

## **Delta Property Fund Limited**

(Incorporated in the Republic of South Africa)

(Registration number 2002/005129/06)

Share code: DLT ISIN: ZAE000194049

("Delta" or "the Fund" or "the Group")

(REIT status approved)

### **Tax implications**

Further to the audited condensed consolidated financial results for the year ended 29 February 2016 released on SENS today, set out below the tax implication for the dividend payment.

#### **Tax implications for South African resident shareholders**

Dividends received by or accrued to South African tax residents must be included in the gross income of such shareholders and are not exempt from income tax in terms of the exclusion to the general dividend exemption contained in Section 10(1)(k)(i)(aa) of the Income Tax Act because they are dividends distributed by a REIT. These dividends are, however, exempt from dividend withholding tax ("Dividend Tax") in the hands of South African resident shareholders provided that the South African resident shareholders have provided to the CSDP or broker, as the case may be, in respect of dematerialised shares, or the transfer secretaries, in respect of certificated shares, a DTD (EX) (Dividend Tax : Declaration and undertaking to be made by the beneficial owner of a share) form to prove their status as a South African resident and indicating the exemption upon which they are relying.

If resident shareholders have not submitted the abovementioned documentation to confirm their status as a South African resident, they are advised to contact their CSDP or broker, as the case may be, to arrange for the documents to be submitted prior to the payment of the dividend.

#### **Tax implications for non-resident shareholders**

Dividends received by non-resident shareholders from a REIT will not be taxable as income and will be exempt from income tax in terms of the exemption in Section 10(1)(k)(i) of the Income Tax Act. With effect from 1 January 2014, any dividend received by a non-resident from a REIT will be subject to Dividend Tax at 15%, 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 non-resident shareholder. Assuming Dividend Tax will be withheld at the current rate of 15%, the net dividend amount due to non-resident shareholders is 40.72219 cents per share. A reduced Dividend Tax rate in terms of the applicable DTA, may only be relied on if the non-resident shareholder has provided the following forms to the CSDP or broker, as the case may be, in respect of dematerialised shares, or the transfer secretaries, 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 the CSDP, broker or the transfer secretaries, 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.

If applicable, non-resident shareholders are advised to contact their CSDP, broker or the transfer secretaries, 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.

688 327 947 Delta shares are in issue at the date of this dividend declaration and Delta's income tax reference number is 9464252148. A total number 533,097,436 shares are subject to the dividend declaration.

16 May 2016

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