

## 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 FIVE PROPERTIES

### 1. Introduction

Delta shareholders are hereby advised that the Company has entered into five separate sale agreements (the "**Sale Agreements**") with five distinct purchasers (the "**Purchasers**"), who are not associates of one another, to dispose of the following properties (the "**Properties**"):

- 1.1 a sale agreement with Luis Antonio Narciso on behalf of a company to be formed/ nominee ("**Purchaser One**"), to dispose of its property situated at **67 Middle Road, Bardene Extension 42, Boksburg** made up of **Erf 1281, Bardene Extension 42**, including immovable assets thereon known as the "In2Fruit" building ("**Property One**"), for a cash consideration of R10.8 million;
- 1.2 a sale agreement with Tupelostax Investments Proprietary Limited ("**Purchaser Two**"), to dispose of its property situated at 244 Vonkprop Road, Samcor Park Extension 1, Silverton made up of Erf 20, Samcor Park Extension 1, City of Tshwane including immovable assets thereon known as the "Protea Coin" building ("**Property Two**"), for a cash consideration of R2.8 million
- 1.3 a sale agreement with Guder Properties Proprietary Limited ("**Purchaser Three**"), to dispose of its property situated at 25 -29 Rissik Street, Marshall Town, Johannesburg made up of Erven 242, 246 and 1100 Marshalltown Township, including immovable assets thereon known as the "Unisa" building ("**Property Three**"), for a cash consideration of R18.5 million;
- 1.4 a sale agreement with Aberaha Trading Proprietary Limited ("**Purchaser Four**"), to dispose of its property situated at 17 Henshall Street, Nelspruit made up of Erf 115 Nelspruit, including immovable assets thereon known as the "Stats House" building ("**Property Four**"), for a cash consideration of R8.5 million;
- 1.5 a sale agreement with Bemath Poverty Alleviation Trust ("**Purchaser Five**"), to dispose of its Leasehold Rights in respect of the Property situated at 260 Monty Naicker Street, Durban made up of Erf 11942, Durban, including immovable assets thereon known as the "Pine Parkade" building ("**Property Five**"), for a cash consideration of R23 million;

collectively the "**Disposals**".

### 2. Rationale and use of proceeds

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 non- core properties within its portfolio. All of the Properties cited above fall into the classification of "non- core properties" and were disposed of via auction. This auction sale method was elected primarily for the purpose of achieving an efficient disposal outcome on Properties which collectively comprise a sub-set of the Company's portfolio which is significantly underperforming and diluting the overall portfolio performance. This underperformance is due to a prolonged and high combined vacancy rate amongst them with limited prospect of significant improvement in the short to medium term on account of prevailing market conditions.

The combined proceeds from the Disposals of R63.60 million will be utilised by the Company to reduce debt and to reduce vacancy levels by 2.0% from 33.4% (as of 29 February 2024) to 31.4% (implying that 25 531 m<sup>2</sup> of vacant space will be disposed of).

The Company further expects to reduce and minimise annual operating costs as a result of the Disposals, thereby directly enhancing the Company's return on investment.

### 3. Terms and conditions of the Disposals

#### 3.1 Purchasers

3.1.1 The ultimate beneficial shareholder of:

3.1.1.1 Purchaser One is Luis Antonio Narciso;

3.1.1.2 Purchaser Two is Marinus Schoeman;

3.1.1.3 Purchaser Three is Hussen Reshid Shikur;

3.1.1.4 Purchaser Four is Tadesse Haile Aberaha and Rahel Gaim Desbele; and

3.1.1.5 Purchaser Five is Suleman Bemath.

3.1.2 None of the abovementioned Purchasers are a 'related party' in terms of the JSE Limited ("JSE") Listings Requirements.

#### 3.2 The Disposals

3.2.1 Delta has agreed to sell and the Purchasers have agreed to purchase the Properties with effect from the date on which the registration of transfer of the Properties into the names of the respective Purchasers is effected, which date the Company anticipates will be approximately 14 February 2025.

#### 3.3 Disposal considerations

Property	Cash consideration (exclusive of VAT) R'million	Payable as follows	
		Non-refundable (already received by Delta's conveyancers) R'million	deposit Guarantees to be delivered within sixty days from the date of signature of the Sale Agreement(s) R'million
Property One	10.80	0.54	10.26
Property Two	2.80	0.28	2.52
Property Three	18.5	1.85	16.65
Property Four	8.50	0.425	8.075
Property Five	23.00	2.30	20.70

#### 3.4 Conditions precedent

The Disposals are subject to fulfilment (or waiver, as the case may be) of the following conditions precedent:

3.4.1 within 10 business days of signature of the applicable Sale Agreement, the applicable Purchaser shall have provided Delta with a copy of the resolutions of the board of directors of the applicable Purchaser authorising the applicable Purchaser to conclude the Disposal on the terms and conditions of the applicable Sale Agreement;

3.4.2 within 120 calendar days after the signature date, the parties have complied with the JSE Listings Requirements (insofar as this may be applicable), and obtained such consents and approvals as may be required;

3.4.3 within 120 calendar days after the signature date, to the extent necessary, any prior written approval required from the Competition Authorities has been obtained in terms of the Competition Act, No 89 of 1998; and

- 3.4.4 only with respect to Property Five, within 120 calendar days following the signature date, Delta obtains consent in writing from the lessor of Property Five to conclude the Disposal.

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

	Property One
Gross lettable area:	11 177m <sup>2</sup>
Weighted average rental <sup>1</sup> :	R0/m <sup>2</sup>
Net operating (loss)/income <sup>1</sup> :	(R0.579 million)
Vacancy rate <sup>1</sup> :	100%
Effective date of the Disposal:	On or about 14 February 2025, being the anticipated transfer date of Property Two into the name of Purchaser Two
Sector:	Industrial
Valuation <sup>3</sup>	R20 000 000.00

	Property Two
Gross lettable area:	2 090m <sup>2</sup>
Weighted average rental <sup>1</sup> :	R 0/m <sup>2</sup>
Net operating (loss)/income <sup>1</sup> :	(R1.17 million)
Vacancy rate <sup>1</sup> :	100%
Effective date of the Disposal:	On or about 14 February 2025, being the anticipated transfer date of Property Three into the name of Purchaser Three
Sector:	Office – Other
Valuation <sup>3</sup>	R5 100 000.00

	Property Three
Gross lettable area:	10 055m <sup>2</sup>
Weighted average rental <sup>1</sup> :	R10/m <sup>2</sup>
Net operating (loss)/income <sup>1</sup> :	(R2.85 million)
Vacancy rate <sup>1</sup> :	95.1%
Effective date of the Disposal:	On or about 14 February 2025, being the anticipated transfer date of Property Four into the name of Purchaser Four
Sector:	Office – Other
Valuation <sup>3</sup>	R43 000 000.00

	Property Four
Gross lettable area:	2 827m <sup>2</sup>
Weighted average rental <sup>1</sup> :	R50.3/m <sup>2</sup>
Net operating (loss)/income <sup>1</sup> :	R0.75 million
Vacancy rate <sup>1</sup> :	58%
Effective date of the Disposal:	On or about 14 February 2025, being the anticipated transfer date of Property Six into the name of Purchaser Six
Sector:	Office – Government
Valuation <sup>2</sup>	R21 840 000.00

	Property Five
Gross lettable area:	2 986m <sup>2</sup>
Weighted average rental <sup>1</sup> :	R125.5/m <sup>2</sup>
Net operating (loss)/income <sup>1</sup> :	R4.0 million
Vacancy rate <sup>1</sup> :	35.8%
Effective date of the Disposal:	On or about 14 February 2025, being the anticipated transfer date of Property Eight into the name of Purchaser Seven
Sector:	Retail
Valuation <sup>3</sup>	R83 000 000.00

**Notes:**

1. The weighted average rental, net operating (loss)/income and vacancy rates in respect of Properties have been extracted from the Company's annual financial statements for the period ended 29 February 2024, which were prepared in terms of International Financial Reporting Standards.
2. The valuation of Property Four was performed as at 29 February 2024 by Riaan Fourie (CBRE) 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 valuations of the other Properties were performed as at 29 February 2024 by Hendrik Fouche (Valuation DNA) who is independent from the Company and registered as a professional valuer in terms of the Property Valuers Profession Act, No. 47 of 2000.

The financial information contained in this announcement is the responsibility of the Board of Directors of Delta and has not been reviewed or reported on by Delta's auditors or reporting accountant.

## 5. Categorisation

The Disposals of Property One, Property Three, Property Four, and Property Five, are classified as Category 2 transactions and Property Two as an uncategorised transaction in terms of the JSE Listings Requirements. Accordingly, these Disposals are not subject to shareholder approval.

Johannesburg  
28 October 2024

**Sponsor**

Nedbank Corporate and Investment Banking, a division of Nedbank Limited