

**Transcend Residential Property Fund Limited**  
Approved as a REIT by the JSE  
(Incorporated in the Republic of South Africa)  
(Registration number 2016/277183/06)  
Share code: TPF  
ISIN: ZAE000227765  
("Transcend" or "the Company")



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## **FINALISATION ANNOUNCEMENT IN RESPECT OF THE SCHEME OF ARRANGEMENT AND DECLARATION AND FINALISATION ANNOUNCEMENT IN RESPECT OF THE CLEAN-OUT DISTRIBUTION**

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Shareholders of Transcend ("**Transcend Shareholders**") are referred to the circular distributed to them on 1 September 2023 ("**the Scheme Circular**") relating to the offer by Emira Property Fund Limited to acquire all of the issued ordinary shares in the share capital of Transcend ("**Transcend Shares**") from the Transcend Shareholders by way of a scheme of arrangement ("**Scheme**") in terms of section 114 of the Companies Act, 71 of 2008, as amended ("**Companies Act**"), and to all previous announcements relating to the Scheme, the last of which was dated 18 October 2023. Terms defined in the Scheme Circular will, where used in this announcement, bear the same meaning as ascribed to them in the Scheme Circular.

Following the fulfilment of the Scheme Conditions Precedent, as announced on SENS on 18 October 2023, Transcend Shareholders are advised that the Scheme, the Delisting of Transcend from the Main Board of the JSE and the Clean-out Distribution will be implemented in accordance with the salient dates and times set out in the Scheme Circular and as previously announced on SENS.

### **Declaration of Clean-out Distribution and tax implications**

In accordance with the terms of the Scheme, Transcend will effect the Clean-out Distribution in respect of a portion of its distributable income for the financial period which commenced on 1 April 2023 and ended on 30 September 2023 plus an additional amount, calculated in accordance with the following formula:

$$A = B + ((B/183) \times C)$$

where:

- A = Clean-out Distribution per Share;
- B = Distribution per Share for the six-month period from 1 April 2023 to 30 September 2023, being 27.35 cents per Share; and
- C = Additional distribution days, being 14 days,

and C is calculated as follows:

$$C = (D - 30 \text{ days}) - E$$

where:

- D = Scheme Implementation Date, being 13 November 2023; and
- E = Transcend's interim reporting date, being 30 September 2023.

The Clean-out Distribution was determined on the basis that (i) the quantum of the Clean-out Distribution shall be determined by the Transcend Board in accordance with Transcend's distribution policy and in keeping with guidance provided to Shareholders in the announcement of Transcend's financial results for the 15 months ended on 31 March 2023 and published on SENS on 29 May 2023; and (ii) all transaction costs relating to the Scheme shall be funded out of the available capital of Transcend, and not by reducing the distributable income upon which the Clean-out Distribution is based. To the extent that such costs reduce the distributable income then such amount shall be added back for purposes of calculating the quantum of the Clean-out Distribution.

The Transcend Board has accordingly approved and declared a Clean-out Distribution of 29.44 cents per Transcend Share. The last day to trade in Transcend Shares to be recorded in the Register on the Clean-out Distribution Record Date is Tuesday, 7 November 2023. The Clean-out Distribution Record Date is Friday, 10

November 2023 and the Clean-out Distribution will be paid to Transcend Shareholders on Monday, 13 November 2023.

In accordance with Transcend's status as a REIT, Transcend Shareholders are advised that the Clean-out Distribution meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act.

The Clean-out Distribution received by or accrued to Transcend Shareholders who are South African tax residents must be included in the gross income of such Transcend Shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because they are dividends distributed by a REIT. The Clean-out Distribution is, however, exempt from dividends withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders furnished the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company or Transcend's Transfer Secretaries, JSE Investor Services, in respect of certificated shares:

- a) a declaration that the distribution is exempt from dividends tax; and
- b) a written undertaking to inform the CSDP, broker, the Company or the Transfer Secretaries, 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. Transcend Shareholders are advised to contact their CSDP, broker, the Company or the Transfer Secretaries, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the Clean-out Distribution, if such documents have not already been submitted.

The Clean-out Distribution received by non-resident Transcend Shareholders will not be taxable as income and instead will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. Any dividend received by a non-resident from a REIT is subject to a dividend withholding tax of 20% unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("**DTA**") between South Africa and the country of residence of the Transcend Shareholder. Assuming dividend withholding tax will be withheld at a rate of 20%, the net amount due to non-resident shareholders is 23.55200 cents per Transcend Share. A reduced dividend withholding tax rate in terms of the applicable DTA, may only be relied on if the non-resident Transcend Shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shareholders, or the Company or Transcend's Transfer Secretaries, JSE Investor Services, in respect of certificated shareholders:

- a) a declaration that the distribution 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, the Company or the Transfer Secretaries, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident Transcend Shareholders are advised to contact their CSDP, broker, the Company or the Transfer Secretaries, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the Clean-out Distribution if such documents have not already been submitted, if applicable.

Local tax resident Transcend Shareholders as well as non-resident Transcend Shareholders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

As at 20 October 2023, being the date of this finalisation announcement, the Company had a total of 163,932,679 shares in issue. The Company's tax reference number is 9015377253.

### **Responsibility statement**

The Independent Board and the Transcend Board accept responsibility for the information contained in this announcement insofar as it relates to Transcend. To the best of its knowledge and belief, the information contained in this announcement is true and correct and the announcement does not omit anything likely to affect the importance of the information.

Bryanston  
20 October 2023

**Corporate Advisor and Transaction Sponsor**

