

DELTA PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2002/005129/06)

JSE share code: DLT

ISIN: ZAE000194049

(Approved as a REIT by the JSE)

("Delta" or the "Company")

PROPOSED DISPOSAL OF 5 WALNUT ROAD AND EXTENSION FOR DMFT DISPOSAL CIRCULAR

Proposed disposal of 5 Walnut Road

1. Introduction

Delta shareholders are hereby advised that the Company ("Seller") has signed an offer to purchase ("OTP") with UBUD Development Proprietary Limited (the "Purchaser"), to dispose of its property situated at **5 Walnut Road, Durban, Portion 2 of Erf11715**, including immovable and movable assets and as more commonly known as "5 Walnut Road" (the "Property"), for a cash consideration of R46 million (the "Disposal Consideration").

2. Rationale and use of proceeds

As part of Delta's strategy, and the optimisation of the portfolio, it was agreed that the disposal of assets which were no longer strategic to the Company would be undertaken. 5 Walnut Road is considered one such asset.

The net proceeds of R46 million will be utilised by the Company to reduce debt and the Loan to Value (LTV) by 0.2% from 58.2% to 58% and to reduce vacancy levels by 0.3% from 33.9% (as of 31 August 2022) to 33.6%.

3. Terms and conditions of the Disposal

3.1 Purchaser

The ultimate beneficial shareholder of UBUD Development Proprietary Limited is Mr PW Otto. The Purchaser is not a 'related party' in terms of the JSE Limited Listings Requirements.

3.2 Sale

The Seller has agreed to sell, and the Purchaser has agreed to purchase the Property, with effect from, and inclusive, of the date on which the registration of transfer of the Property into the name of the Purchaser is affected, which date the Company anticipates will be approximately 30 September 2023.

3.3 Disposal Consideration

The Disposal Consideration payable for the Property by the Purchaser is R46.0 million exclusive of VAT, payable in cash, as follows:

- R6 million non-refundable deposit payable within seven days of joint signature of the OTP; and
- R40 million secured by way of guarantees to the Seller, which guarantees are to be delivered within thirty business day from date of payment of the non-refundable deposit.

3.4 Condition precedent

The Disposal is conditional on the Purchaser and Seller entering into a formal agreement of sale incorporating the terms and conditions of the OTP and such further terms and conditions to be agreed by both parties, within ten days of acceptance of the OTP, failing which the Purchaser shall be entitled but not obliged to cancel the OTP with neither of the parties having claims against the other.

4. Financial and property-related information in respect of the Property

5 Walnut Road

Location:	5 Walnut Road, Durban
Gross lettable area:	13 677m ²
Weighted average rental as at 31 August 2022 ¹ :	R90.16/m ²
Net operating (loss)/income ¹ :	(R0.499 million)

Effective date of the Disposal:	On or about 30 September 2023, being the anticipated transfer date of the Property into the name of the Purchaser
Vacancy rate as at 31 August 2022: ¹	46.3%
Value of the Property as at 31 August ² :	R50 million
Sector:	Office- Government

Notes:

1. The weighted average rental, net operating income and vacancy rate in respect of the Property have been extracted from the Company's results for the interim period ended 31 August 2022, which were prepared in terms of International Financial Reporting Standards.
2. The valuation was performed as at 31 August 2022 by Stanton Alberts (Realworx) who is independent from the Company and registered as a professional valuer in terms of the Property Valuers Profession Act, No. 47 of 2000.
3. The financial information in this announcement is the responsibility of the board and has not been reported on or reviewed by Delta's auditors or a reporting accountant.

5. Categorisation and circular

The Disposal is classified as a Category 1 transaction in terms of the JSE Listings Requirements, accordingly, the Disposal is subject to shareholder approval.

A circular, incorporating a notice of general meeting and setting out full details of the disposal (the "**Circular**") will be distributed to Delta shareholders within 60 days of this announcement.

A further announcement will be released on SENS on distribution of the Circular as well as details surrounding the terms and conditions agreed to by both parties.

Extension of posting of circular for the DMFT Disposal

Shareholders are referred to the announcement released by the Company on SENS on Thursday, 13 April 2023, advising that the Company on or about 11 April 2023, entered into heads of agreement with DMFT Property Developers Proprietary Limited ("**DMFT Purchaser**"), in terms of which it proposes to dispose of four of its properties, including their rental enterprises to the DMFT Purchaser, for a purchase consideration of R50 800 000 ("**DMFT Disposals**").

Shareholders were further advised that the DMFT Disposals, classified as a category 1 transaction, are subject to Delta shareholder approval and that a circular, incorporating a notice of general meeting and setting out full details of the DMFT Disposals ("**the DMFT Circular**"), would be distributed to shareholders within 60 days of publication of the announcement on the 13 April 2023.

Shareholders are hereby advised that the JSE Limited has granted the Company an extension to posting of the DMFT Circular to shareholders by no later than 31 July 2023, in order to inter alia conclude the long form agreements relating to the DMFT Disposals.

Johannesburg
30 May 2023

Sponsor
Nedbank Corporate and Investment Banking, a division of Nedbank Limited