	**3 568**	(36 498)	(107)	–	–
Transferred from/(to) non-current assets held-for-sale/disposals	**9 145**	**(9 145)**	**–**	(158 586)	158 586	–	–
Disposals	**–**	**(52 511)**	**–**	–	(70 862)		–
Right-of-use asset	**2 188**	**–**	**–**	2 362	–	–	–
Options exercised	**–**	**–**	**–**	–	–	(15 447)	7 932
Net tenant installation/lease commission	**4 325**	**–**	**–**	2 256	–	–	–
Balance at the end of the period	**9 583 856**	**37 445**	**–**	9 108 970	101 242	–	(3 568)

Significant unobservable inputs and ranges of estimates used

	Discount rate		Capitalisation rate		Vacancy rate	Gross rental
	Range %	**Weighted average %**	**Range %**	**Weighted average %**	**Range %**	**Range R/m²**
2022						
Total portfolio	**10 – 16**	**13.80**	**8 – 14**	**10.20**	**0 – 10**	**20 – 450**
Retail	**11 – 16**	**13.40**	**8 – 12**	**9.90**	**0 – 8**	**51 – 450**
Office	**13 – 16**	**14.30**	**9 – 12**	**10.30**	**0 – 20**	**74 – 320**
Industrial	**13 – 16**	**14.30**	**9 – 14**	**10.80**	**0 – 4**	**20 – 80**
Residential	**13 – 15**	**13.50**	**9 – 10**	**8.80**	**0 – 10**	**17 – 156**

	Discount rate		Capitalisation rate		Vacancy rate	Gross rent
	Range %	Weighted average %	Range %	Weighted average %	Range %	Range R/m²
2021						
Total portfolio	10 – 17	12.60	8 – 15	9.70	0 – 8	94 – 117
Retail	10 – 17	13.40	8 – 12	9.50	0 – 9	111 – 134
Office	11 – 16	13.30	9 – 11	9.90	0 – 16	124 – 165
Industrial	12 – 17	11.80	9 – 15	10.20	0 – 4	35 – 44
Residential	15 – 15	14.80	9 – 10	9.40	0 – 23	95 – 154

	Impact on valuation discount rate (0.5%)	**Impact on valuation discount rate +0.5%**	**Impact on valuation capital-isation rate (0.5%)**	**Impact on valuation capital-isation rate +0.5%**	**Impact on valuation market rentals +5%**	**Impact on valuation market rentals (5%)**	**Impact on valuation vacancy rate +1.0%**	**Impact on valuation vacancy rate (1.0%)**
2022								
Total portfolio	**1.80**	**(1.90)**	**2.80**	**(3.20)**	**5.90**	**(5.10)**	**(1.13)**	**0.73**
Retail	**1.79**	**(1.92)**	**2.19**	**(3.33)**	**6.49**	**(5.19)**	**(1.17)**	**0.58**
Office	**1.79**	**(1.76)**	**3.34**	**(3.10)**	**5.08**	**(5.03)**	**(0.99)**	**0.90**
Industrial	**1.90**	**(1.64)**	**4.67**	**(2.75)**	**3.82**	**(5.01)**	**(0.93)**	**0.82**
Residential	**2.07**	**(2.01)**	**4.13**	**(3.67)**	**6.08**	**(5.30)**	**(1.56)**	**1.48**

	Impact on valuation discount rate (0.5%)	Impact on valuation discount rate +0.5%	Impact on valuation capital-isation rate (0.5%)	Impact on valuation capital-isation rate +0.5%	Impact on valuation market rentals +5%	Impact on valuation market rentals (5%)	Impact on valuation vacancy rate +1.0%	Impact on valuation vacancy rate (1.0%)
2021								
Total portfolio	2.40	(2.20)	4.70	(4.00)	6.10	(6.10)	0.90	(0.90)
Retail	2.40	(2.20)	4.80	(4.10)	6.40	(6.10)	0.90	(0.90)
Office	2.50	(2.40)	4.80	(4.00)	5.50	(7.00)	0.90	(0.90)
Industrial	2.00	(2.00)	4.00	(3.40)	5.60	(5.20)	0.90	(0.90)
Residential	1.90	(1.90)	3.30	(3.30)	5.10	(5.10)	1.30	(1.30)

DISTRIBUTION STATEMENT**

	31 August 2022 R'000	31 August 2021 R'000
Reconciliation of profit for the year to distributable earnings		
Profit attributable to shareholders of the company	**1 080 512**	429 454
Fair value – investment properties revaluation	**(368 761)**	35 013
Fair value – straight-line rental income	**(13 316)**	(38 692)
Fair value – interest rate swaps	**(134 274)**	(73 450)
Fair value – options	**(3 568)**	11 515
NCI portion of fair value adjustment	**(30 471)**	19 658
IFRS 16: *Rental paid adjustments*	**(8 088)**	(7 642)
IFRS 16: *Finance cost adjustments*	**10 642**	10 399
Share-based payments	**6 566**	3 797
Amortisation of intangible assets	**–**	37 500
Taxation	**–**	85 936
Straight-line rental income accrual	**13 316**	38 692
Distributable earnings	**552 558**	552 180
Distribution statement		
Revenue	**1 365 293**	1 352 648
Contractual rental income	**1 083 119**	1 089 104
Recoveries	**282 174**	263 544
Property-related expenses	**(480 300)**	(455 660)
Net property income	**884 993**	896 988
Administration and corporate costs	**(40 017)**	(38 528)
Net operating profit	**844 976**	858 460
Net finance cost	**(264 602)**	(272 413)
Taxation	**–**	218
Non-controlling interests	**(27 816)**	(34 085)
Distributable earnings	**552 558**	552 180

	31 August 2022	31 August 2021
Distributable earnings per A-share (cents)*	**61.97130**	118.95304
Interim	**61.97130**	59.02029
Final		59.93275
Distributable earnings per B-share (cents)*	**73.19430**	89.69993
Interim	**42.21706**	45.09965
Final	**30.97724**	44.60028
Combined distributable earnings per share (cents)*	**135.16560**	208.65297
Interim	**104.18836**	104.11994
Final	**30.97724**	104.53303

* *Distributable earnings per share is not comparable due to the company repurchasing all of the A-shares in consideration for the issue of 2.4 B-shares for every A-share purchased effective from 6 June 2022.*

** *The distribution statement has not been reviewed by Mazars.*

CORPORATE INFORMATION

DIPULA INCOME FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2005/013963/06)
JSE share code: DIB ISIN: ZAE000203394
(Approved as a REIT by the JSE)
("Dipula" or "the company" or "the Fund",
and together with its subsidiaries, "the group")

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ZJ Matlala* (Chairperson)
IS Petersen (CEO)
BH Azizollahoff*#
R Asmal (FD)
E Links*
Y Waja*
SA Halliday*
** Independent non-executive*
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