

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")



SUMMARISED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

Highlights

Distribution per share (cents)	30.24929 (0.5% growth)
Total units	4 767
Investment property value*	R2.62 billion
Net asset value per share (Rands)	R9.77
Occupancy*	95.01%

**excludes properties classified as assets held-for-sale (Acacia Place investment property ("Acacia Place") and Midrand Village investment property ("Midrand Village") – totalling R204.69 million)*

The increase in the interim distribution is in line with management's guidance of slightly better performance than last year, and an expected overall increase in distribution for the 2019 year. The growth in distribution relates to a consistent portfolio-wide improvement in occupancies for the first half of 2019. Despite continued economic pressures and increased concerns around consumer affordability, Transcend was able to grow its distribution from 2018 due to the defensive nature of the residential asset class and by maintaining its strategy of owning well-located properties in high demand areas.

Key Financials

- Revenue up 141% to R170.96 million
- Operating profit up 147% to R101.56 million
- Headline earnings per share down 32% to 22.22 cps
- Earnings per share down 32% to 22.22 cps
- Earnings per share (continuing operations) down 35% to 17.31 cps
- Dividend/distribution up to 30.25 cps from 30.10 cps
- Net asset value down 6% to R9.77 per share

Dividend

The Board has approved, and notice is hereby given of an interim dividend of 30.24929 cents per share for the six months ended 30 June 2019 (2018: 30.09880 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 on the shares will be deemed to be a dividend, for South African tax purposes, in terms of section 25BB of the Income Tax Act.

The 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. 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 24.19944 cents per share.

A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

- a) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
- b) a written undertaking to inform their CSDP, broker or the Company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the 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:

Declaration date	Thursday, 8 August 2019
Last day to trade <i>cum</i> dividend	Tuesday, 27 August 2019
Shares trade <i>ex</i> dividend	Wednesday, 28 August 2019
Record date	Friday, 30 August 2019
Payment date	Monday, 2 September 2019

Share certificates may not be dematerialised or materialised between Wednesday, 28 August 2019 and Friday, 30 August 2019, both days inclusive.

In respect of dematerialised shareholders, the dividend will be transferred to the CSDP/broker accounts on Monday, 2 September 2019. Certificated shareholders' dividend payments will be deposited on or about Monday, 2 September 2019.

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 8 August 2019, and does not contain full or complete details. The full announcement is available on the group's website at www.transcendproperty.co.za and at <https://senspdf.jse.co.za/documents/2019/jse/isse/tpfe/TSX082019.pdf>

Copies may be requested at the company's registered office and the office of the sponsor at no charge during business hours. Any investment decision in relation to the company's shares should be based on the full announcement.

By order of the Board

Solly Mboweni
Chief Executive Officer

Myles Kritzinger
Chief Financial Officer

Johannesburg
8 August 2019

Registered office: 54 Peter Place, Block C, Cardiff House, 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

Designated advisor: Questco Corporate Advisory Proprietary Limited

Company secretary: CorpStat Governance Services Proprietary Limited

Directors:

Robert Reinhardt Emslie* (Chairperson); Solly Mboweni (Chief Executive Officer); Myles Kritzinger (Chief Financial Officer); Vanessa Perfect (Chief Operating Officer); Faith Nondumiso Khanyile*; Michael Simpson Aitken*; Michelle Dickens*; Michael Louis Falcone**; Robert Nicolaas Wesselo**;
Geoffrey Michael Jennett**

* *Independent non-executive director*

** *Non-executive director*