

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 TRUSTFONTEIN, 5/7 ELLIOT AND UPDATE ON SUCCESSFUL TRANSFERS OF 5 WALNUT, SEDIBA FOUNTAIN & VLU BUILDINGS AND CAPE ROAD

A. PROPOSED DISPOSAL OF TRUSTFONTEIN AND 5/7 ELLIOT

1. Introduction

Delta shareholders are hereby advised that the Company (the "Seller") has entered into separate agreements ("Agreements") with Siguroni Investments Proprietary Limited ("Purchaser One") and Candy Sun Liquor Proprietary Limited ("Purchaser Two") (collectively the "Purchasers"), to dispose of two of its properties ("Disposals") as detailed below:

- 1.1. the disposal to Siguroni of the letting enterprise situated at 149-151 St Andrews Street, Bloemfontein, Free State, together with all buildings and improvements thereon, as more commonly known as "Trustfontein" ("Property One");
- 1.2. the disposal to Candy Sun Liquor of the property situated at 5 -7 Elliot Street, Kimberley, Northern Cape, together with all buildings and improvements thereon, as more commonly known as "5/7 Elliot" ("Property Two");

collectively hereafter referred to as the "Disposals" for a combined cash consideration of R19.3 million excluding Value Added Tax ("VAT") as detailed in paragraph 3.3 below.

2. Rationale and use of proceeds

- 2.1. As part of the Company's business and portfolio strategy of optimisation, it was agreed to dispose of assets which are no longer strategic to the Company. In keeping with this strategy, the Company has taken a decision to exit certain regions, including Bloemfontein and Kimberley. Property One and Property Two fall in the category of assets that are being disposed of by virtue of their location in these regions.
- 2.2. The combined net proceeds from the Disposals of R19.3 million will be utilised by the Company to reduce debt and the Loan-to-Value ratio (LTV) by approximately 0.2% from 61.4% to 61.2% and will consequently reduce the Delta portfolio vacancy levels by 0.7% from 33.9% (as of 31 August 2023) to 33.2%.

3. Terms and conditions of the Disposals

3.1. Purchasers

- The ultimate beneficial shareholders of the Purchaser One are Valentine Rantsoareng, Johannes Hendrik Josef Rheeder and Pieter Blomerous Ruthven. The Purchasers are not 'related parties' as defined in the Listings Requirements of the JSE Limited ("JSE").
- The ultimate beneficial shareholder of the Purchaser Two is Guo Qing Ping. The Purchaser is not a 'related party' as defined in the JSE Listings Requirements.

3.2. Effective dates of the Disposals

- Delta has agreed to sell and Purchaser One has agreed to purchase Property One with effect from, and inclusive, of the date on which the registration of transfer of Property One into the name of Purchaser One is effected, which date the Company anticipates will be approximately 30 August 2024.

- Delta has agreed to sell, and Purchaser Two has agreed to purchase Property Two, with effect from, and inclusive, of the date on which the registration of transfer of Property Two into the name of Purchaser Two is effected, which date the Company anticipates will be approximately 30 August 2024.

3.3. Disposal considerations

The Property One disposal consideration is R15 million inclusive of VAT at 0%, payable in cash, as follows:

- 3.3.1. R1.5 million non-refundable deposit payable within 24 hours of joint signature of the Agreement (which has already been received by Delta's attorneys); and
- 3.3.2. R13.5 million secured by way of guarantees, acceptable to the Seller, which guarantees shall be expressed as payable on registration of the transfer of the Property One to the Purchaser. The guarantees are to be delivered within forty-five days from the date of signature of the Agreement.

The Property Two Disposal Consideration is R5 million inclusive of VAT at 15%, payable in cash, as follows:

- 3.3.3. R0.5 million non-refundable deposit payable within 24 hours of joint signature of the Agreement (which has already been received by Delta's attorneys) ; and
- 3.3.4. R4.5 million secured by way of guarantees, acceptable to the Seller, which guarantees shall be expressed as payable on registration of the transfer of the Property to the Purchaser. The guarantees are to be delivered within sixty days from the date of signature of the Agreement.

3.4. Conditions precedent

The Disposals are subject to fulfilment of the following conditions precedent:

- 3.4.1. payment of the non-refundable deposits will be made in accordance with paragraphs 3.3.1 and 3.4.1 above;
- 3.4.2. within 10 business days of the respective signature dates of the Agreements ("**Signature Date**"), the Purchasers shall have provided the Seller with a copy of the resolution of the board of directors of the Purchasers authorising the Purchasers to conclude the Disposal in accordance with the terms and conditions of the Agreement;
- 3.4.3. within 10 business days of the Signature Date, the board of directors of the Seller ("**Board**") shall have passed a resolution authorising the Seller to conclude the Disposals in accordance with the terms and conditions of the Agreements;
- 3.4.4. within 120 days after the Signature Date, the Seller and Purchasers have complied with the JSE Listings Requirements (insofar as may be applicable to these Agreements or to any party), obtained such consents and approvals required and have taken such corporate actions required to approve and ratify the entering into and implementation of the Agreements.

3.5. Representations and warranties

The Agreement contains representations and warranties by the parties in favour of one another which are standard for transactions of this nature.

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

	Property 1 Trustfontein	Property 2 5/7 Elliot
Location:	ERF 24891 Bloemfontein, District Bloemfontein, Province Free State in the extent of 1413 square metres held under title deed no: ST390/2016	ERF 7365 Kimberly, 5-7 Elliot Street, Kimberley, Northern Cape in the extent of 7087 square metres held by deed of transfer no: T826/2013
Gross lettable area:	6 369m ²	2 300m ²
Weighted average rental as at 31 August 2023 ¹ :	R67.3/m ²	R0/m ²
Net operating (loss)/income ¹ :	(R0.9 million)	(0.5 million)
Vacancy rate at 31 August 2023 ¹ :	94.4%	100%
Effective date of the Disposals:	On or about 30 August 2024, being the anticipated transfer date of the	On or about 30 August 2024, being the anticipated transfer date of

	Property into the name of the Purchaser	the Property into the name of the Purchaser
Sector:	Office – Government	Office – Government
Value of the Properties as at 28 February 2023 ² :	R9.7 million	R6.7 million
Debt funder :	Investec	Standard Bank
Disposal Consideration (exclusive of VAT):	R15 million	R4.3 million

Notes:

1. The weighted average rental, net operating income and vacancy rate in respect of Property One and Property Two have been extracted from the Company's interim financial statements for the six months ended 31 August 2023, which were prepared in terms of International Financial Reporting Standards and the Companies Act, 2008.
2. The valuations for Property One and Property Two were performed as at 28 February 2023 by Theuns Behrens (Real Insight) and Riaan Fourie (CBRE), respectively, who are independent from the Company and registered as professional valuers in terms of the Property Valuers Profession Act, No. 47 of 2000.
3. The financial information contained in this announcement is the responsibility of the board of directors of Delta and has not been reviewed and reported on by Delta's auditors or a reporting accountant.

5. Categorisation

- 5.1. The Disposals of 'Property One' is classified as Category 2 transaction in terms of the JSE Listings Requirements and accordingly, is not subject to shareholder approval.
- 5.2. The Disposal of 'Property Two' does not constitute a categorised transaction in terms of the JSE Listings Requirements and accordingly, this information is disclosed on a voluntary basis.

B. VOLUNTARY ANNOUNCEMENT REGARDING THE SALE AND SUCCESSFUL TRANSFER OF 5 WALNUT, SEDIBA FOUNTAIN & VLU BUILDINGS AND CAPE ROAD

Delta shareholders are further advised that the Company has now successfully concluded the disposals of Portion 2 of Erf 11715 Durban ("**5 Walnut**"), Remainder of Erf 15092 and Portion 2 of Erf 15092 and Erf 9926 Bloemfontein ("**Sediba, Fountain & VLU Buildings**") and Erf 3058 Port Elizabeth ("**Cape Road**"). The combined building GLAs are 29 759m² (of which 65.7% was vacant at the date of transfer).

The sale agreement for 5 Walnut was concluded with Goldview Africa (Pty) Ltd (the "**Goldview**") on 29 November 2023 for a total disposal consideration of R46 million (inclusive of VAT). 5 Walnut has subsequently been registered and transferred to Goldview on 4 April 2024.

The sale agreement for Sediba, Fountain & VLU was concluded with Coffee Shop At Tyres (CC) and Dimatone Proprietary Limited (the "**Joint Purchasers**") on 29 September 2023 for a total disposal consideration of R26,1 million (inclusive of VAT). The properties have subsequently been registered and transferred to the Joint Purchasers on 25 April 2024.

The sale agreement for Cape Road was concluded with Slip Knot Investments 777 Proprietary Limited ("**Slip Knot Investments**") on 23 November 2023 for a total disposal consideration of R33 000 000.00 (inclusive of VAT). Cape Road has subsequently been registered and transferred to Slip Knot Investments on 5 May 2024.

The net proceeds of the Disposals have been utilised to settle outstanding debt in respect of the properties referred to above.

Johannesburg
14 May 2024

Sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited