

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")



**PROVISIONAL SUMMARISED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020**

Highlights and key performance measures:**Financial metrics:**

Distribution per share (cents)	55.75cps (14.42% reduction)
Distribution per share pay-out ratio	100% for full year distribution
Net Asset Value (per share Rand value)*	R8.87 (4.66% decrease)*
Revenue	R324.80 million (3.30% reduction)
Operating profit	R178.77 million (12.93% increase)
Headline loss per share	3.93cps (107.70% reduction)
Loss per share	32.23cps (151.42% reduction)
Loss per share (continuing operations)	25.99cps (149.81% reduction)

* Based on the SA REIT Association best practice recommendations issued November 2019.

Operational metrics:

Total units	4,267
Property value	R2.51 billion
Portfolio occupancy at 31 December 2020**	91.70%**
Average portfolio occupancy for full reporting period**	93.36%**
Portfolio arrears	2.83%
Portfolio collections	94.39%

**Occupancy of stabilised portfolio based on gross rental – excludes properties which are currently being disposed of or held-for-sale.

Other performance highlights:

Migration to Main Board of the JSE 12 February 2020

Dividend

The Board has approved, and notice is hereby given of a final dividend of 43.65184 cents per share for the six months ended 31 December 2020 (2019: 34.89150 cents per share). This brings the full year distribution to 55.75156 cents per share (2019: 65.14150 cents per share) for the year ended 31 December 2020. The dividend will be paid from distributable income.

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 34.92147 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 day to trade <i>cum</i> dividend	Tuesday, 20 April 2021
Shares trade <i>ex</i> dividend	Wednesday, 21 April 2021
Record date	Friday, 23 April 2021
Payment date	Monday, 26 April 2021

Share certificates may not be dematerialised or materialised between Wednesday, 21 April 2021 and Friday, 23 April 2021, both days inclusive.

In respect of dematerialised shareholders, the dividend will be transferred to the CSDP/broker accounts on Monday, 26 April 2021. Certificated shareholders’ dividend payments will be deposited on or about Monday, 26 April 2021.

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

Transcend's income tax reference number: 9015377253

Unqualified audit opinion

The Company's auditors, KPMG Inc., issued an unqualified audit opinion for the year ended 31 December 2020, which includes the requisite disclosure on key audit matters pursuant to the International Standards of Auditing. The full audit report and annual financial statements are included on the Company's website.

This short-form announcement is the responsibility of the directors of Transcend and is a summary of the information in the detailed provisional results announcement released on SENS on 15 February 2021, and does not contain full or complete details. Any investment decisions by shareholders/investors should be based on consideration of the full announcement published on SENS, which is available on the Company's website at:

www.transcendproperty.co.za and at

<https://senspdf.jse.co.za/documents/2021/jse/isse/tpfe/prov2020.pdf>

Copies may be requested at the Company's registered office at no charge during business hours, and electronically via the sponsor (sponsor@questco.co.za).

By order of the Board

Myles Kritzinger
Chief Executive Officer

Myles Kritzinger
Chief Financial Officer (Acting)

Johannesburg
15 February 2021

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

* *Independent non-executive director*

** *Non-executive director*