

The definitions commencing on page 4 of this circular apply, *mutatis mutandis*, to this front cover.

This circular is important and requires your immediate attention

If you are in any doubt as to what action you should take arising from this circular, please consult your CSDP, broker, banker, attorney, accountant or other professional advisor immediately.

If you have disposed of all of your Delta linked units, please forward this circular to the purchaser of such linked units or to the broker, CSDP, banker, attorney, or other agent through whom the disposal was effected.

Action required

Delta linked unitholders are referred to page 1 of this circular, which sets out the action required by them.



(formerly Tuffsan 89 Investment Holdings Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2002/005129/06)
Share code: DLT ISIN: ZAE000172052

Circular to Delta linked unitholders

relating to:

- the proposed acquisition by Delta of four properties from Manaka, being a category 1 transaction in terms of the listings requirements

and incorporating:

- a notice convening a general meeting of Delta linked unitholders; and
- a form of proxy (*blue*) for use by certificated and own-name dematerialised Delta linked unitholders in respect of the general meeting of Delta linked unitholders

Investment bank, corporate
advisor and sponsor



Independent reporting
accountants



Legal advisor



Independent valuers

SIMUNYE VALUERS & PROPERTY CONSULTANTS CC



Transaction communication advisor



CORPORATE INFORMATION AND ADVISORS

The definitions commencing on page 4 of this circular apply, *mutatis mutandis*, to this Corporate Information and Advisor section:

Company secretary and registered office

Paula Nel
BCom (*Majoring in Economics and Business Administration*)
Associate of the South African Institute of Chartered Secretaries and Administrators

Motseng House
204 Rivonia Road
Morningside, 2199
(PO Box 652836, Benmore, 2010)

Debenture trustee

Maitland Trust Limited
(Registration number 1981/009543/06)
1 Protea Place
Sandown, 2196
(PO Box 781396, Sandton, 2146)

Legal advisor

LD Immerman Attorneys
10 Bolton Road
Parkwood, 2193
Johannesburg
10 Bolton Road, Parkwood, 2193
(Postnet suite 64, Private bag X7, Parkview Johannesburg, 2122)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Transaction and communication advisor

College Hill Proprietary Limited
(Registration number 1997/02334/07)
Fountain Grove Office Park
5 Second Road
Hyde Park, 2196
(PO Box 413187, Craighall, 2024)

Date of incorporation: 5 March 2002

Place of incorporation: Johannesburg

Investment bank, corporate advisor and sponsor

Nedbank Capital, a division of Nedbank Limited
(Registration number 1951/000009/06)
135 Rivonia Road
Sandown, 2196
(PO Box 1144, Johannesburg, 2000)

Independent reporting accountants and auditors

BDO South Africa Incorporated
(Registration number 1995/002310/21)
22 Wellington Road
Parktown, 2193
(Private Bag X60500, Houghton, 2041)

Independent property valuers

Active Blue Valuation Solutions CC
(Registration number 2004/117064/23)
3 Oude Westhof Medical Centre
Van Riebeeckshof Road
Oude Westhof, 7530
(Private Bag X2, Suite 65, Welgemoed, 7538)

Simunye Valuers & Property Consultants CC
(Registration number 2002/054480/23)
110 4th Avenue
Newton Park
Port Elizabeth, 6045

Real Insight, a division of Alternative Real Estate Capital Management Proprietary Limited
(Registration number 2007/030410/07)
4th Floor, South Block, Hyde Park Shopping Centre
Hyde Park
Sandton, 2196
(PO Box 412581, Craighall, 2024)

ACTION REQUIRED BY DELTA LINKED UNITHOLDERS

The definitions commencing on page 4 of this circular apply, *mutatis mutandis*, to this action required by Delta linked unitholders section.

Please take careful note of the following provisions regarding the action required by Delta linked unitholders:

- This circular contains information relating to the proposed acquisition. You should read this circular carefully and decide how you wish to vote on the resolutions to be proposed at the general meeting.
- The general meeting, convened in terms of the notice incorporated in this circular, will be held at Delta's registered office, Motseng House, 204 Rivonia Road, Morningside, 2199 on Monday, 25 March 2013, commencing at 10:00.
- If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, attorney, accountant, or other professional advisor immediately.

1. If you have disposed of all of your Delta linked units

You should forward this circular to the purchaser of such Delta linked units or to the broker, CSDP, banker, attorney, or other agent through whom the disposal was effected.

2. If you hold certificated Delta linked units

You are entitled to attend in person, or be represented by proxy, at the general meeting.

If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (*blue*), in accordance with the instructions contained therein, to be received by the transfer secretaries by no later than 10:00 on Wednesday, 20 March 2013.

3. If you hold dematerialised Delta linked units

3.1 Own-name registration

You are entitled to attend in person, or be represented by proxy, at the general meeting.

If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (*blue*), in accordance with the instructions contained therein, to be received by the transfer secretaries by no later than 10:00 on Wednesday, 20 March 2013.

3.2 Other than own-name registration

Your CSDP or broker should contact you to ascertain how you wish to cast your vote at the general meeting, and thereafter cast your vote in accordance with your instructions. You should communicate such instructions to your CSDP or broker timeously, as your CSDP or broker has to communicate these instructions to the transfer secretaries by no later than 10:00 on Wednesday, 20 March 2013.

If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and furnish them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.

You are entitled to attend in person, or be represented by proxy, at the general meeting. If you wish to attend or be represented at the general meeting, you must obtain the necessary letter of representation from your CSDP or broker to enable you to attend or to be represented at the general meeting. You must not complete the attached form of proxy (*blue*).

Delta does not accept responsibility and will not be held liable for any failure on the part of the CSDP of a dematerialised Delta linked unitholder to notify such linked unitholder of the general meeting or any business to be conducted at the general meeting.

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SALIENT DATES AND TIMES

The definitions commencing on page 4 of this circular apply, *mutatis mutandis*, to this salient dates and times section:

2013

Circular and notice of general meeting posted to Delta linked unitholders on	Thursday, 28 February
Last day to trade in order to be eligible to vote at the general meeting	Friday, 8 March
Record date for voting at the general meeting	Friday, 15 March
Forms of proxy for the general meeting to be received by 10:00 on	Wednesday, 20 March
General meeting to be held at 10:00 on	Monday, 25 March
Publication of results of the general meeting on SENS on	Monday, 25 March
Publication of results of the general meeting in the press on	Tuesday, 26 March

Notes

1. All dates and times are South African dates and times.
2. The above dates and times are subject to amendment. Any such amendment will be announced on SENS and published in the South African press.
3. This circular is available in English only. Copies of this circular can be obtained from Thursday, 28 February 2013, during normal business hours from the registered office of Delta whose address is set out in the "Corporate Information and Advisors" section of this circular.

DEFINITIONS AND INTERPRETATIONS

In this circular, unless otherwise stated or the context otherwise indicates, the words in the first column below shall have the meaning stated opposite them in the second column, reference to the singular shall include the plural and *vice versa*, words denoting one gender shall include the other genders, and an expression denoting natural persons shall include juristic persons and associations of persons:

"5 Elliot Street"	the building situated at 5 Elliot Street, Kimberley;
"12 New Street"	the building situated at 12 New Street South, Johannesburg;
"13 Elliot Street"	the building situated at 9 Kelvin Street, Kimberley;
"14 New Street"	the building situated at 14 New Street South, Johannesburg;
"539 Church Street"	the building situated at 539 Church Street, Arcadia, Pretoria;
"acquisition agreement"	the agreements entered into between Delta and Manaka, dated 24 January 2013, in terms of which Delta proposes acquiring the rental enterprises of the Manaka property portfolio from Manaka;
"acquisition properties"	one or all of the following immovable properties, including all structural improvements and all fixtures and fittings, as the case may be: <ul style="list-style-type: none">• Bestmed building;• Anchor House building;• In 2 Fruit building;• Edcon building;• Hensa Towers;• 539 Church Street;• Protea Coin portfolio;• Trifecta portfolio;• OPH portfolio; and• Manaka property portfolio;
"Active Blue"	Active Blue Valuation Services CC (Registration number 2004/117064/23), a close corporation incorporated in South Africa and one of the independent property valuers to Delta;
"Anchor House building"	the building situated at 63 Maitland, Bloemfontein, Free State;
"asset management agreement"	the agreement entered into between the company and the asset manager on 1 October 2012 and amended on 15 October 2012, in terms of which the asset manager is appointed to perform asset management services to the group;
"asset manager"	MPI Property Asset Management Proprietary Limited (Registration number 2012/084027/7), a private company incorporated in South Africa and the asset manager to Delta;
"associate"	an associate as defined in the listings requirements;
"Beacon Hill building agreement"	the acquisition agreement entered into on 6 September 2012, and amended on 1 October 2012, between Delta and ESDA Properties Proprietary Limited, in terms of which Delta acquired the Beacon Hill building;
"BEE"	black economic empowerment;
"BEE Act"	the BEE Act No. 53 of 2003, as amended from time to time;
"Bestmed building"	the building situated at 36 Hamilton Street, Arcadia, Pretoria;
"Block G acquisition agreement"	the deed of cession and assignment entered into on 28 August 2012, and amended on 3 October 2012, between Hestitrix and the Block G building cedents, in terms of which Hestitrix, a wholly-owned subsidiary of Delta, acquired the rental enterprise from the Block G building vendors;
"Block G building vendors"	Atterbury Investment Holdings Proprietary Limited (Registration number 1997/000543/06), a public company incorporated in South Africa and Parkdev SA Proprietary Limited (Registration number 1992/0003266/07), a private company incorporated in South Africa, collectively the "vendors of the Block G building";

"board" or "directors"	the board of directors of Delta whose names are reflected on page 9 of this circular;
"certificated Delta linked units"	Delta linked units that have not yet been dematerialised, title to which is represented by documents of title;
"certificated Delta linked unitholders"	Delta linked unitholders who hold certificated Delta linked units;
"circular"	this circular, dated 28 February 2013, including all annexures, the notice of general meeting and the form of proxy (<i>blue</i>) contained herein;
"conditions precedent"	the conditions precedents to the proposed acquisition, as set out in paragraph 3.3 of this circular;
"contracts"	the leases and any maintenance contracts in respect of the Manaka property portfolio;
"Competition Act"	the Competition Act, No. 89 of 1998, as amended;
"Competition Authorities"	the applicable competition authorities in terms of the Competition Act;
"Copapax"	Copapax Proprietary Limited (Registration number 2010/012888/07), a private company registered and incorporated in South Africa;
"CSDP"	a central securities depository participant, appointed by individual Delta linked unitholders for the purpose of, and in regard to, dematerialisation in terms of the Securities Services Act;
"debenture"	a variable rate, unsecured, subordinated debenture with a nominal value of R1.15 issued by the company in terms of the memorandum of incorporation and regulated in terms of the debenture trust deed;
"debenture trust deed"	the debenture trust deed, dated 29 September 2012 and amended on 16 October 2012, in respect of the debentures entered into between the company and the debenture trustee;
"debenture trustee"	Maitland Trust Limited (Registration number 1981/009543/06), a private company incorporated in South Africa and the debenture trustee to Delta;
"Delta" or "the company"	Delta Property Fund Limited (Registration number 2002/005129/06), a public company registered and incorporated in South Africa, formerly a private company incorporated under the name Tuffsan 89 Investment Holdings Proprietary Limited;
"Delta group" or "group"	Delta and its subsidiaries as defined in the Companies Act 2008;
"dematerialised Delta linked units"	Delta linked units that have been incorporated into the Strate system and which are held on the company's sub-register in electronic form in terms of the Securities Services Act;
"dematerialised Delta linked unitholders"	Delta linked unitholders who hold dematerialised Delta linked units;
"DPW"	the National Department of Public Works;
"Du ToitSpan"	the building situated at 95 Du ToitSpan Street, Kimberley;
"Edcon building"	the building situated at 5 Handel Street, Ormonde, Johannesburg;
"founders"	collectively, Johannes Bhekumuzi Magwaza, Sandile Hopeson Nomvete, Bronwyn Anne Corbett, Ipeleng Nonkululeko Mkhari, Mlekeleli Bruce Zungu and Vincent Jabulani Mriga;
"general meeting"	the general meeting of Delta linked unitholders to be held at the registered office on Monday, 25 March 2013 at 10:00 to consider and, if deemed appropriate, pass the resolutions;
"GLA"	gross lettable area;
"government"	the Government of South Africa;
"Hallmark building"	the building situated at 233 Johannes Ramokhoase (Proes) Street, Pretoria;
"Hendisa acquisition agreement"	the acquisition agreement entered into on 6 September 2012, and amended on 1 October 2012, between Delta, Ernest Hendrik le Roux, the Executor Estate Late Zacharias Christiaan Kruger, D. Kourtoumbellides and Hendisa Investments Proprietary Limited, in terms of which Delta will acquire the entire issued share capital of Hendisa Investments Proprietary Limited, which in turn owns the rental enterprise conducted on Hensa Towers;

"Hensa Towers"	the building situated at the corner of Landros Mare and Rabie Streets, Polokwane, Limpopo;
"Hestitrix"	Hestitrix Proprietary Limited (Registration number 2010/0015274/07), a private company registered and incorporated in South Africa and a wholly-owned subsidiary of Delta;
"IFRS"	International Financial Reporting Standards;
"independent reporting accountants and auditors" or "BDO"	BDO South Africa Incorporated (Registration number 1995/002310/21), a private company incorporated in South Africa and the independent reporting accountants to Delta;
"In 2 Fruit building"	the building situated at 67 Middle Road, Bartlett, Boksburg;
"independent valuers"	collectively, Active Blue, Real Insight and Simunye Valuers & Property Consultants;
"initial shareholders"	collectively, Johannes Bhekumuzi Magwaza, Sandile Hopeson Nomvete, Ipeleng Nonkululeko Mkhari, Mlekeleli Bruce Zungu, Vincent Jabulani Mriga and/or their associates;
"JSE"	JSE Limited (Registration number 2005/022939/06), a public company registered and incorporated in South Africa, licensed as an exchange under the Securities Services Act;
"last practicable date"	the last practicable date prior to the finalisation of this circular, being, Friday, 22 February 2013;
"leases"	the existing lease agreements entered into in respect of the Manaka property portfolio as at the date of signature of the acquisition agreement;
"Liberty Towers building"	the building situated at 214 Dr Pixley Kaseme Street, Durban Central;
"Liberty Towers building agreement"	collectively, the agreement entered into on 10 September 2012 and amended on 21 September 2012 and the reinstatement and amendment agreement entered into on 28 September 2012, between Delta and Copapax, in terms of which Delta acquired the Liberty Towers building;
"linked units" or "Delta linked units"	ordinary shares linked to debentures in the ratio of one ordinary share to one debenture, trading as linked units on the JSE;
"linked unitholders" or "Delta linked unitholders"	the holders of linked units;
"listing date"	2 November 2012;
"listings requirements"	the listings requirements of the JSE, as amended from time to time;
"m ² " or "sqm"	square metres;
"memorandum of incorporation"	the memorandum of incorporation of Delta;
"Manaka"	Manaka Property Investments Proprietary Limited (Registration number 2007/001590/07), a private company registered and incorporated in South Africa;
"Manaka Continental"	the building situated at the corner of Bosman and Visagie Streets, Pretoria;
"Manaka Heights"	the building situated at 167 Andries Street, Pretoria;
"Manaka House"	the building situated at the corner of Pretorius and Thabo Sehume (Andries) Streets, Pretoria;
"Manaka property portfolio"	one or all of the following four immovable properties, including all structural improvements and all fixtures and fittings, as the case may be: <ul style="list-style-type: none"> • Manaka House; • Manaka Heights; • Hallmark building; and • Manaka Continental;
"material pre-listing acquisition agreements"	collectively, the NPA Cape Town building agreement, the Beacon Hill building agreement, the Block G acquisition agreement and the Liberty Towers building agreement;
"Mesidox"	Mesidox Proprietary Limited, (Registration number 2010/001440/07), a private company registered and incorporated in South Africa, whose shares are held by the asset management shareholders;

"Motseng"	Motseng Investment Holdings Proprietary Limited (Registration number 2000/025699/07), a private company incorporated in South Africa;
"Motseng Property Services" or "the property manager"	Motseng Property Services Company Proprietary Limited (Registration number 2001/007004/07), a private company incorporated in South Africa who has been appointed as the property manager to Delta;
"Nedbank Capital"	Nedbank Capital, a division of Nedbank Limited (Registration number 1951/000009/06), a public company registered and incorporated in South Africa;
"NPA Cape Town building agreement"	collectively, the acquisition agreement and the reinstatement and amendment agreement, entered into on 27 August 2012 and 1 October 2012, respectively, and amended on 5 October 2012 and 12 October 2012, between Delta and Mesispot Proprietary Limited, in terms of which Delta acquired the NPA Cape Town building;
"OPH Portfolio"	the three property and letting enterprises conducted on the properties comprising 12 New Street, 14 New Street and Unisa House;
"ordinary share"	an ordinary no par value share in the share capital of Delta;
"other acquisitions"	the proposed acquisition by Delta of the acquisition properties excluding the Manaka property portfolio;
"pre-listing statement" or "PLS"	Delta's pre-listing statement, and its annexures, dated Tuesday, 23 October 2012;
"proposed acquisition"	the proposed acquisition by Delta of the rental enterprises conducted on the Manaka property portfolio;
"purchase price"	the purchase price in respect of the proposed acquisition, being R729 352 081 (seven hundred and twenty-nine million three hundred and fifty-two thousand and eighty-one rand);
"property management agreement"	the agreement, dated 26 September 2012, entered into between the company and Motseng Property Services Proprietary Limited, in terms of which the property manager is appointed to perform day-to-day property management services to the group;
"property SPVs"	collectively, Mesispot Proprietary Limited, Epipax Proprietary Limited, Hestiscope Proprietary Limited, Talmine Investments Proprietary Limited, Copastep Proprietary Limited and Hestitorque Proprietary Limited;
"property valuations"	the values of the Manaka property portfolio as determined by the independent valuers;
"Protea Coin Cape Town"	the building situated at corner Jerepiko Street and Van Riebeeck Street, Saxenburg Park 2, Cape Town;
"Protea Coin Durban"	the building situated at Cliff Crescent, Edwin Swales Business Park, Durban;
"Protea Coin Pretoria"	the building situated at 20 Vonkprop Street, Samcore Park, Silverton, Pretoria East;
"Protea Coin Portfolio"	the three property and letting enterprises comprising Protea Coin Cape Town, Protea Coin Pretoria and Protea Coin Durban;
"Rand" or "R"	South African Rand;
"Real Insight"	Real Insight, a division of Alternative Real Estate Capital Management Proprietary Limited (Registration number 2007/030410/07), a private company registered and incorporated in South Africa;
"registered office"	Delta's registered office, being Motseng House, 204 Rivonia Road, Morningside, 2199;
"rental enterprises"	the businesses of letting enterprises of the Manaka property portfolio inclusive of the contracts;
"resolutions"	the ordinary resolutions to be passed by the requisite majority of Delta linked unitholders at the general meeting to authorise and approve the proposed acquisition, as more fully set out in the notice of general meeting attached to this circular;

"restructure properties"	collectively, the NPA Cape Town building, 110 Hamilton building, SARS Kimberley building, Cooper House building, Tivoli building and SARS Springs building;
"right of first refusal agreement"	the right of first refusal agreement entered into between Delta and Mesidox, dated 15 October 2012, in terms of which, <i>inter alia</i> , Delta enjoys a right of first refusal over any other property owned by Mesidox that Mesidox wishes to dispose of in future;
"Securities Services Act"	the Securities Services Act, No. 36 of 2004, as amended;
"SENS"	the Securities Exchange News Service of the JSE;
"Simunye Valuers & Property Consultants"	Simunye Valuers & Property Consultants CC (Registration number 2002/054480/23), a close corporation registered and incorporated in South Africa;
"South Africa"	the Republic of South Africa;
"Strate"	Strate Limited (Registration number 1998/022242/06), a public company registered and incorporated in South Africa and which provides the electronic settlement system for transactions that take place on the JSE and off-market trades;
"transfer date"	the date of registration of transfer of the Manaka property portfolio into the name of Delta in the relevant Deeds Office;
"transfer secretaries" or "Computershare"	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company incorporated in South Africa and the transfer secretaries to Delta;
"Trifecta portfolio"	the four property and letting enterprises commonly known as 5 Elliot Street, 13 Elliot Street, Du ToitSpan and Themo Thema;
"Themo Thema"	the building situated at 162 George Street, Kimberley;
"UNISA House"	the building situated at 25 and 29 Rissik Street, Marshalltown; and
"VAT"	Value-Added Tax as levied from time to time in terms of the Value Added Tax Act, 89 of 1991.



(formerly Tuffsan 89 Investment Holdings Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2002/005129/06)
Share code: DLT ISIN: ZAE000172052

Directors of Delta

JB Magwaza (Non-executive Chairman) #
SH Nomvete (Chief Executive Officer)
BA Corbett (Chief Financial Officer)
N Khan † (Lead independent non-executive director)
IN Mkhari #
JJG da Costa † (Portuguese citizen)
KE Schmidt †
PD Simpson † (British citizen)

Non-executive

† Independent non-executive

CIRCULAR TO DELTA LINKED UNITHOLDERS

This circular should be read in its entirety for a complete understanding of the proposed acquisition. This circular is issued in compliance with the listings requirements for the purposes of furnishing Delta linked unitholders with information relating to the proposed acquisition and convening the general meeting for the purpose of considering, and if deemed appropriate, passing the resolutions.

1. INTRODUCTION

Linked unitholders are referred to the announcements that were released on SENS on 25 January 2013 and 7 February 2013 advising them that Delta had concluded a number of agreements to acquire the acquisition properties from a number of vendors.

It was further mentioned that Delta had concluded the acquisition agreement with Manaka and proposes acquiring the rental enterprises of the Manaka property portfolio, which constitutes a Category 1 transaction for Delta in terms of the listings requirements and accordingly requires linked unitholder approval.

The rental enterprises that Delta proposes acquiring are in respect of the following properties:

- Manaka House;
- Manaka Heights;
- Hallmark building; and
- Manaka Continental.

2. PURPOSE OF THIS CIRCULAR

The other acquisitions, which do not constitute a Category 1 transaction, will be funded through a combination of debt financing and equity to be raised from new and/or existing linked unitholders and are expected to transfer to Delta during the next three months.

The purpose of this circular is to:

- provide Delta linked unitholders with information relating to the proposed acquisition to enable them to make an informed decision as to whether or not to vote in favour of the resolutions required to implement the proposed acquisition; and
- convene the general meeting in order for Delta linked unitholders to pass the resolutions to be proposed thereat.

3. THE PROPOSED ACQUISITION

3.1 Rationale for the proposed acquisition

In line with Delta's strategy of actively pursuing investment opportunities that will enhance the overall quality and value of its portfolio, the proposed acquisition fulfils Delta's objective of building a quality portfolio of properties with strong contractual cash flows in order to achieve meaningful capital appreciation and sustainable growth in its distributions.

3.2 Purchase price for the proposed acquisition

Delta will, subject to the fulfilment of the conditions precedent set out in paragraph 3.3 below, acquire the rental enterprises of the Manaka property portfolio from Manaka for an amount of R729 352 081 (seven hundred and twenty-nine million three hundred and fifty-two thousand and eighty-one Rand).

It is envisaged that the purchase price will be funded as follows:

- R291 740 831 (two hundred and ninety-one million seven hundred and forty thousand eight hundred and thirty-one Rand) will be financed in terms of bank funding; and
- R437 611 248 (four hundred and thirty-seven million six hundred and eleven thousand two hundred and forty eight Rand) will be funded through cash raised by Delta in terms of a rights issue.

3.3 Conditions precedent to the proposed acquisition

The proposed acquisition is subject to the fulfilment of the following outstanding conditions precedent by 31 March 2013:

- the counterparties to the contracts consenting in writing to the cession and assignment of all of Manaka's rights and obligations under the contracts to Delta with effect from the transfer date, to the extent required;
- Delta providing Manaka with written confirmation from a registered bank that it has sufficient funds and/or arranged for sufficient equity to secure the purchase price, to the reasonable satisfaction of Manaka;
- approval from the Competition Authorities; and
- Delta linked unitholders passing the resolutions at the general meeting.

3.4 Effective date

The effective date of the proposed acquisition will be the transfer date.

3.5 Valuation of the Manaka property portfolio

The Manaka property portfolio has been valued at a fair value of R738 000 000 (seven hundred and thirty-eight million Rand) by the independent valuers. The summary valuation reports are presented in Annexures 2 to 4 of this circular, with the detailed valuation reports being available for inspection in terms of paragraph 20 of this circular.

The table below summarises the purchase prices and the independent property valuations for the rental enterprises in respect of each of the properties comprising the Manaka property portfolio.

Property name	Property purchase price Rm	Property valuation Rm
Manaka House	140.64	132.00
Manaka Heights	225.21	236.00
Hallmark Building	317.32	319.00
Manaka Continental	46.18	51.00
	729.35	738.00

The difference between the total purchase price for the rental enterprises of the Manaka property portfolio and the total of the independent valuations is negligible, and the differences are due to the fact that Delta and Manaka negotiated prices for each of the properties comprising the Manaka property portfolio and agreed on a price for the entire portfolio (i.e. the transaction was negotiated for the property portfolio as a whole on a willing buyer, willing seller basis), while subsequent, and independent to this, the independent valuers were requested to perform an independent valuation of each properties comprising the Manaka property portfolio. The Manaka property portfolio consists of four individual properties with a total GLA of 59 535 m².

The average annualised forward yields of the Manaka property portfolio, collectively, for the forecast years ending 28 February 2014 and 2015 are estimated at 9.04% and 11.35%, respectively.

4. THE MANAKA PROPERTY PORTFOLIO

4.1 Individual property details

The details of each of the properties comprising the Manaka property portfolio are set out in Annexure 1 to this circular.

4.2 Property portfolio details and analysis

Set out below is an analysis of the Manaka property portfolio that Delta proposes acquiring. The analysis is based on forecast gross rental income in respect of the Manaka property portfolio for the 11 months ending 28 February 2014.

4.2.1 Geographic profile

	GLA	Gross rental
Gauteng	100%	100%
Total	100%	100%

4.2.2 Sectoral profile

The sectoral profile of the Manaka property portfolio by rentable area and forecast gross rental, is as follows:

	GLA	Gross rental
Office	91.36%	92.30%
Retail	8.64%	7.70%
Total	100%	100%

4.2.3 Tenant profile

The tenant profile of the Manaka property portfolio set out in the table below is analysed based on the following types of tenants:

- A. Large national tenants, large listed tenants, government and major franchisees.
- B. National tenants, listed tenants, franchisees and medium to large professional firms.
- C. All other tenants.

	GLA	Gross rental
Grade A	94.52%	94.66%
Grade B	2.13%	2.02%
Grade C	1.35%	3.32%
Vacant	2.00%	0.0%
Total	100%	100%

Grade "C" tenants comprise of 13 retail tenants.

4.2.4 Vacancy profile

Based on GLA, the total vacancy of the Manaka property portfolio is 2.00%, of which 100% is attributable to the retail sector.

4.2.5 Lease expiry profile

The lease expiry profile of the Manaka property portfolio according to rentable area and gross rental, for the next seven years and by sector is as follows:

Lease expiry by GLA	Total	Office	Retail
Vacant	2.00%	0.00%	2.00%
28 February 2014	2.95%	2.29%	0.66%
28 February 2015	0.35%	0.00%	0.35%
28 February 2016	15.09%	14.81%	0.28%
28 February 2017	36.66%	33.20%	3.46%
28 February 2018	41.06%	41.06%	0.00%
Beyond 2018	1.89%	0.00%	1.89%
Total	100.0%	91.4%	7.63%

Lease expiry by gross rental	Total	Office	Retail
28 February 2014	4.17%	2.10%	2.07%
28 February 2015	0.42%	0.00%	0.42%
28 February 2016	14.01%	13.50%	0.51%
28 February 2017	38.72%	35.79%	2.93%
28 February 2018	40.91%	40.91%	0.00%
Beyond 2018	1.77%	0.00%	1.77%
Total	100.0%	92.30%	7.70%

4.2.6 **Rental escalations**

The annualised weighted average rental escalations in the Manaka property portfolio for the 11 months ending 28 February 2014 are as follows:

Sector	Rental escalation per m²
Office	9.62%
Retail	7.63%
Total	9.29%

4.2.7 **Gross rental per m²**

The weighted average gross rentals per m² for the Manaka property portfolio by sector for the 11 months ending 28 February 2014 are as follows:

Sector	Rental per m²
Office	R119.94
Retail	R137.63
Total	R118.75

5. **OPINIONS AND RECOMMENDATIONS OF THE BOARD**

The board has considered the terms and conditions of the proposed acquisition, as well as the independent property valuations, and is of the opinion that the proposed acquisition is fair to Delta linked unitholders.

The board recommends that Delta linked unitholders vote in favour of the resolutions to be proposed at the general meeting. All directors who own Delta linked units in their personal capacity intend to vote in favour of the resolutions to be proposed at the general meeting.

6. **PROSPECTS AND INVESTMENT STRATEGY**

The directors are of the opinion that Delta is well-positioned to capitalise on opportunities for growth by continuing to develop its niche position as a 100% black-managed property fund by strategically identifying and securing government-tenanted properties, which has been Delta's springboard to success.

Delta is also well-positioned to leverage its BEE credentials to acquire yield-enhancing properties from other property companies or investors who are looking to obtain accreditation in terms of the recently gazetted Property Sector Code for disposing of property to a BEE entity. In terms of the Property Sector Code, property companies are required to demonstrate commitment to economic development by selling 35% of all assets that are being disposed of to black-owned enterprises that have a broad-based BEE status of Level 1 to Level 3 BEE contributor. Delta is currently a Level 3 BEE contributor.

The company's objective is to achieve a maximum total return on capital, consisting of both current income and capital gains, consistent with a diversified, risk-managed real estate investment portfolio.

The company will in general not assume development or leasing risk and will not acquire incomplete developments with unsecure income streams or vacant buildings with no lease or income-generating ability.

Delta's vision is to grow its property portfolio to approximately R7 billion by 2017 to ensure critical mass and liquidity. The acquisitions that were announced by Delta on SENS on 25 January 2013 and 19 February 2013 will take the company closer to this R7 billion target with the total value of properties that Delta proposes acquiring during the next three months amounting to approximately R2.2 billion.

7. THE GENERAL MEETING

The general meeting will be held at 10:00 on Monday, 25 March 2013 at Delta's registered office (Motseng House, 204 Rivonia Road, Morningside, 2199) to consider and, if deemed appropriate, pass the ordinary resolutions required to give effect to the proposed acquisition.

In terms of the notice of the general meeting attached to, and forming part of, this circular, Delta linked unitholders will be required to vote on the ordinary resolutions to approve the proposed acquisition in terms of the listings requirements.

Further details of the resolutions are provided in the notice of general meeting that is attached to this circular. A form of proxy (*blue*) for use by certificated and own-name dematerialised Delta linked unitholders who are unable to attend the general meeting, but who wish to be represented thereat, is also attached to this circular.

8. FINANCIAL INFORMATION

8.1 Forecast income statements of the Manaka property portfolio

The forecast income statements of the Manaka property portfolio set out in Annexure 9 to this circular, including the assumptions on which they are based, are the responsibility of the directors and have been prepared for illustrative purposes only in order to provide information about the forecast financial results of the rental enterprises of the Manaka property portfolio.

The forecast income statements have been prepared in full compliance with the Delta group's accounting policies, and in compliance with IFRS, for the 11-month period ending 28 February 2014 and the 12-month period ending 28 February 2015.

The forecast income statements have been prepared on the assumption that the transfer date is 1 April 2013.

The forecast income statements must be read in conjunction with the independent reporting accountants' report thereon, which is attached as Annexure 8 to this circular.

8.2 *Pro forma* financial effects of the proposed acquisition

The *pro forma* financial effects of the proposed acquisition of the Manaka property portfolio on net asset value and net tangible asset value per linked unit are set out in Annexure 7 of this circular.

The unaudited *pro forma* statement of financial position set out in Annexure 7 is the responsibility of the directors and has been prepared for illustrative purposes only and because of its nature may not fairly present the financial position of Delta after the acquisition of the Manaka property portfolio and related rights issue.

The unaudited *pro forma* statement of financial position has been prepared to illustrate the impact of the proposed acquisition of the Manaka property portfolio on the reviewed statement of financial position of Delta had the Manaka property portfolio acquisition occurred as at 31 August 2012.

The *pro forma* statement of financial position has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the reviewed financial statements of Delta for the period ended 31 August 2012.

The reporting accountants' limited assurance report on the unaudited *pro forma* statement of financial position is set out in Annexure 6 to the circular.

9. MATERIAL LOANS

Details of material borrowings advanced to the company, as at the last practicable date, are set out in Annexure 10 to this circular.

10. DIRECTORS

10.1 Directors' remuneration

It is anticipated that the directors' remuneration for the 12 months ending 28 February 2014 will be as follows:

R'000	Bonus and other performance related benefits										Total
	Basic salary	Pension scheme	Retainer	Board meetings	Committee fees	Commission	Expense allowance				
Executive											
Sandile Hopeson Nomvete	2 500 000	-	-	-	-	-	-	-	-	-	2 500 000
Bronwyn Anne Corbett	2 000 000	-	-	-	-	-	-	-	-	-	2 000 000
Non-executive ⁽¹⁾											
Johannes Bhekumuzi Magwaza	-	-	-	200 000	88 000	-	-	-	-	-	288 000
Nooraya Khan	-	-	-	149 000	148 000	-	-	-	-	-	297 000
Jose Jorge Goncalves da Costa	-	-	-	149 000	104 000	-	-	-	-	-	253 000
Ipeleng Nonkululeko Mkhari	-	-	-	149 000	44 000	-	-	-	-	-	193 000
Karl Ernst Schmidt	-	-	-	149 000	120 000	-	-	-	-	-	269 000
Paul David Simpson	-	-	-	149 000	88 000	-	-	-	-	-	237 000
Total	4 500 000	-	-	945 000	636 000	-	-	-	-	-	6 037 000

Notes

1. The remuneration of the non-executive directors will be limited to the reimbursement of the reasonable expenses incurred by such directors for the purposes of attending board meetings and/or market-related directors' fees.
2. The estimated remuneration receivable by directors will not be varied as a consequence of the proposed acquisition.

10.2 Directors' service contracts

Each of the executive directors, being Sandile Hopeson Nomvete ("SH Nomvete") and Bronwyn Anne Corbett ("BA Corbett"), have concluded service contracts with the company, the terms and conditions of which are standard for such appointments.

A summary of the salient features of service contracts are set out below, with the full service contracts being available for inspection in terms of paragraph 20 of this circular.

Executive	Capacity, function and duties	Commencement date	Duration	Notice period	Restraint of trade period
Sandile Hopeson Nomvete	Chief Executive Officer, which appointment includes all related duties, functions and services	1 November 2012	Indefinite	3 months	1 year
Bronwyn Anne Corbett	Chief Financial Officer, which appointment includes all related duties, functions and services	1 November 2012	Indefinite	3 months	1 year

10.3 Directors' interests in Delta

The aggregate interests of the directors in the linked unit capital of Delta as at the last practicable date is set out in the table below.

	Beneficial			Total %
	Direct	Indirect	Total	
Executive				
Sandile Hopeson Nomvete	–	12 073 845	12 073 845	7.3
Bronwyn Anne Corbett	15 377	2 868 243	2 883 620	1.7
Non-executive				
Johannes Bhekumuzi Magwaza	1 305 103	–	1 305 103	0.8
Nooraya Khan	–	–	–	–
Ipeleng Nonkululeko Mkhari	–	12 058 465	12 058 465	7.3
Jose Jorge Goncalves da Costa	–	–	–	–
Karl Ernst Schmidt	–	–	–	–
Paul David Simpson	–	–	–	–
Total	1 320 390	27 000 553	28 321 033	17.2

The indirect beneficial interest of SH Nomvete in the linked unit capital of Delta increased to 12 073 845 Delta linked units as a result of the following transaction that took place between the listing date and the last practicable date:

- on 15 November 2012, Mesismart Proprietary Limited, the shares of which are held 100% by Boyzana Trust of which SH Nomvete is a discretionary beneficiary, acquired 15 380 Delta linked units on the open market within a price range of R8.00 to R8.18 per linked unit.

The direct and indirect beneficial interests of BA Corbett in the linked unit capital of Delta increased to 15 377 and 2 868 243 Delta linked units respectively, as a result of the following transactions that took place between the listing date and the last practicable date:

- on 15 November 2012, BA Corbett acquired 15 377 Delta linked units on the open market within a price range of R8.00 to R8.18 per linked unit; and
- on 15 November 2012, M Corbett, an associate of BA Corbett, acquired 6 243 Delta linked units on the open market within a price range of R8.00 to R8.18 per linked unit.

10.4 Interests of directors in transactions

Pursuant to the listing of Delta and as detailed in the pre-listing statement, Delta entered into agreements with the property SPVs and Copapax on 27 August 2012 and 10 September 2012 to acquire the restructured properties and the Liberty Towers building, respectively. SH Nomvete, JB Magwaza and IN Mkhari are directors of Delta and are directors or indirect shareholders of the property SPVs. BA Corbett is an executive director of Delta and the indirect shareholder of Copapax.

On 5 October 2012, the 28 938 000 debentures issued to the property SPV's above were distributed by each property SPV to its shareholders, such that the initial shareholders held 28 938 000 shares and 28 938 000 debentures, which were immediately linked to create 28 938 000 linked units. These linked units were listed on transfer of the restructure properties.

On 31 October 2012, 2 862 000 linked units were issued and allotted to Copapax, an associate of Bronwyn Corbett, in part settlement of the purchase consideration owed by Delta to Copapax for the acquisition of the Liberty Towers building.

11. MANAGERS

11.1 Asset management function

11.1.1 *Business address of the asset manager*

The business address of the asset manager is Motseng House, 204 Rivonia Road, Morningside, 2199.

11.1.2 *Directors of the asset manager*

The full names, ages, qualifications, business addresses and functions of the directors of the asset manager are set out below.

Name	Business address	Function
Johannes Bhekumuzi Magwaza (70) <i>BA MA (Warwick UK)</i>	42 Addison Drive La Lucia, 4051	Non-executive Chairman
Sandile Hopeson Nomvete (39) <i>Exec Dep. & Prop Dev. Prog. (Wits & UCT Business Schools)</i>	Motseng House 204 Rivonia Road Morningside, 2199	Chief Executive Officer
Olive Sandra Nomthandazo Mqina (52) <i>BComm (Accounting)</i>	Motseng House 204 Rivonia Road Morningside, 2199	Executive director
Vincent Jabulani Mriga (42)	Motseng House 204 Rivonia Road Morningside, 2199	Non-executive director

11.1.3 *Experience of directors of the asset manager*

Johannes Bhekumuzi Magwaza ("JB")

JB has many years' experience as a board representative for various JSE listed and non-listed entities including chairmanships at Tongaat Hullet Limited, Pamodzi Investment Holdings Proprietary Limited, Motseng, Mutual & Federal Limited and Nkunzi Investment Holdings Proprietary Limited.

He was the founder chairman of the National Economic Initiative and served on the executive committee of the Urban Foundation and the Development Bank of Southern Africa. JB has been the recipient of numerous provincial, national and international prestigious awards and brings a wealth of fiduciary experience to the board of Delta.

Since retiring in 2003, he has become an active non-executive director of a number of black-owned and controlled companies in which he has helped form and lead consortiums, managed conflict and dispute resolutions, implemented governance disciplines, developed strategies and imparted valuable management skills.

Sandile Hopeson Nomvete ("Sandile")

Sandile is a co-founder of Motseng with almost a decade and a half of experience in executive positions. He played an instrumental role in developing Motseng from a small start-up when it was founded in 1998, into a major BEE player with a reputation in property management, facilities management and industrial investments. In 2009 he co-founded Delta.

During his career, Sandile has been affiliated with both NBS Bank Limited and Tongaat Hulett Group Limited as a systems analyst from 1994 to 1998. He is a director of all Motseng subsidiaries and serves as an independent non-executive director of KAP International Holdings Limited and sits on their audit committee.

He was previously the managing director of Motseng-Marriott services which then became Motseng Property Services which currently has a portfolio of assets under management in excess of R12 billion.

He has completed the property development programme from University of Cape Town Graduate School of Business, as well as the executive development programme and finance for non-financial managers course from the University of Witwatersrand Graduate School of Business. He also holds a national diploma in computer programming from the Computer Career College.

Vincent Jabulani Mriga ("Jabu")

Jabu is a founder member and director of Motseng, where he is responsible for the Procurement and Trading Division. He holds a graduate diploma in marketing from the Institute of Marketing Management and a diploma in personal computers. Jabu has an entrepreneurial background in information technology, marketing, communications and community development. Prior to his tenure at Motseng, he consulted to Damelin College and was involved with Link Community Development, a Cambridge University initiative supporting rural education and development.

Olive Sandra Nomthandazo Mqina ("Sandra")

Sandra joined Motseng Property Services in June 2008 as the financial manager of Westgate Shopping Centre and subsequently moved to Motseng Property Investments Proprietary Limited as an asset manager in January 2012.

She has over 20 years' experience in a broad range of financial positions of which 10 years have been spent in the property sector.

Prior to joining Motseng Property Services, she was the acting Chief Financial Officer and Financial Manager at Transnet Property Division, Financial Accountant at Sasol Limited and Financial Officer at Eskom Holdings Limited.

11.1.4 Shareholders of the asset manager

The shareholders of the asset manager are set out in the table below:

Name	%
Johannes Bhekumuzi Magwaza	4
Sengwayo Share Trust	42
Moloto Family Trust	42
Mesismart Proprietary Limited	10
Vincent Jabulani Mriga	2
Total	100

11.1.5 Duration of the asset management agreement

The asset manager will manage Delta for an initial 10-year period ("the initial period") after which the asset management agreement may be renewed by Delta for a further period of five years ("renewal period"). Delta is required to notify the asset manager 12 (twelve) months prior to the end of the initial period or the renewal period, as the case may be, of its intention to renew the asset management agreement, which can only be done with the approval of the linked unitholders of Delta in a general meeting. In the event that Delta does not elect to renew the asset management agreement at the end of the initial period or any renewal period, and unless the asset manager notifies Delta that it will not be winding up its operations, Delta shall be required to pay the asset manager a demobilisation fee.

In addition, linked unitholders may at any time (including during the initial period) and by way of ordinary resolution cancel the asset management agreement, in which event it shall terminate on the sixtieth day after the passing of the resolution, subject to payment by Delta of a termination fee to the asset manager.

11.1.6 **Delta's call option**

Delta has the option to acquire the business of the asset manager at fair market value by giving 12 (twelve) months' written notice at any time after the first nine years from the date of signature of the asset management agreement.

11.1.7 **Asset management fee**

The company pays the asset manager a monthly fee, calculated as:

- one twelfth of 0.45% of the enterprise value of Delta (plus VAT), for as long as the enterprise value of Delta is less than R4 billion; or
- one twelfth of 0.40% of the enterprise value of Delta (plus VAT), for as long as the enterprise value of Delta is equal to or greater than R4 billion but less than R5 billion; or
- one twelfth of 0.35% of the enterprise value of Delta (plus VAT), for as long as the enterprise value of Delta is equal to or greater than R5 billion.

There are no transactional or development management fees payable to the asset manager.

11.2 **Property management function**

The management of all properties owned by the Delta group will be undertaken by the property manager. The property manager is responsible for *inter alia* collection of rentals, payment of operating costs, dealing with lease expiries and renewals, management of tenant queries, maintenance of buildings and tenant installations.

The full property management agreement is available for inspection in terms of paragraph 20 of this circular.

11.2.1 **Property management services**

The property manager shall perform all such services as are customarily performed by a manager of a property portfolio including the following:

- 11.2.1.1 collection of rentals, operating costs recoveries, VAT and other amounts payable by tenants to the owner in terms of leases;
- 11.2.1.2 depositing, on a daily basis at the end of each day, all funds received in respect of the portfolio, into such bank account of the owner, as the owner may specify from time to time;
- 11.2.1.3 accounting for tenants' deposits;
- 11.2.1.4 payment of all operating costs relating to the portfolio, including property taxes and reporting to the owner on a quarterly basis by no later than 10 (ten) days after the end of the quarter in question detailing the expenses disbursed by the property manager in such quarter;
- 11.2.1.5 enforcement of the owner's rights against defaulting tenants;
- 11.2.1.6 inspection of buildings and properties on a regular basis with a view to ensuring the continuing maintenance and carrying out of authorised capital expenditure;
- 11.2.1.7 dealing with tenant complaints and requirements timeously;
- 11.2.1.8 informing all tenants of all rules, regulations and notices issued by the owner and/or the asset manager;
- 11.2.1.9 preparing budgets and forecast of income and expenditure for each property in the portfolio in accordance with the owner's requirements;
- 11.2.1.10 reporting to the asset manager in writing regarding the monthly income and expenditure accounts for each property in the portfolio within 5 (five) business days of the end of each month;
- 11.2.1.11 dealing with lease expiries and renewals timeously;
- 11.2.1.12 reporting on and procuring the letting of anticipated vacancies prior to their occurrence;

- 11.2.1.13 using its best endeavours to let vacant space immediately and space which is to become vacant before leases expire;
- 11.2.1.14 entering into Leases as an agent for the owner and preparing and executing all necessary lease documentation in accordance with the letting policies of the owner and/or asset manager from time to time;
- 11.2.1.15 entering into contracts with suppliers of services to buildings on the properties at competitive rates having due regard to the quality of service provided;
- 11.2.1.16 ensuring that the properties in the portfolio are always properly maintained and providing the owner with an annual maintenance plan for the portfolio by no later than 30 November of each year;
- 11.2.1.17 carrying out tenant installations on the properties when so requested by the owner; and
- 11.2.1.18 providing such reports and such other services as may be reasonably required by the owner from time to time.

11.2.2 **Details of directors of the property manager**

The full names, ages, qualifications, business addresses and functions of the directors of the property manager are set out below. All directors are South African.

Name	Business address	Function
Sandile Hopeson Nomvete (39) <i>Exec Dep. & Prop Dev. Prog.</i> <i>(Wits & UCT Business Schools)</i>	Motseng House 204 Rivonia Road Morningside, 2199	Non-executive director
Bronwyn Anne Corbett (31) BCom (Acc) (Univ. of Natal, PMB), CA(SA)	Motseng House 204 Rivonia Road Morningside, 2199	Non-executive director
Ipeleng Nonkululeko Mkhari (38) BSoc.Sc (Univ. of Natal, Durban)	Motseng House 204 Rivonia Road Morningside, 2199	Executive director

11.2.3 **Shareholders of the property manager**

The shareholders of the property manager are set out in the table below:

Shareholder	Total percentage
Motseng	100%

12. MAJOR AND CONTROLLING DELTA LINKED UNITHOLDERS

On listing date, Delta did not have a controlling linked unitholder.

Insofar as is known to Delta, the major Delta linked unitholders who beneficially held 5% or more of the issued Delta linked units as at the last practicable date, are set out below:

Linked unitholder	Number of linked units held	Total % held
Stanlib Asset Management Limited	41 653 739	25.25
Coronation Asset Management Proprietary Limited	31 708 130	19.22
Public Investment Corporation SOC Limited	24 390 244	14.79
Sandile Hopeson Nomvete ¹	12 073 845	7.32
Ipeleng Nonkululeko Mkhari ¹	12 058 465	7.31
Momentum Asset Management Proprietary Limited	8 357 363	5.07
Total issue		78.96

Note:

1. Linked units are held indirectly through an associate.

13. MATERIAL CONTRACTS

Save for the contracts listed below, the Delta group has not entered into any other material contract, otherwise than in the ordinary course of business, within the two years preceding the date of this circular, which contains an obligation for settlement that is material to the Delta group at the date of this circular:

- the acquisition agreement;
- the right of first refusal agreement;
- the material pre-listing acquisition agreements; and
- the Hendisa acquisition agreement.

The abovementioned agreements are available for inspection, as set out in paragraph 20 of this circular.

14. MATERIAL CHANGES

Save as relating to the proposed acquisition and the other acquisitions that Delta proposes implementing as detailed in the SENS announcements, dated 25 January 2013 and 19 February 2013, there have been no material changes in the financial or trading position of the Delta group between the listing date and the last practicable date.

15. ADEQUACY OF CAPITAL

The directors are of the opinion that the working capital available to the Delta group is adequate for the requirements of the group for a period of at least 12 months from the date of issue of this circular.

The directors are of the opinion that:

- the company and the group will be able, in the ordinary course of business, to pay its debts for a period of 12 months from the date of the issue of this circular;
- the assets of the group will be in excess of the liabilities of the of the Delta group for a period of 12 months after the date of the issue of this circular;
- the share capital and reserves of the group will be adequate for ordinary business purposes for a period of 12 months after the date of the issue of this circular; and
- the working capital of the group will be adequate for ordinary business purposes for a period of 12 months after the date of the issue of this circular.

16. LITIGATION STATEMENT

There are no material legal or arbitration proceedings against the Delta group nor, as far as the directors are aware, are there any legal or arbitration proceedings pending or threatened against the Delta group, that may have had, in the 12 months preceding the date of this circular, a material effect on the financial position of the Delta group.

17. EXPENSES

The expenses, excluding VAT, relating to the proposed acquisition are set out below:

Description	R
Investment bank and sponsor fees payable to Nedbank Capital	250 000
Estimated debt raising fees	1 476 138
Conveyancing fees payable to Adam & Adams	845 534
Bond registration fees payable to Bowman Gilfillan	768 285
Fees payable to Cliffe Dekker Hofmeyr for preparation of Competition Commission filing	60 000
Competition filing fees	100 000
Valuer's fees payable to Active Blue	30 000
Valuer's fees payable to Simunye Valuers & Property Consultants	15 000
Valuer's fees payable to Real Insight	15 000
Printing and publication fees payable to Ince Proprietary Limited	100 000
Documentation fees payable to the JSE	21 391

Description	R
Independent reporting accountants and auditors' fees payable to BDO	253 836
Property due diligence fees payable to Motseng Property Services	48 000
Commercial legal advice regarding the transactions and due diligence fees payable to LD Immerman Attorneys	105 036
Total	2 612 082

18. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are set out on page 9 of this circular collectively and individually, accept full responsibility for the accuracy of information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this circular statement contains all information required by law and the listing requirements.

19. CONSENTS

Each of Nedbank Capital, LD Immerman Attorneys, BDO, the independent property valuers, the transfer secretaries and the transaction communication advisor have consented in writing to act in the capacities stated, to their names being stated in this circular, and had not withdrawn such consents prior to the publication of this circular.

Each of BDO and the independent property valuers have consented to the inclusion of their respective reports in the form and context in which they are included in this circular and had not withdrawn such consents prior to the publication of this circular.

20. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of this circular will be available in English, along with the following documents, or copies thereof, which will be available for inspection, during normal business hours at the registered office, from the date of this circular until Monday, 25 March 2013:

- the material contracts as set out in paragraph 13 of this circular;
- the service contracts between Delta and the executive directors, namely, Sandile Nomvete and Bronwyn Corbett, as set out in paragraph 10.2 of this circular;
- the consent letters of the appointed advisors as set out in paragraph 19 of this circular;
- the signed independent valuation reports in respect of each property, which are set out in Annexures 2, 3 and 4 of this circular;
- the signed reports by the independent reporting accountants and auditors, the text of which is set out in Annexures 5, 6 and 8 of this circular;
- the memoranda of incorporation of Delta and each of its subsidiaries;
- the debenture trust deed;
- the asset management agreement;
- the property management agreement; and
- a signed copy of this circular.

This circular was signed in Johannesburg on behalf of all the directors in terms of powers of attorney granted on or about 22 February 2013.

Sandile Hopeson Nomvete

Johannesburg

28 February 2013

Registered Office

Motseng House
204 Rivonia Road
Morningside
2199
(PO Box 652836, Benmore, 2010)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

SCHEDULE OF PROPERTIES CONSTITUTING THE MANAKA PROPERTY PORTFOLIO

Property name	Registered address	Physical address	Date of inspection by independent valuer	Description	Land extent GLA	Existing use	Tenure	Summary of material leases	Approximate age of building	Weighted average rental per m ² and average rental per parking bay	Vacancy levels	Purchase price (R)	Valuation (R) Valuer
Manaka House	Portion 1 of Erf 466, Pretoria	Corner Pretorius and Thabo Sehume Streets, Pretoria CBD	29 Nov 12	Eight storey office block comprising mainly office space and a small banking hall component	2 250 m ² Offices: 11 277 m ² Stores: 251 m ² 98 parking bays	Offices and banking hall	Freehold	Dept of Health & Social Development SAPS Absa Bank	±43 yrs	Office: R89,16 m ² Stores: R75,02 m ² Parking: R451/bay	2.21%	140 637 347	132 000 000 Werner Sarvari Professional Valuer Reg Nr 3065/6 on behalf of Active Blue
Manaka Heights	Erf 3005 Pretoria	167 Andries Street Pretoria	4 Dec 12	Triple storey podium which acts as a carter lever for a 16 storey office tower comprising mainly office space and a small retail component	3 410 m ² Offices: 14 229 m ² Retail: 2 243 m ² 185 parking bays	Offices and retail	Freehold	Public Works – Statistics SA Mr Price	40 – 45 years	Offices: R108,80 m ² Stores: R37,13 m ² Cell phone antenna: R3 193,09/antenna Parking: R626,70/bay	3.56%	225 206 469	236 000 000 Stephen Alberts Professional Valuer Reg Nr 3814 on behalf of Simunye Valuers and Property Consultants cc
Hallmark Building	Erven 232 and 2954, Pretoria	233 Johannes Ramokhoase Street, Pretoria CBD	30 Nov 12	20 storey commercial building with ground floor retail accommodation and offices in the two towers	2 552 m ² Offices: 22 885 Retail: 547 Storerooms 2 824 925 parking bays	Offices and retail	Freehold	DPW	c.40 years Construction of improvement believed to have been finalised during 1972.	Office: R100,00 m ² Shops: R115,00 m ² Stores: R75,00 m ² Parking: R500/bay	0%	317 323 296	319 000 000 TJ Behrens Professional Valuer Reg Nr 3206/5 on behalf of Real Insight
Manaka Continental	Portion 1 of Erf 689, Pretoria	Corner Bosman and Visagie Streets, Pretoria	29 Nov 12	Eight storey office block	1 392 m ² Offices 4 133 Cellphone mast 1 61 parking bays	Offices	Freehold	DPW	±43 yrs	Office: R90,78 m ² Cellphone antenna: R6156,00/antenna Parking: R472,38/bay	0%	46 184 969	51 000 000 Werner Sarvari Professional Valuer Reg Nr 3065/6 on behalf of Active Blue

INDEPENDENT VALUER'S REPORT ON MANAKA CONTINENTAL AND MANAKA HOUSE

The Directors
Delta Property Fund Limited
204 Rivonia Road
Morningside
Gauteng

20 February 2013

Dear Sir,

INDEPENDENT VALUERS' REPORT OF MANAKA HOUSE AND MANAKA CONTINENTAL FORMING PART OF THE PROPERTIES IDENTIFIED FOR PURCHASE BY DELTA PROPERTY FUND LIMITED ("DELTA") AS DETAILED IN THE SUMMARY SCHEDULE ATTACHED AND FOR WHICH THERE ARE DETAILED INDIVIDUAL VALUATION REPORTS HELD BY DELTA PROPERTY FUND LIMITED

In accordance with your instruction of 27 November 2012, we confirm that we have visited and inspected the 2 (two) properties ("the properties"), on 29 November 2012 and have received all necessary details required to perform a valuation in order to provide you with our opinion of the market value of the properties as at 1 December 2012.

1. INTRODUCTION

The valuation of the properties identified for purchase by Delta has been carried out by the valuer, who has carefully considered all aspects of all the properties. Each property has a detailed valuation report in excess of 20 pages, which has been given to the management of Delta. The detailed valuation reports include commentary on the current economy, nature of the properties, locality, tenancy, risk profile, forward rent and earning capability, exposure to future expenses and overall property risk. All these aspects have been considered in the individual detailed valuation reports of the properties. The detailed valuation reports have further addressed the tenancy income capability and expenditure for each property and tenant. Historic expenditure profiles as well as future expenditure increases have been considered. The important aspects of these reports, including the market value of all of the properties, has been summarised in Annexure 1 of this circular.

2. BASIS OF VALUATION

The valuation is based on market value.

Market value is the estimated amount for which a property should exchange hands on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing and assuming that the parties had each acted knowledgeably, prudently, and without compulsion.

3. VALUE CALCULATION

The calculation of the market value of the properties has, in most part, been based on the capitalisation of income. This is the fundamental basis on which the value of investment properties is calculated. Investment properties produce a perpetual income stream, and the capitalisation of such net revenue is an accurate means of determining the value. Properties traded in the current market reflect a yield rate relationship between revenue and capital value. This rate is an accurate determinant of the capitalisation rate.

The discounted cash flow of each property where this was deemed appropriate has also been calculated as a check to ensure that the capitalised value is consistent with market norms and expectations.

The considerations applied to the capitalised value of the properties are as follows:

- 3.1 the forward cash flows of all contractual and non-contractual (expected) income from the properties;
- 3.2 the forward contractual and non-contractual (expected) expenditures, including appropriate provisions;

- 3.3 the vacancy profile of the properties, which is noted as being market-related. Most of the tenants occupying the properties are departments of the South African national government and as such no vacancy rate has been applied in these cases due to the sovereign nature of the debt and the long-term nature of the leases;
- 3.4 renovation and refurbishment, it being noted that there is currently no loss of rental being experienced due to either;
- 3.5 the rental profile, the lease agreements have been scrutinised to ascertain whether they are market-related. This has been determined by comparing similar buildings in comparable areas to the properties valued, in terms of rental per square meter. The rental rate has also been checked against various published indices including the South African Property Owners Association (SAPOA) index. Should any property reflect a rental higher than market, this has been brought back to market-related rates within the valuation calculations and is reflected in the reports.

Most properties can be re-rented at the same or higher rentals should such properties become vacant. There is therefore minimal potential for rent-flow reversion.

There is positive upside potential for real growth in rentals provided the economy remains in a slow recovery pattern and that there are no major economic fluctuations that may upset the economy;

- 3.6 capitalising the net contractual income derived from the properties for a forward-looking period of 12 months, as from 1 December 2012;
- 3.7 the valuations have considered published market statistics regarding rental rates and expenditure for the different types of properties. They have also considered numerous other portfolios of similar properties in order to determine if any properties are over-rented or have excessive expenditure;
- 3.8 various provisions for capital contingencies were deducted from the capitalised value; and
- 3.9 the properties have been valued in their existing use. No alternative use has therefore been considered in determining their value.

4. SPARE LAND

The portfolio includes 2 (two) commercial properties comprising offices. There is no spare land within the portfolio although some properties have not covered/ utilised their maximum permitted coverage and bulk/FAR their maximum allowable in terms of Town Planning Regulations.

5. BRIEF DESCRIPTION

The properties are all well-constructed, well managed and subject to high levels of cost recovery. The commercial offices are located in well-established and easily accessible commercial hubs. Most of the portfolio is located in nodes with a high demand from government departments for office space. The majority of the portfolio comprises office space with good parking provision, while a limited number of buildings incorporate a small portion of retail space.

All escalation profiles within the portfolio are market-related and at levels that ensure positive growth in the income generated by each property without the risk of creating an over-rented position.

6. VALUATION QUALIFICATIONS

Qualifications are usually detailed as a consequence of:

- leases under negotiation that have not yet been formalised;
- leases of a large nature where the premises are difficult to re-let;
- specialised properties;
- large exposure to a single tenant;
- potential tenant failure due to over-rent;
- expenses required for major repairs;
- maintenance or other exposure to maintain the lettable of the building;
- contingent expropriations or servitudes that may be enforced; and
- poor lease terms whereby the lease may be disputed or rendered invalid.

We have, to the best of our knowledge, considered all of these aspects in the valuation of all the properties. There are no properties that are prejudiced in value by the influence of the abovementioned factors.

The valuer is however not responsible for the competent daily management of these properties that will ensure that this status is maintained, or for the change of any laws, services by local authority or economic circumstances that may adversely impact on the integrity of the buildings or the tenant profile.

7. OPTIONS OR BENEFIT/DETRIMENT OF CONTRACTUAL ARRANGEMENTS

No valuation has been required detailing the benefit or detriment of contractual arrangements in respect of the properties or where there may be a benefit in options held.

We are unaware of any options in favour of any parties for any purchases of any of the properties.

8. RELATED PARTY LEASES

Having and inspected all the tenant schedules it is noted that there are no related party leases.

9. CURRENT STATE OF DEVELOPMENT

The properties are all developed and capable of accommodating tenants.

10. OPTIONS

To the best of our knowledge, there are no options to purchase any property held by any party.

11. EXTERNAL PROPERTY

There is no external property.

12. OTHER GENERAL MATTERS AND VALUATION SUMMARY

A full detailed valuation report is available on a property by property basis detailing tenancy, town planning, valuer commentary, expenditure and other details. This has been given to the directors of Delta.

13. OTHER COMMENTS

To the best of our knowledge there are no contractual arrangements on the properties other than:

- the leases as detailed in the valuation reports;
- contracts relating to management;
- security;
- insurance; and/or
- general building maintenance that has a major benefit or is detrimental to the fundamental value of the properties.

Our valuation excludes any amounts of Value-Added Tax, transfer duty, or duty on share in the event of a company transaction.

14. CAVEATS

14.1 Source of information and verification

Information on the properties regarding rental income, recoveries, turnovers and other income detail has been provided to us by the current owners and their managing agents. We have further compared certain expenditures given to us to market norms of similar properties. This has also been compared to historic expenditure levels of the properties themselves. Historical contractual expenditures and municipal utility services were compared to the past performance of the properties in order to assess potential expenditure going forward.

Audit fees have been excluded at property level and not considered in each valuation report as these costs will be carried at fund level.

14.2 Full disclosure

The valuations have been prepared on the basis that full disclosures of all information and factors that may affect the valuation have been made to us. We have to the best of our ability researched the market as well as taken all reasonable steps to check income against contractual lease agreements and rolls and expenditure against historical expense invoices. These were compared to the market to accurately represent this property's income capability.

14.3 Leases

Our valuations have been based upon actual lease agreements and in some instances a high level summary of actual tenant leases supplied to us by the owners and managing agents, which we have examined and used as the main factor in our valuation.

14.4 Operating expenses

Operating expenses were used by applying a combination of actual expenses and market related expenses, where actuals were either not available or considered not to be market-related.

With both properties, there is a profit from electricity, which accrues to the landlord. While this is not regarded as normal or usual property income (such as rental, operating costs and other recoveries) the effects of this income on the value of the properties were shown separately.

14.5 Vacancies

Current actual vacancies are as follows:

- Manaka House (Portion 1 of Erf 466) – 2.26%
- Continental Building (Portion 1 of Erf 689) – 0%

In both instances, exit vacancy rates (at expiry of the leases) of 3% into perpetuity were applied (where applicable).

14.6 Lessee's credibility

In arriving at our valuation, cognisance has been taken of tenant security and rating. In some cases this has influenced the capitalisation rate by way of risk consideration.

14.7 Mortgage bonds, loans. etc.

The properties have been valued as if wholly-owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans and other charges. No deductions have been made in our valuation for costs associated with acquisition.

The valuation is detailed in a completed state and no deductions have been made for retention or any other set-off or deduction associated with purchase.

14.8 Calculation of areas

All areas quoted within the detailed valuation reports have been verified from the plans as well as our own on-site measurements. The reported square meterage is correct.

14.9 Structural condition

The properties have been valued in their existing state. We have not carried out any structural surveys, inspected those areas that are unexposed or inaccessible or arranged for the testing of any electrical or other services.

14.10 Town planning

Full town planning details and title deeds, including building conditions and restrictions, have been supplied in the detailed valuation reports. The properties have been checked against such documentation to ensure that they comply with town planning regulations. There do not appear to be any infringements of local authority regulations and/or deeds by any of the properties.

The valuations have further assumed that any improvements, if applicable, have been erected in accordance with the relevant Building and Town Planning Regulations. On inspection it would appear that the improvements are in accordance with the relevant town planning regulations.

15. **SCHEDULE OF RENTAL AND FUTURE INCOME**

A schedule of the current rentals and estimated future rentals are attached to the summary schedule, which is the same as that detailed in the valuation reports.

16. **MARKET VALUE**

We are of the opinion that the total combined market value of the 2 (two) properties identified for purchase by **DELTA PROPERTY FUND LIMITED** is **R183 000 000** as at **1 December 2012**, which comprises:

- Portion 1 of Erf 466, Pretoria, known as Manaka House: R132 000 000 (one hundred and thirty two million rand), and
- Portion 1 of Erf 689, Pretoria, known as the Continental Building: R51 000 000 (fifty one million rand).

The value of the 2 (two) properties to be owned entirely (100%) by **DELTA PROPERTY FUND LIMITED** is therefore **R183 000 000**.

We trust that we have carried out all instructions to your satisfaction and thank you for the opportunity off undertaking this valuation on your behalf.

Assuring you of our best service at all times.

Yours faithfully,

Werner Sarvari: Professional Valuer Registration number 3065/6

3 Oude Westhof Medical Centre
Van Riebeeckshof Road
Oude Westhof
Cape Town
7530

INDEPENDENT VALUER'S REPORT ON THE HALLMARK BUILDING

Delta Property Fund
Motseng House
204 Rivonia Road
Rivonia
Johannesburg

20 January 2013

Sir/Madam,

RE: INDEPENDENT VALUER'S REPORT ON PROPERTY INSPECTED ON BEHALF OF DELTA PROPERTY FUND AS DETAILED IN THE SUMMARY SCHEDULE ATTACHED AND FOR WHICH THERE IS A DETAILED INDIVIDUAL VALUATION REPORT HELD BY DELTA.

1. INTRODUCTION

Mr TLJ Behrens, duly authorised as a Professional Valuer, registered without restriction in terms of section 19 of the Property Valuers Professional Act, 2000 (Act No. 47 of 2000), of 3rd Floor, North Wing, Hyde Park Corner, Hyde Park, Sandton do hereby certify that to the best of our knowledge, we have valued the property as at the 1 of April 2013 in order to determine its value on a comparable sales approach, discounted cash flow or capitalisation of net income basis as at the dates specified below .

Total Value of the Property: **R319 000 000 (three hundred and nineteen million rand)**

Set out below are particulars relating to the property, to which this report is attached and the values that we have attributed to it:

Name	Address	Legal description
Hallmark Building	223 Johannes Romokhoase (Proes) Street, Pretoria CBD	Erven 232 and 2954, Pretoria Township, Gauteng

The subject property is known as the Hallmark Building and comprise of a 20 storey commercial building with ground floor retail accommodation and offices in the two towers. It is one of the highest buildings in Pretoria and also offers four levels of basement parking providing a total of approximately 925 bays. The Building has a GLA of 26,255m² building improved on a combined land extent of 7,656m². Building is circa 40 years old, was recently refurbished to the Department of Home Affairs requirements and is in a good condition. The property was physically inspected on the 30 November 2012. The property is freehold.

The building is of mixed use with ground floor retail, parking decks and upper level offices. The owner has entered into a long term lease agreement with the Department of Public Works and all of the office accommodation and 400 parking bays are occupied by the Department of Home Affairs. As per the Schedule in the lease agreement the subject comprises of 4,358m² of GLA and 50 secure covered parking bays. The lease period is for eight years with an escalation rate of 10% per annum, having commenced on 1 November 2009 and terminating on 31 October 2017. The balance of the income is from the lease agreements in respect of the three shops. These three leases account for approximately 2% of the potential gross income. The property was fully occupied at the time of inspection.

Servitudes/endorsements noted: By virtue of Notarial Deed NrK916/1970S the above two properties have been notarially tied and for all intents and purposes should be regarded as one property and may not be dealt with separately except with the consent of the City Council of Pretoria, as will more fully appear from the said Notarial Deed.

By virtue of Notarial Deed NrK4888/03S, the within mentioned property is subject to a right of way servitude in favour of Erf 2975, Pretoria, the exact location route and rules to be determined by agreement between the grantee and grantor, as will more fully appear from the said Notarial Deed.

By virtue of Notarial Deed NrK1622/08S dated 20 February 2008, the with in mentioned property is subject to a servitude of use for parking purposes in favor of Erf 3261 Pretoria, defined by SG Diagram Numbers 5728 to 5731/2006, as will more fully appear from the said Notarial Deed. (We have excluded these 337 bays from our valuation calculations).

2. BASIS OF VALUATION

The property has been valued using the Discounted Cash Flow Approach, which values the contracted income and then reverts to market related rentals. The reversion to market, in all cases has been next day after the expiry of the last lease. All of which are discounted at the appropriate discount rate.

3. OPTIONS OR BENEFIT/DETRIMENT OF CONTRACTUAL ARRANGEMENTS

No valuation has been required detailing the benefit or detriment of contractual arrangements in respect of the properties or where there may be a benefit in options held. We are unaware of any options in favour of any parties for any purchases of any of the properties.

4. ASSUMPTIONS

The considerations applied to the market value of the properties, which is based on the International Valuations Standards Authority definition of the same, are as follows:

- The property was not fully let at the effective date of valuation. Our assumptions are reflective of the micro-economy surrounding the property. In all instances we have allowed for a number of months after the lease expiry date within which no income is budgeted for and have assumed certain tenancies at market-related rentals. The period decided for the vacancies is based on our physical inspection of the immediate surrounds and the vacancies (if any) evident in surrounding buildings. We have referenced published documentation from the SAPOA/IPD data-base (Vacancy Surveys) and The Rode Report.
- In the valuation we have allocated provisions for Repairs and Maintenance. With regards the un-let components (as at the effective date of the valuation) in addition to the non-income producing months allocated in the cash flows, we have further provided for tenant installation costs and commissions payable to brokers. In addition to all of this we have also allocated default vacancy provisions as a percentage of the annualised gross incomes generated by the property valued for the Fund.
- Rentals used in our Discounted Cash Flow valuations are based on the terms and conditions contracted in the lease agreements. On expiry of same, we have assumed that they will revert to market-related rentals. The market-related rentals have been determined by comparing similar buildings in comparable areas to the property valued. Due consideration to the extent of the lettable areas, their location within the buildings and profile of tenant has been applied in the determination of the reversionary market rentals. The market rentals have also been compared with the fundamentals listed in various published indices including the South African Property Owners Association (SAPOA/IPD) index and the Rode report.
- Municipal approved building plans, in accordance with the existing improvements and parking provided, are assumed to be correct and accurate.

5. SOURCES OF INFORMATION

Information relating to the property have been obtain and, where applicable, verified, from:

1. property managers;
2. our physical inspection of the property which was conducted on 30 November 2012, confirming the nature of improvements and the tenancies reflected in the lease schedules;
3. Delta Property Fund;
4. Deeds Office; and Surveyor General's Office and Local Authorities for verification of the Title Deeds, erf diagrams, municipal valuation and town planning conditions;
5. SAPOA/IPD Index with regards to vacancy surveys, comparable market rentals, operating expense profiles, annualised rental and expense growth plus the Discount and Capitalisation Rate surveys; and
6. the Rode report to confirm those fundamentals referred to in the points above.

6. TOWN PLANNING RESTRICTIONS/CONDITIONS AND MATERIAL CONTRAVENTIONS OF STATUTORY REQUIREMENTS

Town planning details and title deeds, or Windeed reports, have been supplied in the detailed valuation reports including conditions and restrictions and the property has been checked against such conditions. This is to ensure that it complies with town planning regulations and title deeds.

The valuation has further assumed that the improvements have been erected in accordance with the relevant building and town planning regulations and on inspection it would appear that the improvement are in accordance with the relevant town planning regulations. The approximate age of the building is 40 years. We understand construction of improvements to have been finalised during 1972.

7. LEASES

Our valuation has been based upon the physical inspection of the property confirming the actual tenant leases supplied to us by the owners and managing agents.

In respect of single-tenanted buildings, expenses are usually paid directly by the tenant, while the landlord is responsible for expenses in multi-tenanted buildings, with certain expenses or increases in expenses being recovered from the tenants.

8. CONCLUSION

We confirm that to the best of our knowledge and belief there:

1. are no options held by any third party to purchase the property, and
2. have been no material changes between the date of the valuation and the last practicable date in any circumstances relating to the property, which would affect the valuation thereof.

We confirm that we have no pecuniary interest that would conflict with a proper valuation of the property by the Fund, other than normal professional fees. With 20 years' experience in property valuation, the undersigned is qualified to express an opinion on the value of the property.

Yours faithfully

ALTERNATIVE REAL ESTATE

T Behrens

National Diploma Property Valuation

Professional Associated Valuer Registration number: 3206/5

(Registered without restriction in terms of The Property Valuers Act, No. 47 of 2000)

3rd Floor, North Wing, Hyde Park Shopping Centre, Hyde Park, Sandton

INDEPENDENT VALUER'S REPORT ON MANAKA HEIGHTS

The Directors
Delta Property Fund Limited
204 Rivonia Road
Morningside
Gauteng

20 February 2013

Dear Sir.

INDEPENDENT VALUERS REPORT OF MANAKA HEIGHTS AS IDENTIFIED FOR PURCHASE BY DELTA PROPERTY FUND LIMITED ("DELTA") AS DETAILED IN THE SUMMARY SCHEDULE ATTACHED AND FOR WHICH THERE IS A DETAILED VALUATION REPORTS HELD BY DELTA PROPERTY FUND LIMITED

In accordance with your instruction of 1 December 2012, we confirm that we have visited and inspected Erf 3005 Pretoria (known as Manaka Heights) on 4 December 2012, and have received all necessary details required to perform a valuation in order to provide you with our opinion of the market value of the property as at 1 March 2013.

1. INTRODUCTION

The valuation of the property identified for purchase by Delta has been carried while considering all value adding aspects of the property. A fully motivated valuation report was produced and submitted to Delta. Such report includes commentary on the current economy, nature of the property, locality, tenancy, risk profile, forward rent and earning capability as well as relevant property expenses. The historic expenditure profile as well as future expenditure increases has been considered.

2. BASIS OF VALUATION

The valuation is based on market value.

Market value is the estimated amount for which a property should exchange hands on the date of valuation between a willing buyer and a willing seller in an arms' length transaction after proper marketing and assuming that the parties had each acted knowledgeable, prudently, and without compulsion.

3. VALUE CALCULATION

The calculation of the market value of the property has been based on the discounted cash flow model and the value derived was tested using the capitalisation of income methodology.

Considerations applied during the value calculation of the property are as follows:

- 3.1 The forward cash flows of all contractual and non-contractual (expected) income from the property.
- 3.2 The forward contractual and non-contractual (expected) expenditures, including appropriate provisions.
- 3.3 The vacancy profile of the property, which is noted as being marketed related. The majority of the property is tenanted by a department of the South African national government and as no vacancy rate has thus been applied due to the sovereign nature of the debt and the long-term nature of the lease.
- 3.4 Renovation and refurbishment, it being noted that there is currently no loss of rental being experienced due to either.
- 3.5 The rental profile, the lease agreements have been scrutinised to ascertain whether they are market-related. This has been determined by comparing similar buildings in comparable areas to the property valued, in terms of rental per square meter. The rental rate has also been checked against various published indices including the South African Property Owners Association (SAPOA) index. It is considered that the property should be re-rented at the same or higher rentals should the property become vacant. There is therefore minimal potential for rent-flow reversion. There is positive upside potential for real growth in rentals provided the economy remains in a slow recovery pattern and that there are no major economic fluctuations that may upset the economy.

- 3.6 The valuation has considered published market statistics regarding rental rates and expenditure.
- 3.7 The property has been valued in its existing use. No alternative use has therefore been considered in determining their value.

4. SPARE LAND

The property is considered fully developed and no spare land was thus taken into account during the value calculation.

5. BRIEF DESCRIPTION

The subject property comprise a multi-storey office building with structured parking on first and second floor with retail space on ground floor. Although fairly old the building and plant were found to be well maintained and in a good offer all condition. The lifts were replaced within the last year while major chillers for air-conditioning have been replaced within the last 10 years. The property is considered to provide lower A or B grade office accommodation. The property is located within a recognised office node of Tshwane's CBD. The subject node has shown high demand for government departments wishing to lease office space.

The building is estimated to have been constructed approximately 40 to 45 years ago.

6. VALUATION QUALIFICATIONS

Qualifications are usually detailed as a consequence of:

- leases under negotiation that have not yet been formalised;
- leases of a large nature where the premises are difficult to relet;
- specialised properties;
- large exposure to a single tenant;
- potential tenant failure due to over-rent;
- expenses required for major repairs;
- maintenance or other exposure to maintain the lettability of the building;
- contingent expropriations or servitudes that may be enforced; and
- poor lease terms whereby the lease may be disputed or rendered invalid.

We have, to the best of our knowledge, considered all of these aspects in the valuation of the subject property.

The valuer is however not responsible for the competent daily management of the property that will ensure that this status is maintained, or for the change of any laws, services by local authority or economic circumstances that may adversely impact on the integrity of the buildings or the tenant profile.

7. OPTIONS OR BENEFIT/DETRIMENT OF CONTRACTUAL ARRANGEMENTS

It was not required for the valuation to detail the benefit or detriment of contractual arrangements in respect of the properties or where there may be a benefit in options held.

We are unaware of any options in favour of any parties for any purchases of the property.

8. RELATED-PARTY LEASES

After inspected all the tenant schedules no related-party leases were noted.

9. CURRENT STATE OF DEVELOPMENT

The property is fully developed, well maintained and capable of accommodating tenants.

10. OPTIONS

To the best of our knowledge, there are no options to purchase any property held by any party.

11. EXTERNAL PROPERTY

There is no external property.

12. OTHER GENERAL MATTERS AND VALUATION SUMMARY

A full detailed and motivated valuation report is available detailing tenancy, town planning, valuer commentary, expenditure and other details. Such valuation has been furnished to the directors of Delta.

13. OTHER COMMENTS

To the best of our knowledge there are no contractual arrangements on the property other than:

- the leases as detailed in the valuation report;
- contracts relating to management;
- security and cleaning;
- insurance; and/or
- general building maintenance that has a major benefit or is detrimental to the fundamental value of the properties.

Our valuation excludes any amounts of value-added tax, transfer duty, or duty on share in the event of a company transaction.

14. CAVEATS

14.1 Source of information and verification

Information on the property regarding rental income, recoveries, turnovers and other income detail has been provided to us by the current owners and their managing agents. We have further compared certain expenditures given to with market norms of similar properties. This has also been compared to historic expenditure levels of the properties themselves. Historical contractual expenditures and municipal utility services were compared to the past performance of the property in order to assess potential expenditure going forward.

Audit fees have been excluded at property level and not considered in each valuation report as these costs will be carried at fund level.

14.2 Full disclosure

The valuation has been prepared on the basis that full disclosures of all information and factors that may affect the valuation have been made to us. We have to the best of our ability researched the market as well as taken all reasonable steps to check income against contractual lease agreements, rent rolls. Expenditure was compared with historical expense invoices. These were compared to the market to accurately represent this property's income capability.

14.3 Leases

Our valuations have been based upon actual lease agreements and in some instances a high level summary of actual tenant leases supplied to us by the owners and managing agents, which we have examined and used as the main factor in our valuation.

14.4 Lessee's credibility

In arriving at our valuation, cognisance has been taken of tenant security and rating. This was considered to determine whether such could influence the discount/capitalisation rate by way of risk consideration.

14.5 Mortgage bonds, loans, etc

The property has been valued as if wholly owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans and other charges. No deductions have been made in our valuation for costs associated with acquisition.

The valuation is detailed in a completed state and no deductions have been made for retention or any other set-off or deduction associated with purchase.

14.6 Calculation of areas

All areas quoted within the detailed valuation reports have been verified from the plans as well as our own on site measurements. The reported square meterage is correct.

14.7 **Structural condition**

The property has been valued in its existing state. We have not carried out any structural surveys, inspected those areas that are unexposed or inaccessible or arranged for the testing of any electrical or other services.

14.8 **Town planning**

Full town planning details and title deeds, including building conditions and restrictions, have been supplied in the detailed valuation report. The property has been checked against such documentation to ensure that it complies with town planning regulations. There do not appear to be any infringements of local authority regulations and/or deeds by the property.

The valuation has further assumed that any improvements, if applicable, have been erected in accordance with the relevant Building and Town Planning Regulations. On inspection it would appear that the improvements are in accordance with the relevant town planning regulations.

15. **SCHEDULE OF RENTAL AND FUTURE INCOME**

A schedule of the current rentals and estimated future rentals are attached to the summary schedule, which is the same as that detailed in the valuation reports.

16. **MARKET VALUE**

We are of the opinion that the market value of the property identified for purchase by **DELTA PROPERTY FUND LIMITED** is R236 000 000 as at 1 March 2013.

The value of property to be owned entirely (100%) by **DELTA PROPERTY FUND LIMITED** is therefore R236 000 000.

We trust that we have carried out all instructions to your satisfaction and thank you for the opportunity off undertaking this valuation on your behalf.

Assuring you of our best service at all times.

Yours faithfully,

Stephen Alberts

On behalf of Simunye Valuers and Property Consultants CC

Stephen Alberts: Professional Valuer Registration number 3814

Hendrik Fouche: Professional Associated Valuer Registration number 5053

110 4th Avenue
Newton Park
Port Elizabeth
6045

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
VALUE AND EXISTENCE OF THE ASSETS AND LIABILITIES ACQUIRED,
INTER ALIA, BY DELTA PROPERTY FUND LIMITED

The Directors
Delta Property Fund Limited
Motseng House
204 Rivonia Road
Morningside, 2199

20 February 2013

Dear Sirs

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE VALUE AND EXISTENCE OF THE
ASSETS AND LIABILITIES ACQUIRED, *INTER ALIA*, BY DELTA PROPERTY FUND LIMITED**

Introduction

We have reviewed the assets and liabilities acquired by Delta reflected in the following adjustment columns:

- acquisition of acquisition properties; and

("the Adjustment column") of the *pro forma* statement of financial position included in Annexure 7 to the circular.

The directors are responsible for the compilation, contents and preparation of the adjustment column of the unaudited *pro forma* statement of financial position. Our responsibility is to express a review conclusion on the value and existence of the assets and liabilities acquired reflected in the adjustment column in accordance with the accounting policies adopted by the issuer and the recognition and measurement criteria of IFRS.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". This standard requires that we plan and perform the review to obtain moderate assurance on the valuation and existence of the properties acquired by Delta reflected in the adjustment columns of the *pro forma* statement of financial position. Our review conclusion is included in this circular in accordance with paragraph 13.16(e) of the JSE Listings Requirements.

A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the assets and liabilities acquired by Delta reflected in the adjustment column of the *pro forma* statement of financial position included in Annexure 7 to the circular are not fairly valued, do not exist or are not fairly presented, in all material respects, in accordance with the accounting policies adopted by the company, International Financial Reporting Standards and in the manner required by the Companies Act of South Africa, Act 71 of 2008, as amended.

Yours faithfully

BDO South Africa Incorporated
Chartered Accountants (SA)
Registered Auditors

Per Nick Lazanakis
Chartered Accountant (SA)
Registered Auditor
22 Wellington Road
Parktown, 2193

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED CONSOLIDATED *PRO FORMA* STATEMENT OF FINANCIAL POSITION OF DELTA

The Directors
Delta Property Fund Limited
Motseng House
204 Rivonia Road
Morningside, 2199

20 February 2013

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED CONSOLIDATED *PRO FORMA* STATEMENT OF FINANCIAL POSITION OF DELTA

Introduction

We have performed our limited assurance engagement with regard to the unaudited consolidated *pro forma* statement of financial position of Delta Property Fund Limited ("Delta" or the Company") set out in Annexure 7 of the circular to be dated on or about 28 February 2013 issued in connection with the acquisition of the properties and the rights issue (the "transactions").

The unaudited consolidated *pro forma* statement of financial position has been prepared for purposes of complying with the JSE Listings Requirements, for illustrative purposes only, to provide information about how the Transactions might have affected the reported financial information of Delta had the transactions been undertaken on 31 August 2012, for statement of financial position purposes.

Because of its nature, the unaudited *pro forma* statement of financial position may not present a fair reflection of the financial position of Delta after the transactions.

Directors' responsibility

The directors of Delta (the "Directors") are solely responsible for the compilation, contents and presentation of the unaudited consolidated *pro forma* statement of financial position contained in the circular and for the financial information from which it has been prepared.

Their responsibility includes determining that:

- the unaudited consolidated *pro forma* statement of financial position contained in the circular has been properly compiled on the basis stated;
- the basis is consistent with the accounting policies of Delta; and
- the *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* statement of financial position as disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express a limited assurance conclusion on the unaudited consolidated *pro forma* statement of financial position included in the circular. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial information and the Revised Guide on *Pro Forma* Financial Information issued by The South African Institute of Chartered Accountants.

This standard requires us to comply with ethical requirements and to plan and perform the assurance engagement to obtain sufficient appropriate audit evidence to support our limited assurance conclusion, expressed below.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited *pro forma* statement of financial position, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted audited historical statement of financial position of Delta with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Delta, considering the evidence supporting the *pro forma* adjustments, recalculating the amounts based on the information obtained and discussing the unaudited *pro forma* statement of financial position with the Directors.

In arriving at our conclusion, we have relied upon financial information prepared by the Directors and other information from various public, financial and industry sources.

Whilst our work performed involved an analysis of the historical audited statement of financial position and other information provided to us, our limited assurance engagement does not constitute either an audit or review of any of the underlying financial information undertaken in accordance with the International Standards on Auditing or the International Standards on Review Engagements and, accordingly, we do not express an audit or review opinion.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe that our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Consent

We hereby consent to the inclusion of this letter and the sentences thereto in the circular of Delta in the form and context in which they appear.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that in terms of sections 8.17 and 8.30 of the Listings Requirements:

- the unaudited consolidated *pro forma* statement of financial position has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of Delta; and
- the adjustments are not appropriate for the purposes of the unaudited *pro forma* statement of financial position as disclosed pursuant to sections 8.30 and 13.16 of the JSE Listings Requirements.

Yours faithfully

BDO South Africa Incorporated

Chartered Accountants (SA)

Registered Auditors

Per **Nick Lazanakis**

Chartered Accountant (SA)

Registered Auditor

22 Wellington Road

Parktown, 2193

UNAUDITED *PRO FORMA* STATEMENT OF FINANCIAL POSITION OF DELTA

The unaudited *pro forma* statement of financial position set out below is the responsibility of the directors and has been prepared for illustrative purposes only and because of its nature may not fairly present the financial position of Delta after the acquisition of the Manaka property portfolio and related the rights issue of Delta linked units in terms of a rights issue (collectively, "the transactions").

The unaudited *pro forma* statement of financial position has been prepared to illustrate the impact of the transactions on the reviewed statement of financial position of Delta had the transactions occurred as at 31 August 2012.

The *pro forma* statement of financial position has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the reviewed financial statements of Delta for the period ended 31 August 2012.

The *pro forma* statement of financial position has been prepared on the assumption that sufficient linked unitholders exercise their rights in terms of the rights offer.

The independent reporting accountants and auditors' limited assurance report on the unaudited *pro forma* statement of financial position is set out in Annexure 6 to the circular.

The Transactions					
R'000	<i>Pro forma</i> financial position prior to the transactions (per PLS)	Rights issue and related transaction costs	Acquisition of the Manaka property portfolio and subsequent fair, value adjustment	Total	<i>Pro forma</i> financial position after the transactions
<i>Notes</i>	1	2, 3	4, 5		6
Assets					
Non-current assets					
Investment property	2 070 595		738 000	738 000	2 808 595
Loans to related parties	14 763			–	14 763
Property, plant and equipment	601			–	601
Goodwill	–			–	–
Investment in subsidiaries	–			–	–
	2 085 959	–	738 000	738 000	2 823 959
Current assets					
Loans to related parties	–			–	–
Operating lease asset	34 105			–	34 105
Trade and other receivables	8 067			–	8 067
Cash and cash equivalents	48 674	436 330	(436 330)	–	48 674
	90 846	436 330	(436 330)	–	90 846
Total assets	2 176 805	436 330	301 670	738 000	2 914 805
Equity and liabilities					
Equity					
Stated capital	932 136	378 322		378 322	1 310 458
Retained income	150 299	(2 798)	4 531	1 733	152 032
Shareholders' interest	1 082 435	375 524	4 531	380 055	1 462 490
Liabilities					
Non-current liabilities					
Debentures	189 676	60 806		60 806	250 482
Loans from related parties	–			–	–
Other financial liabilities	840 768		296 099	296 099	1 136 867
Deferred tax	57 045		1 040	1 040	58 085
	1 087 488	60 806	297 139	357 945	1 445 434
Current liabilities					
Loans from related parties	–			–	–
Other financial liabilities	1 112			–	1 112
Current tax payable	673			–	673
Trade and other payables	5 096			–	5 096
Bank overdraft	–			–	–
	6 881	–	–	–	6 881
Total liabilities	1 094 369	60 806	297 139	357 945	1 452 315
Total equity and liabilities	2 176 805	436 330	301 670	738 000	2 914 805

NEW TRANSACTION

	<i>Pro forma</i> financial position prior to the transactions (per PLS)	Rights issue and related transaction costs	Acquisition of the Manaka property portfolio and subsequent fair value adjustment	Total	<i>Pro forma</i> financial position after the transactions
Linked units in issue	164 935 366	52 874 867		52 874 867	217 810 233
Net asset value per linked unit	7.71			8.34	7.86
Net asset value per linked unit (excluding deferred tax)	8.06			8.36	8.13
Tangible net asset value per linked unit	7.71			8.34	7.86

Notes to the *pro forma* statement of financial position:

1. Extracted from the pre-listing statement.
2. The proceeds of R444 148 881 raised in the form of cash from the rights issue of 52 874 867 linked units at R8.40 per linked unit (comprising, 52 874 867 ordinary shares at R7.25 each, linked to 52 874 867 debentures at a nominal value of R1.15 each). Debentures are accounted for at cost in terms of Delta's accounting policy. For purposes of the *pro forma* statement of financial position, the judgement applied by management is that the fair value of the debenture is equal to its nominal value of R1.15 and the remaining portion of R7.25 is allocated to equity.
3. Total transaction costs, excluding those directly related to the acquisition of the Manaka property portfolio amounted to R7 818 895, of which R5 020 887 is written off against share capital in terms of IAS 32 – *Financial instruments*, as it directly relates to the rights issue, and R2 798 008 is expensed. Share capital and retained earnings are reduced by R5 020 887 and R2 798 008, respectively.
4. The acquisition of the Manaka property portfolio in terms of IAS 40 – *Investment Properties*, for an aggregate purchase price of R732 42 9241 (comprising the purchase consideration for the Manaka property portfolio of R729 352 081 and capitalised acquisition costs of R3 077 160). The Manaka property portfolio was valued at R738 000 000 by the independent valuer, as set out in the summary valuation reports which are presented in Annexures 2-4 of this circular. As the company's accounting policy provides that all properties accounted for in terms of IAS 40 – *Investment properties* be held at fair value, this results in a upward revaluation adjustment of R4 534 598 after deducting deferred tax of R1 036 161. The revaluation of the Manaka property portfolio results in a increase in retained earnings of R4 534 598.
5. The aggregate purchase consideration of R740 248 136 (comprising the purchase consideration for the Manaka property portfolio of R732 42 9241 million and total transaction costs of R7 818 895) is assumed to be funded 60% (R444 148 881) by means of the rights issue to existing linked unitholders and 40% (R296 099 254) through debt funding.
6. Represents the *pro forma* statement of financial position of Delta after the transactions.

The *pro forma* financial information has been prepared in terms of IFRS and the SAICA guide on *pro forma* reporting.

The supplier and terms of the debt funding has not yet been finalised.

The transactions are assumed to have been implemented on 31 August 2012, being the statement of financial position date of the historical financial information of Delta.

INDEPENDENT REPORTING ACCOUNTANT AND AUDITORS' REPORT ON THE FORECAST INCOME STATEMENTS OF THE PROPERTIES

The Directors
Delta Property Fund Limited
Motseng House
204 Rivonia Road
Morningside, 2199

20 February 2013

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED FORECAST STATEMENTS OF COMPREHENSIVE INCOME OF THE PROPERTIES TO BE ACQUIRED BY DELTA

1. INTRODUCTION

Delta Property Fund Limited ("Delta" or the "Company") has concluded an acquisition agreement with a vendor to acquire an additional four properties ('the properties') on or around 24 January 2013 ('the Transaction').

We have examined the unaudited forecast statements of comprehensive income, the forecast vacancy profile by sector and by gross lettable area and the forecast lease expiry profile based on existing lease agreements (collectively, "Forecast Information") for the 11 months ending 28 February 2014 and the 12 months ending 28 February 2015, as set out in Annexure 9 to the Circular to be dated on or about 28 February 2013 (the "Circular").

2. DIRECTORS' RESPONSIBILITY

The Directors are responsible for the forecast information, including the assumptions and notes on which it is based, and for the financial information from which it has been prepared. This responsibility, arising from compliance with the JSE Listings Requirements, includes:

- determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast information;
- whether the forecast information have been properly compiled on the basis stated; and
- whether the forecast information is presented on a basis consistent with the accounting policies of Delta.

3. REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to provide a limited assurance report on the forecast information prepared for the purpose of complying with the Listings Requirements of the JSE and for inclusion in the Circular to Delta linked unitholders. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements applicable to the Examination of Prospective Financial Information, ISAE 3400 and the SAICA Circular entitled the Reporting Accountants' Responsibilities in terms of section 13 of the Listings Requirements of the JSE. This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- management's best-estimate assumptions on which the Forecast Information is based are not unreasonable and are consistent with the purpose of the information;
- the forecast information is properly prepared on the basis of the assumptions;
- the forecast information is properly presented and all material assumptions are adequately disclosed; and
- the forecast information is prepared and presented on a basis consistent with the accounting policies of Delta for the period concerned.

In a limited assurance engagement, the evidence gathering procedures are more limited than for a reasonable assurance engagement and therefore, less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

4. INFORMATION AND SOURCES OF INFORMATION

In arriving at our conclusion, we have relied upon forecast financial information prepared by the management of Delta and other information from various public, financial and industry sources.

The principal sources of information used in arriving at our conclusion are as follows:

- the historical financial information in respect of the properties;
- vendor prepared budgets for the years ending 28 February 2014 and 28 February 2015. in respect of the four properties making up the properties;
- management prepared forecasts for the 11 months ending 28 February 2014 and the year ending 28 February 2015;
- lease agreements for a sample of the leases for the properties as set out below;
- the acquisition agreements;
- indicative funding terms with the providers of the senior debt as represented by management;
- agreements with the providers of the senior debt;
- discussions with the Directors regarding the forecast information;
- discussions with Directors regarding the prevailing market and economic conditions;
- discussions with the Directors regarding reasonableness of the forecast renewals of expiring leases; and
- valuation reports in respect of the properties, prepared by Simunye Valuers and Property Consultants CC, Active Blue Valuation Solutions CC and Real Insight (the "External Property Valuers").

5. PROCEDURES

In arriving at our conclusion we performed the following procedures:

Rental income

- Selections were made from the forecast contracted rental income streams per the profit forecast for the properties and agreed to the underlying lease agreements. The total coverage obtained was as follows:
 - 93 per cent and 95 per cent of the forecast contracted rental income for the 11 months ending 28 February 2014 and the year ending 28 February 2015 respectively.
- For the same sample of properties, forecast recoveries were compared to the historical recoveries achieved (where available), budgeted recoveries per vendor budgets and forecast operating expenditure for reasonableness. The terms of the leases were considered so as to ensure that the basis of the recoveries was correct.
- Existing lease agreements which will expire during the period under review were discussed individually with the property managers. Unless the existing tenant has indicated that it intends to vacate the premises, it has been assumed that the existing tenant will renew the lease agreement and the resultant uncontracted rental income has been included in the forecast.
- Uncontracted rental income is comprised as follows:
 - 9.6 per cent and 11.5 per cent of the forecast total rental income for the 11 months ending 28 February 2014 and the year ending 28 February 2015 respectively.
- Space that is currently vacant has been excluded from the forecast except where the property manager has demonstrated that the vacant space is in the process of being let but that the lease agreement in that regard had not been signed on the date of posting the Circular;
- The vacancy levels of the properties per the forecast were compared to historic and budgeted vacancy levels for reasonableness. The total vacancy of the properties based on GLA is 1.4 per cent.
- The calculation in respect of the straight-lining of revenue was reperformed on a sample basis.

Expenses

For a sample of properties forecast expenses were compared to the historical expenses and budgeted expenses (vendor budgets). Explanations were obtained for any significant differences.

The detailed forecast expenditure was reviewed to ensure that all material expenditure items, as required by paragraph 13.14(g) of the Listings Requirements, were disclosed.

Portfolio expenses

The forecast interest receivable, head office costs, property management fees and other portfolio expenses were assessed for reasonableness and, where applicable, recalculated. Certain expenses were also compared to industry benchmarks in order to assess their reasonableness.

Material expenses were compared to supporting documentation in the form of quotations and management and third-party prepared calculations.

Application of accounting policies

We ascertained that the accounting policies were applied consistently in the preparation of the forecast information

Model review

In order to ensure that the forecast model for the property income and expenses was mathematically accurate we performed a high level review to determine the consistency and mathematical accuracy of the model.

Vacancy profile and lease expiry profiles

The forecast vacancy profile and the lease expiry profile included in the Circular was recalculated to ensure the accuracy of the information presented.

For a sample of the individual leases for each of the properties, we agreed the dates of expiry of such leases as reflected in the individual properties worksheets to the signed lease agreements and found them to be in agreement.

We compared the forecast vacancy profile included in paragraph 5.5 of the Circular to the forecast vacancy profile per our calculations and found them to be in agreement.

We compared the forecast lease expiry profile included in paragraph 5.6 of the Circular to the forecast lease expiry profile per our calculations and found them to be in agreement.

Accuracy of the information

We have relied upon and assumed the accuracy and completeness of the information provided to us in writing, or obtained through discussions with the Directors. While our work has involved an analysis of the historical financial information, budgeted financial information and other information provided to us, our engagement does not constitute, nor does it include, an audit or review of historical financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements.

Accordingly, we do not express an audit or review opinion thereon and assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us, in respect of the forecast information included in the Circular.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention which causes us to believe that:

- the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast information;
- the forecast information has not been properly compiled on the basis stated;
- the forecast information has not been properly presented and all material assumptions are not adequately disclosed; and
- the forecast information is not presented on a basis consistent with the accounting policies of Delta.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly no assurance is expressed regarding the achievability of the forecast.

Our report and the conclusion contained herein is provided solely for the benefit of the Directors and existing and prospective linked unitholders of Delta for the purpose of their consideration of the Transaction. This letter is not addressed to and may not be relied upon by any other third party for any purpose whatsoever.

Yours faithfully

BDO South Africa Incorporated

Chartered Accountants (SA)

Registered Auditors

Per Nick Lazanakis

Chartered Accountant (SA)

Registered Auditor

22 Wellington Road

Parktown, 2193

FORECAST INCOME STATEMENTS IN RESPECT OF THE MANAKA PROPERTY PORTFOLIO

Set out below are the consolidated forecast statements of comprehensive income of the Manaka property portfolio for the 11 months ending 28 February 2014 and the year ending 28 February 2015 (the "forecast information").

The forecast information includes forecast figures for the forecast periods in respect of the Manaka property portfolio.

The forecast information, including the assumptions on which they are based and the financial information from which they are prepared, is the responsibility of the directors.

The forecast information should be read in conjunction with the independent reporting accountants and auditors' report thereon as set out in Annexure 8 to this circular.

The forecast information in respect of the Manaka property portfolio has been prepared in compliance with IFRS and in accordance with Delta's accounting policies.

Forecast statement of comprehensive income of the Manaka property portfolio

	12 months ending 28 February 2014 Rand A	12 months ending 28 February 2015 Rand B
Notes:		
Revenue		
Rental income (trading income)	87 206 605	103 673 288
– Gross property rental income	72 524 686	86 314 961
– Recoveries	14 681 919	17 358 327
Straight-line rental income adjustment	10 990 888	4 850 148
Total revenue	98 197 494	108 523 436
Expenses		
Property expenses (trading expenses)	(19 629 100)	(23 299 296)
Administrative expenses and corporate costs	(5 224 415)	(5 912 832)
Other income		
Profit from operations	73 343 978	79 311 308
Finances costs	(25 121 625)	(23 670 024)
Finance income	441 006	720 699
Profit before debenture interest	48 663 359	56 361 982
Debenture interest	(37 295 746)	(50 996 716)
Profit after debenture interest	11 367 613	5 365 266
Capital expenses not included in distribution	2 772 751	–
Fair value adjustment	5 570 759	–
Transaction costs	(2 798 008)	–
Debt restructuring	–	–
Profit before taxation	14 140 364	5 365 266
Taxation	(4 219 093)	(1 502 274)
Profit after taxation	9 921 271	3 862 992
Other comprehensive income for the period, net of tax	–	–
Total comprehensive income for the period (attributable earnings)	9 921 271	3 862 992
Number of linked units in issue ('000)	52 874 867	52 874 867
Weighted average number of linked units in issue ('000)	44 062 389	52 874 867
Earnings per linked unit (cents)	94.59	103.75
Headline earnings per linked unit (cents)	86.02	103.75
Distribution per linked unit (cents)	70.54	96.45
Annualised distribution yield (R8.40 issue price per linked unit)	9.16%	11.48%
Distribution growth		25.34%
Reconciliation between earnings and headline earnings attributable to shareholders		
Net profit after taxation	9 921 271	3 862 992
<i>Adjusted for:</i>	–	–
Fair value adjustment (net of taxation)	(4 534 598)	–
Earnings and headline earnings attributable to shareholders	5 386 673	3 862 992
Reconciliation between earnings, headline earnings and distributable earnings attributable to linked unitholders		
Profit before taxation	9 921 271	3 862 992
<i>Adjusted for:</i>	–	–
Debenture interest	37 295 746	50 996 716
Capital and other items not distributed	2 798 008	–
Earnings attributable to Linked Unitholders	50 015 025	54 859 707
<i>Adjusted for:</i>		
Fair value adjustment (net of taxation)	(4 534 598)	–
Headline earnings attributable to linked unitholders	45 480 427	54 859 707
Straight-line rental income adjusted net of deferred tax	(7 913 440)	(3 492 106)
Dividend paid to shareholders	(271 242)	(370 885)
Distributable earnings	37 295 746	50 996 716

Notes:

A: Forecast financial information for the Manaka property portfolio for the 11-month period ending 28 February 2014;

B: Forecast financial information for the Manaka property portfolio for the 12-month period ending 28 February 2015.

Main assumptions and comments on the forecast financial information:

Assumptions considered to be significant are disclosed below, however, the assumptions disclosed are not intended to be an exhaustive list.

Assumptions that are under the control of the Directors:

- the forecast information is based on information derived from the vendor, the independent valuer, the historical financial information and the directors' knowledge of and experience in the property industry;
- the properties underlying the forecast financial information comprise only the Manaka property portfolio;
- Delta will not acquire or dispose of any other properties during the forecast periods;
- contracted revenue, which comprises rental income and expense recoveries from existing tenants, is based on existing lease agreements for the duration of such agreements;
- rental income in respect of current vacant space, reported under forecast gross rental income, has been excluded from the forecast information;
- leases expiring during the respective forecast periods have been forecast on a lease-by-lease basis. In circumstances where the tenants occupy the premises on a month-to-month basis, it has been assumed that where such tenants have indicated that they are satisfied with the premises, they will continue to occupy the premises at the same rates and escalations. In circumstances where the existing lease agreements will expire during the periods under review and the current tenants have indicated that they are satisfied with the premises, it has been assumed that such tenants will continue to occupy the premises at the same rates and escalations as per the existing lease agreement, unless they have specifically indicated otherwise;
- forecast uncontracted rental income included in the forecast information amounts to 9.6 per cent for the 12 months ending 28 February 2014 and 11.5 per cent for the 12 months ending 28 February 2015 of the total forecast rental income for the respective forecast periods;
- total operating expenditure has been forecast on a line-by-line basis for each property based on the historical financial information and supplier service contracts, where available, vendor budgets and the Directors knowledge of and experience in the property industry;
- forecast recoveries in respect of municipal expenses have been based on the terms of the existing lease agreements;
- straight-line rental adjustments are performed on an individual lease basis, are based on current lease agreements and exclude any assumptions of renewals or new leases during the respective forecast periods;
- debenture interest paid to linked unitholders will be deductible in full for company taxation purposes. Deferred taxation has been raised in respect of the straight-line rental adjustments at the company taxation rate of 28 per cent;
- the Manaka property portfolio is assumed to be acquired with effect from 1 April 2013 for an aggregate purchase price of R732 429 241 (comprising the purchase consideration for the Manaka property portfolio of R729 352 081 million and capitalised acquisition costs of R3 077 160); and
- the Manaka property portfolio was valued at R738 000 000 by the independent valuer, as set out in the summary valuation reports which are presented in Annexures 2-4 of this circular. As the company's accounting policy provides that all properties accounted for in terms of IAS 40 – *Investment properties* be held at fair value, this results in a upward revaluation adjustment of R4 534 598, after accounting for deferred tax of R1 036 161. This is necessary to increase the carrying value of the properties comprising the Manaka property portfolio to their fair value as determined by the independent valuer, R738 000 000.

The acquisition of the Manaka property portfolio has been accounted for in terms of IAS 40 – *Investment Property* and the Manaka property portfolio is recorded at fair value as provided for by the company's accounting policies:

- total transaction costs, excluding those directly related to the acquisition of the Manaka property portfolio amounted to R7 818 895, of which R5 020 887 is written off against share capital in terms of IAS 32 – *Financial instruments*, as it directly relates to the rights issue and R2 798 008 is expensed. Transactions costs of R2 798 008 will be recorded in the income statement of the Company are shown per the above forecast income statement – FY2014;
- the aggregate purchase consideration of R740 248 136 (comprising the purchase consideration for the Manaka property portfolio of R732 429 241 and total transaction costs of R7 818 895) is assumed to be funded 60% (R444 148 881) by means of a rights issue of 52 874 867 linked units at an issue price of R8.40 per linked unit (comprising 52 874 867 ordinary shares at R7.25 each, linked to 52 874 867 debentures at a nominal value of R1.15 each) to existing linked unitholders and 40% (R296 099 254) through debt funding;

- material items of expenditure include rates and taxes, metered municipal expenses, including electricity and water, and Insurance for the 12 months ended 28 February 2014 and the 12 months ended 28 February 2015;
- a comparison of the aggregated forecast items of expenditure detailed above and the aggregated historical expenditure was conducted in respect of the Manaka portfolio and the following expenditure item were identified as being forecast to increase by 15% or more in comparison to the historical expenditure:
- Insurance
- the increase in the cost of insurance has been explicitly calculated by management based on the replacement cost of the Manaka property portfolio and the current insurance rate offered by Delta's insurance provider.
- the historical aggregated expenditure analysed comprises 100% of the property portfolio by gross lettable area and 100% by gross revenue;
- no fair value adjustments have been made in respect of the Manaka property portfolio as at 28 February 2015; and
- these forecast statements of comprehensive income have been compiled utilising the accounting policies of Delta.

Assumptions that are NOT under the control of the Directors:

- no unforeseen market and economic factors that will affect the tenant's ability to meet their commitments in terms of existing lease agreements have been included;
- the full amount of equity capital required is raised;
- the Manaka property portfolio is transferred on or before 1 April 2013;
- there will be no fair value adjustment for the year ending 28 February 2015;
- the South African prime-overdraft rate will be 8.5 per cent for the entire period under review;
- interest payable on the debt funding will be at an average rate of 7.82 per cent; and
- 99 per cent of the distributable income will be distributed to linked unitholders as debenture interest.

The forecast financial information has been prepared in terms of IFRS and the SAICA guide on reporting.

MATERIAL BORROWINGS

Lender	Nedbank
Borrower	Delta
Purpose of loan	To finance the listing of the property portfolio on the JSE
Loan amount	Total – R850 000 000: Tranche A – R350 000 000 Tranche B – R350 000 000 Tranche A and B were drawn down completely on the listing date Revolving loan facility – R150 000 000
Term of the loan	Tranche A – 36 months from the date of first disbursement Tranche B – 60 months from the date of first disbursement Revolving loan facility – 36 months from the date of first disbursement
Interest	Tranche A – 3 month JIBAR plus a gross margin of 215 basis points. Fixed at 7.84% for a period of 35 months and 27 days commencing on 6 November 2012 Tranche B – 3 month JIBAR plus a gross margin of 230 basis points. Fixed at 7.98% for a period of 35 months and 21 days commencing on 11 February 2013. Revolving loan facility – 3 month JIBAR plus a gross margin of 215 basis points
Repayment terms	Quarterly interest only repayments over the terms of Tranche A, Tranche B and the Revolving facility, followed by capital payments at the end of the loan terms. These repayments will change with variations in the variable rate.
Detail of any security	<ul style="list-style-type: none"> • The following new / existing mortgage bonds, are to be registered by Delta in favour of the security SPV: <ul style="list-style-type: none"> – First covering mortgage bond in an amount of R16 700 000 over Cooper House building*; – First covering mortgage bond in an amount of R55 100 000 over 110 Hamilton building*; – First covering mortgage bond in an amount of R162 000 000 over Forum building*; – First covering mortgage bond in an amount of R166 000 000 over NPA building*; – First covering mortgage bond in an amount of R30 000 000 over SARS Kimberley building*; – First covering mortgage bond in an amount of R8 000 000 over SARS Spring building*; – First covering mortgage bond in an amount of R4 200 000 over Tivoli building*; – First covering mortgage bond in an amount of R100 500 000 over Beacon Hill building*; – First covering mortgage bond in an amount of R40 000 000 over Presidia building*; – First covering mortgage bond in an amount of R61 500 000 over 5 Walnut Road building*; – First covering mortgage bond in an amount of R64 000 000 over WB Centre building*; – First covering mortgage bond in an amount of R140 000 000 over Block G building*; – First covering mortgage bond in an amount of R67 000 000 over 88 Field Street building*;

- First covering mortgage bond in an amount of R18 500 000 over PwC Polokwane building*;
- first covering mortgage bond in an amount of R143 000 000 over Liberty Towers building*;
- first covering mortgage bond in an amount of 30 000 000 over Cape Road building*;
- First covering mortgage bond in an amount of R28 000 000 over Broadcast House building*;
- first covering mortgage bond in an amount of R21 000 000 over North Ridge building*;
- first covering mortgage bond in an amount of R15 000 000 over Richmond building*; and
- first covering mortgage bond in an amount of R9000 000 over Old Mutual building*;
- Delta has agreed to cede *in securitatem debiti*, all rights, title and interests in and to all amounts standing to the credit of its current bank accounts, and the debts represented thereby, to the security SPV;
- Delta has agreed to cede *in securitatem debiti*, all rights, title and interests in and to the insurance proceeds pertaining to the portfolio paid to or on account of Delta to the security SPV;
- Delta has agreed to cede *in securitatem debiti*, all rights, title and interests in and to lease agreements and lease payments, including, without limitation, rentals, insurance premiums and operating expenses, payable to or on account of Delta to the security SPV;
- Delta has agreed to pledge all shares held and cede *in securitatem debiti* all rights to and interests in shares held by Delta in Choice Decisions 300* to the security SPV;
- Delta has agreed to pledge all shares held and cede *in securitatem debiti* all rights to and interests in shares held by Delta in Hestitrix* to the security SPV;
- Choice Decisions 300* has agreed to cede *in securitatem debiti*, all rights, title and interests in and to all amounts standing to the credit of its current bank accounts, and the debts represented thereby, to the security SPV;
- Choice Decisions 300 has agreed to cede *in securitatem debiti*, all rights, title and interests in and to the insurance proceeds pertaining to the PwC Polokwane building* paid to or on account of Choice Decisions 300* to the security SPV;
- Choice Decisions 300* has agreed to cede *in securitatem debiti*, all rights, title and interests in and to lease agreements and lease payments, including, without limitation, rentals, insurance premiums and operating expenses, payable to or on account of Choice Decisions 300 to the security SPV;
- Hestitrix* has agreed to cede *in securitatem debiti*, all rights, title and interests in and to all amounts standing to the credit of its current bank account and the debts represented thereby, to the security SPV;
- Hestitrix* has agreed to cede *in securitatem debiti*, all rights, title and interests in and to the insurance proceeds pertaining to the Block G* rental enterprise paid to or on account of Hestitrix* to the security SPV; and
- the security SPV shall hold the counter indemnity, in terms of which Delta, *inter alia*, indemnifies the security SPV for all and any payments the security SPV may be liable for in terms of the guarantee entered into between Delta and Nedbank Limited.

Guarantees	Hestitrix* – R140 000 000 Choice Decisions 300* – R18 500 000
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Conversion/redemption rights	None
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* refer to definitions in the pre-listing statement

VENDORS

Property name	NPA Cape Town building
Acquisition date	27 November 2012
Name of the vendor	Mesispot Proprietary Limited
Address of the vendor	204 Rivonia Road, Morningside, 2199
Aggregate purchase consideration	R153 808 838
Amount paid to vendor in cash	R151 654 755
Amount paid to vendor in linked units	R1 654 083
Amount paid to vendor in respect of goodwill	Nil
Cost of asset to the vendor	R150 000 000
Acquisition date by vendor	12 September 2011
Name and address of the vendor shareholders	<ul style="list-style-type: none"> • Johannes Bhekumuzi Magwaza • Sandile Hopeson Nomvete* • Ipeleng Nonkululeko Mkhari* • Mlekeleli Bruce Zungu* • Vincent Jabulani Mriga* <p>* Held indirectly through an associate</p>
Book debts guaranteed by the vendor	None
Details of any restraint of trade	None
Details of settlement of accrued taxation, if any	None
Reconciliation of amounts paid for securities and the proportionate value of the net assets of that company attributable to such securities acquired.	Not applicable
Directors' or promoters' interest in the Transaction	The shareholders of the vendor are all Directors of Delta
Promoters fee paid	None
Status of transfer	Transferred
Property name	Block G building
Acquisition date	7 December 2012
Name of the vendor	1. Atterbury Investment Holdings Limited (50%); and 2. Parkdev SA Proprietary Limited (50%)
Address of the vendor	1. Lynwood Bridge Office Park; 4 Daventry Street, Lynwood Manor, Pretoria; and 2. 1375 Collins Avenue, Waverley, Pretoria
Aggregate purchase consideration	R195 086 770
Amount paid to vendor in cash	R195 086 770
Amount paid to vendor in linked units	Nil
Amount paid to vendor in respect of goodwill	Nil
Name and address of the vendor shareholders	<ul style="list-style-type: none"> • Atterbury Investment Holdings Limited (Listed fund at the JSE, with shareholders constituting: Atterbury Group Companies & founders; Sanlam Insurance Limited; Royal Bafokeng Holdings; Mertch Group & Mergon Foundation; Other Public Shareholders) • Parkdev SA Proprietary Limited The Village Trust
Book debts guaranteed by the vendor	None

Property name	Block G building
Details of any restraint of trade	None
Details of settlement of accrued taxation, if any	None
Reconciliation of amounts paid for securities and the proportionate value of the net assets of that company attributable to such securities acquired.	None
Directors' or promoters' interest in the Transaction	None
Promoters fee paid	None
Status of transfer	Transferred

Property name	Liberty Towers building
Acquisition date	31 October 2012
Name of the vendor	Copapax Proprietary Limited
Address of the vendor	3rd Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191
Name and address of the vendor shareholders	The Corbett Family Trust
Aggregate purchase consideration	R321 707 127
Amount paid to vendor in cash	R304 518 836
Amount paid to vendor in linked units	R17 188 292
Amount paid to vendor in respect of goodwill	None
Name and address of the vendor shareholders	<ul style="list-style-type: none"> • Mutodo Properties Proprietary Limited • Vusani Property Investments Proprietary Limited • The RJP Maponya Property Investment Trust Proprietary Limited • The Nompinti Trust • The Nalesa Family Trust • The B&A Trust • The Daljel Trust • Nedbank Limited
Book debts guaranteed by the vendor	None
Details of any restraint of trade	None
Details of settlement of accrued taxation, if any	None
Reconciliation of amounts paid for securities and the proportionate value of the net assets of that company attributable to such securities acquired.	None
Directors' or promoters' interest in the Transaction	BA Corbett is a shareholder of the vendor and a Director of Delta
Promoters fee paid	None
Status of transfer	Transferred

Property name	Beacon Hill building
Acquisition date	6 November 2011
Name of the vendor	Esda Properties Proprietary Limited
Address of the vendor	52 Lower Mount Street, King Williams Town, Siyalu, Eastern Cape
Name and address of the vendor shareholders	Dean de Villiers Family Trust
Aggregate purchase consideration	R185 000 000
Amount paid to vendor in cash	R185 000 000
Amount paid to vendor in linked units	Nil

Property name	Beacon Hill building
Amount paid to vendor in respect of goodwill	None
Cost of asset to the vendor	R45 000 000
Acquisition date by vendor	22 February 2011
Name and address of the vendor shareholders	Dean de Villiers Family Trust: 52, Lower Mount Street, King Williams Town, 5601
Book debts guaranteed by the vendor	None
Details of any restraint of trade	None
Details of settlement of accrued taxation, if any	None
Reconciliation of amounts paid for securities and the proportionate value of the net assets of that company attributable to such securities acquired.	Not applicable
Directors' or promoters' interest in the Transaction	None
Promoters fee paid	None
Status of transfer	Transferred
Property Name	Hendisa
Acquisition date	Not yet transferred as conditions precedent to the agreement remain outstanding
Name of the vendors	<ul style="list-style-type: none"> • Ernest Hendrik le Roux 25% • The Executor, Estate Late Zacharias Christiaan Kruger 30% • D Kourtoumbellides 45%
Address of the vendors	D Kourtoumbellides – 9A Hans van Rensburgstreet, Polokwane RM Kruger for the estate late Z C Kruger – 25 Watermelonstreet, Platinumpark, Bendor, Polokwane EH le Roux – 65 Biccardstreet, Polokwane
Aggregate purchase consideration	R290 000 000
Amount paid to vendors in cash	R116 000 000
Amount paid to vendors in linked units	R174 000 000
Amount paid to vendors in respect of goodwill	Nil
Cost of asset to the vendors	R110 457 884
Acquisition date by vendors	
Book debts guaranteed by the vendor	None
Details of any restraint of trade	None
Details of settlement of accrued taxation, if any	None
Reconciliation of amounts paid for securities and the proportionate value of the net assets of that company attributable to such securities acquired.	Not applicable
Directors' or promoters' interest in the Transaction	None
Promoters fee paid	None
Status of transfer	Not yet transferred

Property name	Manaka House	Manaka Heights	Hallmark Building	Manaka Continental
Address of the vendor	1st Floor, Boabab House, Eastwood Office Park, 290 Liz John Street, Lynnwood Ridge, Pretoria			
Name and address of the vendor shareholders	East & West Investments Proprietary Limited (25%) ¹	1st Floor, Baobab House Eastwood, Office Park, 290 Liz John Street, Lynnwood Ridge Pretoria		
	Mashau Investments CC (50%) ²	7 Sambreelboom Avenue, Randpark Ridge, 2156		
	Mathebula Family Trust (15%) ³	25 Saligna Street, Florapark, Polokwane, 0699		
	Mathale Cassel Charlie (10%)	1736A Bankuna Street, Letaba, 0870		
Acquisition date	Not yet transferred	Not yet transferred	Not yet transferred	Not yet transferred
Aggregate purchase consideration	R140 637 347	R 225 206 469	R317 323 296	R46 184 969
Amount paid to vendor in cash	R140 637 347	R 225 206 469	R317 323 296	R46 184 969
Material borrowings	R56 254 938	R90 082 588	R126 929 318	R18 473 988
Amount paid to vendor in linked units	Nil	Nil	Nil	Nil
Amount paid to vendor in respect of goodwill	None	None	None	None
Book debts guaranteed by the vendor	None	None	None	None
Details of any restraint of trade	None	None	None	None
Details of settlement of accrued taxation, if any	None	None	None	None
Reconciliation of amounts paid for securities and the proportionate value of the net assets of that company attributable to such securities acquired.	Not applicable	Not applicable	Not applicable	Not applicable
Directors or promoters interest in the transaction	None	None	None	None
Promoters fee paid	None	None	None	None
Status of transfer	Not yet transferred	Not yet transferred	Not yet transferred	Not yet transferred

Notes: Beneficial Shareholding

1. Moolman Group
2. Member - Thabadiawa Alfred Mufamadi
3. Trustees - Tirhani Joseph Mathebula, Mutheiwana Mulangaphuma and Hlengani Cedric Mathebula



(formerly Tuffsan 89 Investment Holdings Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2002/005129/06)
Share code: DLT ISIN: ZAE000172052

NOTICE OF GENERAL MEETING OF DELTA LINKED UNITHOLDERS

The definitions commencing on page 4 of the circular of which this notice of general meeting forms part apply, *mutatis mutandis*, to this notice of general meeting.

Notice is hereby given that a general meeting of Delta linked unitholders will be held at the registered office (Motseng House, 204 Rivonia Road, Morningside, 2199) on Monday, 25 March 2013, commencing at 10:00 for the purpose of considering and, if deemed fit, passing with or without modification, the following ordinary resolutions:

ORDINARY RESOLUTION NUMBER 1

Approval of the proposed acquisition

"RESOLVED that, in terms of the Listings Requirements, the entering into of the acquisition agreement and the implementation of the proposed acquisition is hereby approved."

ORDINARY RESOLUTION NUMBER 2

"RESOLVED that any director of Delta be, and is hereby authorised to do all such things and sign all documents and take all actions as they consider necessary to give effect to, and implement Ordinary Resolution Number 1 which is proposed at the general meeting."

Voting and proxies

A Delta linked unitholder entitled to attend and vote at the general meeting is entitled to appoint one or more proxies to attend, speak, and vote in his/her stead. A proxy need not be a member of the company. For the convenience of certificated Delta linked unitholders or Delta linked unitholders who have dematerialised their Delta linked units with own-name registration, a form of proxy is attached hereto. Duly completed forms of proxy must be lodged with the transfer secretaries, Computershare Investor Services Proprietary Limited, at the address below by no later than 10:00 on Wednesday, 20 March 2013.

Delta linked unitholders who have dematerialised their Delta linked units and have not selected own-name registration must advise their CSDP or broker of their voting instructions should they be unable to attend the general meeting but wish to be represented thereat. Dematerialised Delta linked unitholders without own-name registration should contact their CSDP or broker with regard to the cut-off time for their voting instructions. If, however, such members wish to attend the general meeting in person, then they will need to request their CSDP or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between the dematerialised Delta linked unitholder and their CSDP or broker.

Hand deliveries to:

Ground Floor
70 Marshall Street
Johannesburg, 2001

Postal deliveries to:

PO Box 61051
Marshalltown
2107

The record date for the purpose of determining which shareholders are entitled to participate in and vote at the general meeting shall be Friday, 15 March 2013.

Forms of proxy are to be received by no later than 10:00 on Wednesday, 20 March 2013 (or 24 hours before any adjourned general meeting which date, if necessary, will be notified on SENS).

By order of the board

SH Nomvete

28 February 2013

Registered office

Motseng House
204 Rivonia Road
Morningside, 2199
(PO Box 652836, Benmore, 2010)



(formerly Tuffsan 89 Investment Holdings Proprietary Limited)
 (Incorporated in the Republic of South Africa)
 (Registration number 2002/005129/06)
 Share code: DLT ISIN: ZAE000172052

FORM OF PROXY

The definitions commencing on page 4 of the Circular to which this form of proxy is attached apply, *mutatis mutandis*, to this form of proxy.

This form of proxy is for the use by certificated Delta linked unitholders or Delta linked unitholders who are registered as own-name in dematerialised form ("own-name dematerialised Delta linked unitholders") only. Delta linked unitholders who have dematerialised their Delta linked units, other than with own-name registration, are requested to refer to the "Action required by Delta linked unitholders" provided on page 2 of the circular to which this form of proxy is attached, for a full understanding of the action required by them.

For use by certificated Delta linked unitholders and own-name dematerialised Delta linked unitholders only, at the general meeting of the company to be held at Motseng House, 204 Rivonia Road, Morningside, 2199 on Monday, 25 March 2013, commencing at 10:00, or at any adjournment thereof.

Any Delta linked unitholder entitled to vote at the general meeting may appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a unitholder of the company.

I/We (full names)

of (address)

being the holder(s) of Delta linked units do hereby appoint (see note 2):

1. _____ of _____ or failing him/her

2. _____ of _____ or failing him/her

3. the Chairperson of the general meeting,

as my/our proxy to act for me/us and on my/our behalf at the general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed at the general meeting and at any adjournment thereof; and to vote for and/or against such ordinary and/or abstain from voting in respect of the Delta linked units registered in my/our name(s), in accordance with the following instructions (see note 2):

	Number of Delta linked units		
	For	Against	Abstain
Ordinary Resolution Number 1: Approval of the proposed acquisition			
Ordinary Resolution Number 2: Authorising the directors to give effect to and implement Ordinary Resolution Number 1			

***Note:** Please indicate with an "x" or the number of Delta linked units in the spaces above how you wish your votes to be cast. If no indication is given, the proxy will vote or abstain in his/her discretion.

Signed at _____ on _____ 2013

Signature/s

Name in BLOCK LETTERS (full name if signing in a representative capacity)

Assisted by (where applicable)

Notes:

This form of proxy must only be used by certificated Delta linked unitholders or own-name dematerialised Delta linked unitholders.

1. A Delta linked unitholder entitled to attend and vote may insert the name of a proxy or the names of two alternative proxies of the unitholder's choice in the space provided, with or without deleting "the Chairperson of the general meeting." A proxy need not be a unitholder of the company. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Delta linked unitholder is entitled to one vote on a show of hands, and on a poll, a Delta linked unitholder is entitled to one vote for each Delta Linked Unit held. A Delta linked unitholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the Delta linked unitholder in the appropriate box. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the Delta linked unitholder's votes.
3. A vote given in terms of an instrument of proxy shall be valid in relation to the general meeting notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the Delta linked units in respect of which the vote is given, unless notice in writing of such death, revocation or transfer is received by the transfer secretaries, not less than 24 hours before the commencement of the general meeting.
4. If a Delta linked unitholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the general meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
5. The Chairperson of the general meeting may reject or accept any form of proxy, which is completed and/or received, other than in compliance with these notes.
6. The completion and lodging of this form of proxy will not preclude the relevant Delta linked unitholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Delta linked unitholder wish to do so.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company or unless this requirement is waived by the Chairperson of the general meeting.
8. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the company.
9. Where there are joint holders of Delta linked units:
 - any one holder may sign this form of proxy;
 - the vote(s) of the senior Delta linked unitholder (for that purpose seniority will be determined by the order in which the names of Delta linked unitholders appear in the Company's register of Delta linked unitholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint Delta linked unitholder(s).
10. Forms of proxy should be lodged with or mailed to the transfer secretaries, Computershare Investor Services Proprietary Limited:

Hand deliveries to:

Ground Floor
70 Marshall Street
Johannesburg, 2001

Postal deliveries to:

PO Box 61051
Marshalltown
2107

to be received by no later than 10:00 on Wednesday, 20 March 2013 (or 24 hours before any adjourned general meeting which date, if necessary, will be notified in the press and on SENS).

11. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.