



FREEDOM PROPERTY FUND LIMITED

Incorporated in the Republic of South Africa

Registration number: 2012/129186/06

Share code: FDP

ISIN: ZAE000185260

("Freedom" or "the Company" or "the Group")

DISPOSAL OF A PROPERTY BY A WHOLLY-OWNED SUBSIDIARY OF FREEDOM

1. INTRODUCTION

Shareholders are advised that Kadoma Investments Proprietary Limited, an indirectly wholly-owned subsidiary of Freedom, has signed a Sale Agreement with Taioguard Proprietary Limited or its nominee (the "Purchaser") to acquire Erf 1211 in Steelpoort Extension 10 Township ("the Property") (the "Sale") as a going concern.

The Property comprises a single piece of vacant land.

2. RATIONALE FOR THE SALE

The Sale is in line with Freedom's strategy of divesting of non-core assets as communicated to shareholders on 15 March 2016.

The proceeds from the sale of the Property will be utilised to reduce debt in the Group, in particular, mortgage bonds held with Nedbank.

3. PURCHASE CONSIDERATION

The purchase consideration is R5.5 million (exclusive of Value Added Tax, if any), to be settled as follows:

- 3.1. a refundable cash deposit of 2.4 million payable as follows:
 - R1 million being paid by 23 August 2018; and
 - R1.4 million being paid by 6 September 2018,
- 3.2. the Purchaser shall settle the outstanding balance of R3.1 million in cash, prior to lodgement of the required transfer documents with the Deeds Office.

The Sale has been concluded subject to warranties that are standard in respect of a transaction of this nature.

4. INFORMATION RELATING TO THE PROPERTY

The Purchaser has the option to occupy the Property once the initial amount of R1 million has been paid with no occupational rental being payable.

The Property specifics are as follows:

Location:	Erf 1211 Steelpoort Extension 10 Township
Rentable area:	6109 square metres
Valuation: (Note 1)	R2 508 166
Weighted average rental per square metre for the rentable area:	NIL



Original purchase price:	R1 889 411
Date initially acquired:	March 2014

Note 1 – An independent external valuation was obtained from Real Insights Proprietary Limited in respect of the Property (“Independent Valuation”), which valuation was undertaken by TLJ Behrens and HN Hartman (Professional Associated Valuer and Professional Valuer, respectively), registered without restriction in terms of the Property Valuers Profession Act, No. 47 of 2000. The value attributed at 28 February 2018 has been derived from the Income Capitalization method primarily and comparable sales method of valuation to determine yield rates.

5. EFFECTIVE DATE

The effective date of the Sale will be the date of registration of the transfer of the Property into the name of the Purchaser. The Sale is not subject to any further conditions.

6. VALUE OF NET ASSETS AND PROFIT ATTRIBUTABLE TO THE PROPERTY

The value of the Property is R2 508 166 million in terms of the Independent Valuation.

No rental income was generated by the Property during the financial year ended 28 February 2018, based on the unaudited management accounts of Freedom, reported in accordance with the International Financial Reporting Standards. Freedom is satisfied with the quality of the management accounts.

Freedom is satisfied with the Independent Valuation.

7. CATEGORISATION

Given that Freedom’s shares are currently suspended, Freedom is in discussions with the JSE regarding the categorisation of the Sale. A further announcement will be published in this regard in due course.

Paarl
22 August 2018

Sponsor and Corporate Advisor



Questco Corporate Advisory Proprietary Limited