

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")



COVID-19 UPDATE, UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020 AND CASH DISTRIBUTION

COVID-19 UPDATE

The COVID-19 pandemic ("the Pandemic") has given rise to unprecedented circumstances globally, as well as in the South African financial markets. During this time, the safety and well-being of Transcend's tenants, employees and stakeholders remain the priority of the Company's board of directors ("the Board") in its response to the Pandemic, particularly as lockdown regulations ease and the cases of infection peak in South Africa.

Management and the Board are aware that the negative effects of the Pandemic on the South African economy and the well-being of its citizens may continue to affect business and operating conditions in both the short- and the long-term. Transcend is in constant communication with all its stakeholders to keep abreast of their circumstances as they respond to their own challenges brought about by the Pandemic.

The business continues to focus its efforts on maintaining a sound financial position and can meet all its debt obligations, and other financial obligations to its suppliers and staff. Transcend's portfolio continues to generate strong cashflows at a property level, proving residential property as a defensive asset class.

Highlights

Distributable earnings per share (cents):	27.89 (8.99% down from the prior corresponding period)
Distribution per share (cents)	12.10 (60% down from the prior corresponding period)
Net asset value per share (Rands)	R8.81
Portfolio unit occupancy:	95.3%*
Portfolio collections:	94.6%*
Portfolio arrears:	1.89%*

**Stabilised portfolio year-to-date 30 June 2020 – excludes investment properties which are currently being disposed of, namely Acacia Place, Midrand Village units; and De Velde units. Total portfolio unit occupancy of all properties is 94.1% year-to-date 30 June 2020.*

Key Financials

- Revenue from total operations up 4.88% to R179.30 million
- Operating profit from total operations down 0.31% to R101.22 million
- Headline earnings per share down 220.71% to a loss per share of 26.82cps
- Earnings per share down 220.71% to a loss per share of 26.82cps
- Earnings per share (continuing operations) down 270.37% to a loss per share of 29.49cps

- Distribution per share down 60.00% to 12.10cps
- Net asset value per share down 7.75% to R8.81 per share

Dividend

The Board has approved, and notice is hereby given of an interim dividend of 12.09972 cents per share for the six months ended 30 June 2020 (2019: 30.24929 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 9.67978 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:

Last date to trade cum dividend	Tuesday, 1 September 2020
Shares trade ex-dividend	Wednesday, 2 September 2020
Record date	Friday, 4 September 2020
Payment date	Monday, 7 September 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 2 September 2020 and Friday, 4 September 2020, both days inclusive.

In respect of dematerialised shareholders, the dividend will be transferred to CSDP accounts/broker accounts on Monday, 7 September 2020. Certificated shareholders' dividend payments will be deposited on or about Monday, 7 September 2020.

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 13 August 2020, 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/2020/jse/isse/tpfe/Int2020.pdf>

Copies may be requested at the Company's registered office and electronically via the sponsor (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.

By order of the Board

Solly Mboweni
Chief Executive Officer

Myles Kritzinger
Chief Financial Officer

Johannesburg
13 August 2020

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

Sponsor: Questco Corporate Advisory Proprietary Limited

Company secretary: CorpStat Governance Services Proprietary Limited

Directors:

Robert Reinhardt Emslie* (Chairman); 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*