

**DELTA PROPERTY FUND LTD**

(Incorporated in the Republic of South Africa)

(Registration number 2002/005129/06)

JSE share code: DLT

JSE Alpha code: DLT1

(Approved as a REIT by the JSE)

("Delta")

REBOSIS PROPERTY FUND LTD

(Incorporated in the Republic of South Africa)

(Registration number 2010/003468/06)

JSE share codes: REA ISIN: ZAE000240552

REB ISIN: ZAE000201687

JSE alpha code: REBI

(Approved as a REIT by the JSE)

("Rebosis")

JOINT CAUTIONARY ANNOUNCEMENT – POTENTIAL MERGER OF DELTA AND REBOSIS

Shareholders of Delta and Rebosis (the "**Parties**") are advised that their respective boards have, in-principle, agreed to enter into exclusive merger discussions in order to affect a potential transaction, subject to various outstanding matters and stakeholder engagement and support ("**Merger**").

Transaction Rationale

Delta and Rebosis are well respected Real Estate Investment Trusts with a focus on retail and commercial property in South Africa. The Merger represents a natural consolidation of the Parties' shared vision and strategy for the South African real estate market and represents a mutually beneficial step in unlocking value for shareholders. It is envisaged that the Merger will result in, *inter alia*, the following benefits:

- provide scale and diversification in the sector through consolidation of the individual balance sheets of the Parties;
- enhance the Parties relationship with the Department of Public Works and Government;
- provide scale for restructuring the Parties' balance sheets, particularly as it relates to managing the loan-to-value ratio to an optimal level;
- provide for the reduction in capital costs through credit profile enhancement; and
- bolster tradability and improve liquidity for shareholders through the creation of a significant player of scale.

Next Steps

As is standard with a transaction of this nature, the next steps include a reciprocal due diligence, discussions with key stakeholders, finalisation of the transaction structure, decisions around the new management team and board composition. Shareholders and the market will be updated on the process in this regard.

Cautionary

Accordingly, Delta and Rebosis shareholders are advised that, as discussions between the Parties are ongoing, shareholders should exercise caution when dealing in the securities of Delta and Rebosis, until a further announcement is made.

Johannesburg

6 August 2019

Transaction Advisor and Transaction Sponsor to
Delta



Transaction Advisor to Rebosis



Sponsor to Delta and Rebosis

