



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 PROPERTIES BY ZAMBESA INVESTMENTS PROPRIETARY LIMITED, A WHOLLY OWNED SUBSIDIARY OF FREEDOM

1. INTRODUCTION

Shareholders are advised that Zambesa Investments Proprietary Limited, a wholly owned subsidiary of Freedom, has signed an Offer to Purchase ("Offer") submitted by Dr. Katlego Pholoana ("Purchaser") to acquire 8 residential units and 33 service stands situated in Burgersfort, collectively known as the Tubatse Homes ("the Property") (the "Sale").

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 total purchase consideration is R12.6 million (exclusive of Value Added Tax), settled in cash as follows

- a deposit of R2.52 million being paid by 20 August 2018; and
- the balance of R10.08 million being paid by 27 August 2018.

The Sale has been concluded "voetstoots", save for warranties that are standard in respect of a transaction of this nature.

4. INFORMATION RELATING TO THE PROPERTY

The Property specifics are as follows:

Location:	Erven 5973 and 5974, Burgersfort Extension 40, Limpopo Province
Rentable area:	1255 square metres
Valuation: (Note 1)	R14.35 million
Weighted average rental per square metre for the rentable area: (Note 2)	Nil – No rental activity on the property is currently undertaken.
Original purchase price:	R17.67 million
Date initially acquired:	20 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 comparable sales method of valuation.

Note 2 – The Property is currently no longer being rented out hence the weighted average rental per square metre for the rentable area is nil.

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 R14.35 million in terms of the Independent Valuation.

Rental income to the value of R278 719 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

In terms of the JSE Limited Listings Requirements, the Sale is a Category 2 transaction and accordingly does not require approval by shareholders.

Paarl
15 August 2018

Sponsor and Corporate Advisor



Questco Corporate Advisory Proprietary Limited