

## 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")



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## RATIFICATION OF TRANSACTIONS, PROPOSED SPECIFIC REPURCHASE OF SHARES, DISTRIBUTION OF A CIRCULAR AND NOTICE OF A GENERAL MEETING

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### 1. RATIFICATION OF TRANSACTIONS

In 2016, Freedom inadvertently engaged in two transactions which, in terms of paragraph 5.69(b) of the Listings Requirements of the JSE Limited ("JSE") ("**JSE Listings Requirements**"), were deemed to constitute specific repurchases of its own shares by Freedom:

- 1.1 the disposal by Freedom's wholly owned subsidiary, Happy Boom Drive Properties Proprietary Limited ("**Happy Boom**"), of its equity stake in Las Manos Investments 152 Proprietary Limited, for R2.1 million in cash and 7 050 000 Freedom shares; and
  - 1.2 the disposal by Freedom's wholly owned subsidiary, Apple Way Props Proprietary Limited ("**Apple Way**"), of its equity stake in Ligitprops 184 Proprietary Limited for R7.5 million in cash and 150 000 000 Freedom shares,
- (the "**Las Manos and Ligitprops Transactions**").

The Las Manos and Ligitprops Transactions were, however, not approved by Freedom shareholders at the time of these transactions (as required in terms of the JSE Listings Requirements) and accordingly the Company will ask shareholders to ratify these transactions ("**the Ratification**").

### 2. PROPOSED SPECIFIC REPURCHASE OF SHARES

Shareholders have been advised that the external auditors had identified a reportable irregularity in terms of the Companies Act, (Act No. 71 of 2008) ("**Act**"), as the Company had breached the provisions of section 48(2)(b)(i) of the Act in that a subsidiary company holds in excess of 10% of the shares in the Company. Accordingly, the Company proposes to repurchase 157 050 000 treasury shares (constituting 13.04% of the Company's issued share capital) ("**Specific Repurchase Shares**") from Freedom's wholly owned subsidiary Zambesa Investments Proprietary Limited ("**Zambesa**"), which holds the shares as nominee for Apple Way and Happy Boom ("**Specific Repurchase**").

The Company has loan receivables from Apple Way and Happy Boom totalling R28 209 301 which will be offset against the Specific Repurchase Shares in full settlement thereof.

Simultaneously, the Company will also cancel and delist a further 12 000 000 Freedom shares ("**the Bilko Sale Shares**"). The Bilko Sale Shares originated pursuant to the acquisition by Freedom of Bilko Investments Proprietary Limited ("**Bilko**") which was concluded in August 2013 and settled by way of the issue of 12 000 000 Freedom shares. Prior to its listing in June 2014, Freedom entered into a transaction in terms of which it disposed of 100% of its shareholding in Bilko for 12 000 000 Freedom Shares. These shares which are registered in Freedom's name but held by Zambesa as nominee should have been cancelled at the time of that transaction.

Subject to shareholders' approval of the Specific Repurchase (i.e. the effective date thereof), the Company will cancel the Specific Repurchase Shares and the Bilko Share Sales, restore them to the authorised share capital of the Company and apply to the JSE for the delisting thereof ("**Delisting**"). The Delisting of the relevant shares is expected to occur on or about 23 August 2019.

Subsequent to the Delisting, 32 976 953 Freedom shares (3.2% of the Company's issued share capital) will be held as treasury shares.

### 3. DISTRIBUTION OF A CIRCULAR

A circular (“Circular”) will be distributed to the Company’s shareholders today, which Circular sets out the details relating to the:

- Ratification; and
- Specific Repurchase.

The Circular will be available on the Company’s website: [www.freedomprop.co.za/Investor Relations/News and press releases](http://www.freedomprop.co.za/Investor%20Relations/News%20and%20press%20releases).

### 4. IMPORTANT INFORMATION RELATING TO THE CIRCULAR

#### 4.1 Review of the Circular by the JSE

Having regard to the fact that Freedom inadvertently engaged in transactions that are regulated as specific repurchases of its own shares and has proposed the Ratification in order to rectify the situation, the JSE has considered the contents of the Circular to ensure that the Company has complied with the necessary disclosures in terms of the JSE Listings Requirements but considers the Ratification and the Specific Repurchase to be legal processes to be completed by the Company.

#### 4.2 Review of the Circular by the Takeover Regulation Panel (“TRP”)

The TRP disclaimed jurisdiction in respect of the Specific Repurchase as it is of the view that jurisdiction in respect of the remediation of any non-compliance with section 48(2)(b)(i) of the Act resides exclusively with the Court, having regard to section 48(6) of the Act and has referred the matter to the Companies and Intellectual Property Commission. The Circular has not been approved by the TRP.

#### 4.3 Resolution by the Freedom board of directors (“the Board”)

The Board, having received legal advice to its satisfaction that, *inter alia*, it is not the objective of section 48(6) of the Act to preclude Freedom from proceeding with the Specific Repurchase has resolved to proceed with the Ratification and the Specific Repurchase, subject to the requisite approval being obtained from Freedom shareholders.

### 5. NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of ordinary shareholders of the Company will be held at the Company’s offices, KWV Building, 57 Main Street, Paarl, Cape Province on Tuesday, 20 August 2019 at 10:00 (“General Meeting”) to consider the resolutions necessary to approve the Ratification and the Specific Repurchase.

The salient dates and times relating to the General Meeting are set out below:

	<b>2019</b>
Record date to determine shareholders eligible to receive the Circular containing the notice of General Meeting	Friday, 12 July
Last day to trade in order to be eligible to vote at the General Meeting	Monday, 5 August
Record date in order to vote at the General Meeting	Thursday, 8 August
Receipt of proxy forms by 10:00 (although these may be handed to the Chairman at the General Meeting)	Friday, 16 August
Results of the General Meeting released on SENS on or about	Tuesday, 20 August

The above dates and times are subject to amendment and notification of any amendment which will be released on SENS.

Paarl  
19 July 2019

**Sponsor**



Questco Corporate Advisory  
Proprietary Limited

**Independent Expert**



Nodus Capital TS Proprietary Limited

**Legal Advisor**



Cliffe Dekker Hofmeyr Inc