

**TRANSCEND RESIDENTIAL PROPERTY FUND LIMITED**  
(Incorporated in the Republic of South Africa)  
Registration number 2016/277183/06  
JSE share code: TPF ISIN: ZAE000227765  
(Approved as a REIT by the JSE)  
("Transcend" or "the Company")



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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021 AND DIVIDEND DECLARATION**

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Transcend is pleased to announce its interim results for the period ended 30 June 2021. Shareholders are advised that the Company's condensed interim financial results for the six months ended 30 June 2021 were published on SENS on 16 August 2021 ("Full Announcement").

**Highlights and key performance measures**

**Financial Metrics:**

- **Distribution per share of 25.21 cents** (an increase of 108.35% from 30 June 2020)
- **100% of distributable earnings declared** as an interim cash dividend
- **Net Asset Value** per share of **R 9.07** (an increase of 2.95% from 30 June 2020)

**Operational Metrics:**

- Average portfolio **occupancy** of **94.41%\***
- Average portfolio **collections** of **96.31%\***
- Portfolio **arrears** of **3.53%\***
- Property Portfolio with a **value of R 2.52bn**

**Treasury and Other Performance Highlights:**

- Loan-to-value of 49.82% (52.69% as at 31 December 2020)
- Fully **settled shareholder loan of R 93.36m** through cash and senior debt
- Secured a **R 100m revolving credit facility** to bolster liquidity buffer

\* Stabilised portfolio year-to-date 30 June 2021 (calculated on net income)– excludes investment properties which are currently being disposed of on a unit basis, namely Midrand Village, Birchwood Village and De Velde, where vacancies are required to facilitate sales. Total portfolio occupancy, collections and arrears of all properties on a year-to-date basis is 90.75%, 96.93% and 3.45% respectively.

**Key Financials\*\***

- Revenue from total operations down 13.55% to R154.99 million
- Operating profit from total operations down 14.10% to R86.95 million
- Headline earnings per share up 298.43% to an earnings per share of 53.22cps
- Basic and diluted earnings per share up 428.37% to an earnings per share of 128.46cps
- Earnings per share (continuing operations) up 552.91% to an earnings per share of 128.46cps
- Distribution per share up 108.35% to 25.21cps
- Net asset value per share up 2.95% to R9.07 per share

\*\* Comparisons to 30 June 2020

## **Dividend**

The Board has approved, and notice is hereby given of an interim dividend of 25.21000 cents per share for the six months ended 30 June 2021 (2020: 12.09972 cents per share).

In accordance with Transcend's status as a REIT, shareholders are advised that the dividend meets 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 dividend will be deemed to be a dividend, for South African tax purposes, in terms of section 25BB of the Income Tax Act.

The dividend 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 it is a dividend distributed by a REIT. This dividend is, 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 ("SARS"). Shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

Dividends received by non-resident shareholders will not be taxable as income 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, (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 20.16800 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 SARS. 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.

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

Last date to trade cum dividend	Tuesday, 5 October 2021
Shares trade ex-dividend	Wednesday, 6 October 2021
Record date	Friday, 8 October 2021
Payment date	Monday, 11 October 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 6 October 2021 and Friday, 8 October 2021, both days inclusive.

In respect of dematerialised shareholders, the dividend will be transferred to CSDP accounts/broker accounts on Monday, 11 October 2021. Certificated shareholders' dividend payments will be deposited on or about Monday, 11 October 2021.

Shares in issue at the date of declaration of this dividend: 130 894 793.

Transcend's income tax reference number: 9015377253

This short-form announcement is the responsibility of the directors of Transcend and is a summary of the information in the detailed interim results announcement released on SENS on 16 August 2021 and does not contain full or complete details. The full announcement is available on the group's website at [www.transcendproperty.co.za](http://www.transcendproperty.co.za) and at <https://senspdf.jse.co.za/documents/2021/jse/isse/tpfe/lnt2021.pdf>

Copies may be requested at the Company's registered office and electronically via the sponsor ([sponsor@questco.co.za](mailto:sponsor@questco.co.za)) at no charge during business hours. Any investment decision in relation to the Company's shares should be based on the full announcement.

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By order of the Board

Myles Kritzinger  
Chief Executive Officer

Nic Watchorn  
Chief Financial Officer

Johannesburg  
16 August 2021

Registered office: 54 Peter Place, Block C, Peter Place Office Park, Bryanston, 2191

Transfer secretaries: Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001, PO Box 4844, Johannesburg, 2000

Sponsor: Questco Corporate Advisory Proprietary Limited

Company secretary: Corpstat Governance Services Proprietary Limited – Johann Zerwick

Directors: Robert Reinhardt Emslie\* (Chairman); Myles Kritzing (Chief Executive Officer); Vanessa Perfect (Chief Operating Officer); Nic Watchorn (Chief Financial Officer); Faith Nondumiso Khanyile\*; Michael Simpson Aitken\*; Anne Michelle Dickens\*; Michael Louis Falcone\*; Robert Nicolaas Wesselo\*\*; Geoffrey Michael Jennett\*\*; Solly Mboweni\*\*

\* Independent non-executive director

\*\* Non-executive director