

Delta acquires another 17.75% of Ascension

With its acquisition of 17.75% stake in Ascension properties, Delta Property Fund now has a major 41.40% investor voting bloc in Ascension.



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Sandile Nomvete, CEO of Delta Property Fund, says, "The acquisition provides the company with a strategic stake and supports its stated objective to acquire 100% of the issued share capital of Ascension."

Delta has received letters of support from certain institutional investors that hold 23.65% of the total number of Ascension linked units in issue, to support it either by way of a proposed scheme of arrangement in terms of section 114 of the Companies Act 71 of 2008 or any other transaction structure that supports the company's stated objective.

"While this isn't the straightforward transaction that the company had initially anticipated by having Ascension Property Management Company (Manco) as a conduit, we are confident that consolidation remains beneficial for Delta's linked unitholders and an appealing opportunity for Ascension's linked unitholders."

The companies have excellent synergies. Both have excellent BEE credentials and both are chiefly invested in office buildings with long-term government leases in key economic locations. "Delta is in an excellent position, with a strong management team, to take Ascension's assets forward."

Nomvete has advised that, while Delta sees the Ascension Manco as an unrelated transaction, it is considering its legal position with regards the concurrent sale of the Ascension's Manco to Rebohis Property Fund.

"Our acquisition of the linked units will be yield enhancing for investors and is an important step in securing the full capital of Ascension," concludes Nomvete.