

Freedom Property Fund Limited
(Incorporated in the Republic of South Africa)
(Registration No. 2012/129186/06)
Share code: FDP
ISIN: ZAE000185260
("Freedom" or the "Group")

DISPOSAL BY APPLE WAY PROPS PROPRIETARY LIMITED, A WHOLLY OWNED SUBSIDIARY OF FREEDOM, OF 100% OF THE ISSUED ORDINARY SHARES AND PREFERENCE SHARE CAPITAL IN, AND CLAIMS AGAINST, LIGITPROPS 184 PROPRIETARY LIMITED AND CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Shareholders are advised that Apple Way Props Proprietary Limited (the "Seller"), a wholly owned subsidiary of Freedom, has entered into a sale of shares and claims agreement ("Sale Agreement") with Hostprops 97 Proprietary Limited and LLM Developments Proprietary Limited (collectively the "Purchasers") in terms of which the Purchasers will acquire (the "Sale") all of the issued ordinary share capital and preference share capital in and claims against Ligitprops 184 Proprietary Limited (the "Company"), for a total consideration comprising R10,000,000 (ten million Rand) in cash ("Cash Consideration") and the delivery of 150,000,000 (One hundred and fifty million) Freedom ordinary shares (each a "Share" and collectively "Shares") ("Share Consideration") valued at R0.14 (fourteen cents) per Share ("Sale Shares").

2. RATIONALE FOR THE SALE

The Sale is in line with Freedom's strategy of divesting of non-core assets as set out in an announcement released on the Securities Exchange News Service of JSE Limited (the "JSE") on 15 March 2016 (the "Announcement"). The proceeds will be applied within the Group in accordance with the details set out in the Announcement.

3. BACKGROUND TO THE SELLER AND THE PURCHASERS

3.1. The Seller and the Company

The Seller is a wholly owned subsidiary of Freedom. The Company is a wholly owned subsidiary of the Seller and the owner of properties (the "Properties"), the majority of which are residential, held under various deeds of sale and located in Langebaan in the Western Cape.

3.2. The Purchasers

Each of the Purchasers is a private company incorporated in South Africa.

4. MATERIAL TERMS OF THE SALE AGREEMENT

4.1. Conditions Precedent

All conditions precedent to the Sale, including approval by:

- the boards of directors of each of the Seller and the Purchasers; and
- the requisite majority of Seller shareholders in terms of section 115 read with section 112 of the Companies Act, no 71 of 2008, as amended,

have been fulfilled.

4.2. Sale Consideration

The Purchasers must procure delivery of 80,000,000 (eighty million) Sale Shares by the Effective Date and the remaining 70,000,000 (seventy million) Sale Shares on or before 31 May 2016. The Sale Shares will be cancelled by Freedom upon receipt.

The Cash Consideration must be paid to the Seller or the Seller's nominee on or before 30 June 2016, alternatively, an acceptable guarantee is to be delivered on or before 30 June 2016.

4.3. Effective Date

The effective date of the Sale Agreement will be the date of fulfilment (or waiver, as the case may be) of all of the conditions precedent set out in paragraph 4.1 above.

4.4. Other

The Purchasers have provided warranties to the Seller that are standard to a transaction of this nature.

5. VALUE AND PROFITS ATTRIBUTABLE TO THE PROPERTIES

The value of the Properties, effective as of 28 February 2015, and as determined by an external valuer to the Company, JS Bosman (M.I.V) (SA), is as set out below:

Title deed numbers:	T67526/2011, T76874/2006, T41918/2009, T12549/2002, T46747/2001, T81595/1998, T2491/2008, T49987/2000
Location:	Langebaan, Western Cape
Sector:	Residential
Original purchase price:	R68,690,000 (sixty eight million six hundred and ninety thousand Rand)
Valuation:	R99,500,000 (ninety nine million and five hundred thousand Rand)

The Properties were held for sale (not lettable) and hence gross lettable area, weighted average rental per square meter and rental income numbers are not available.

The Properties contributed R301,000 (three hundred and one thousand Rand) to the Group's earnings for the year ended 28 February 2016.

6. CATEGORISATION

Due to its relative size to the market capitalisation of Freedom, the Sale is deemed to constitute a Category 2 transaction under the JSE Listings Requirements. Freedom will however approach the JSE for its view as to whether the Purchasers constitute a related party of Freedom in terms of paragraph 10.2 of the JSE Listings Requirements. In the event that the JSE should deem the Sale to constitute a transaction with a related party ("Related Party Transaction") then Freedom will dispatch a circular in compliance with section 10 of the JSE Listings Requirements ("Circular"), including a notice of general meeting, to its shareholders detailing the terms of the Sale and actions required by shareholders.

7. CAUTIONARY ANNOUNCEMENT

Shareholders are advised that Freedom is yet to approach the JSE for its view as to whether the Sale constitutes a Related Party Transaction, and hence whether a Circular will be required. The JSE's view may have a material effect on the price of Freedom securities. Accordingly, shareholders are advised to exercise caution when dealing in Freedom securities until a full announcement is made.

Johannesburg

24 May 2016

Sponsor

Bravura Capital Proprietary Limited