



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")

UPDATE ON THE DISPOSAL OF A PROPERTY BY A WHOLLY OWNED SUBSIDIARY OF FREEDOM

1. INTRODUCTION

1.1 Shareholders are referred to the following announcements issued by the Company:

1.1.1 SENS announcement dated 29 May 2019 – in which the board of directors of Freedom ("Board") announced that Freedom had, through its wholly owned subsidiaries, Zambesa Investments Proprietary Limited ("Zambesa") and Tubatse Estate Proprietary Limited ("Tubatse Estate"), concluded sales of property agreements ("Agreements") with Cecilo Investments CC ("Cecilo") relating to:

1.1.1.1 the disposal by Zambesa of 8 residential units plus 33 serviced stands in the sectional scheme known as Tubatse Homes SS 758/2017 to Cecilo ("Tubatse Homes Transaction"); and

1.1.1.2 the disposal by Tubatse Estate of the remaining extent of the Burgersfort Extension 40 Township ("Tubatse Property") situated at Portion 6 of the farm Witgatboom 316 ("Tubatse Estate Transaction"), (collectively "the Disposals").

1.1.2 SENS announcements dated 10 July 2019 and 23 September 2019 – in which the Board advised that certain conditions precedent to the Disposals had not been fulfilled within the specified timeline and that the Company was unable to proceed with the Disposals.

1.2 Shareholders are advised that the Company and Cecilo signed an addendum to the agreement referred to in paragraph 1.1.1.2 on 13 March 2020 in terms of which the consideration and conditions precedent in respect of the Tubatse Estate Transaction were amended as detailed in paragraphs 3.

Freedom is a capital growth fund with a diversified portfolio of properties in the commercial, industrial and residential sectors. Cecilo is a property developer.

2. RATIONALE FOR THE TRANSACTION

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

The proceeds from the Tubatse Estate Transaction will be utilised to reduce debt in the Group.

3. PURCHASE CONSIDERATION

The total purchase consideration is R50 million (exclusive of Value Added Tax), settled in cash as follows:

- R1 million, constituting a non-refundable deposit, which has already been paid;
- R7 million, which has been paid and is held in an interest-bearing account held by the Tubatse Estate attorneys until date of registration; and
- the balance of R42 million on registration of transfer of the property into Tubatse Estate's name subject to Cecilo furnishing the Conveyancers (as defined within the Agreements) on or before 4 May 2020 with a bank guarantee in respect of this amount.

3.1 The Tubatse Estate Transaction has been concluded "voetstoots", save for warranties that are standard in respect of transactions of this nature.

4. CONDITIONS PRECEDENT

The Tubatse Estate Transaction is conditional, *inter alia*, upon:

- Cecilo providing the bank guarantees as detailed in paragraph 3; and
- approval being granted for the Tubatse Estate Transaction by Freedom shareholders in a general meeting.

5. INFORMATION RELATING TO THE TUBATSE PROPERTY

The specifics of the Tubatse Property are as follows:

Location:	The remaining extent of Burgersfort Extension 40 Township situated at Portion 6 of the farm Witgatboom 316, Registration Division KT, Limpopo Province
Rentable area:	None
Valuation: (Note 1)	R20 700 000
Weighted average rental per square metre for the rentable area: (Note 2)	None
Original purchase price:	R18 400 000
Date initially acquired:	20 March 2014

Note 1 – An independent external valuation was obtained from Real Insights Proprietary Limited in respect of the Tubatse 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 2019 has been derived from the comparable sales method of valuation.

Note 2 – No rental income applies to this property.

6. EFFECTIVE DATE

The effective date of the Tubatse Estate Transaction will be the date of fulfilment of all the conditions precedent.

7. FINANCIAL INFORMATION ATTRIBUTABLE TO THE TUBATSE PROPERTY



- 7.1 The value of the Tubatse Property is R20 700 000, in terms of the Independent Valuation.
- 7.2 There is no rental income applicable to the Tubatse Property in respect of the financial year ended 28 February 2020, based on the unaudited management accounts of Freedom, prepared in accordance with the International Financial Reporting Standards. Freedom is satisfied with the quality of the management accounts.

8. CATEGORISATION

In terms of the JSE Limited Listings Requirements, the Tubatse Estate Transaction is categorised as a Category 1 transaction, is subject to shareholders' approval at a general meeting and a circular to Freedom shareholders will accordingly be distributed in due course.

Paarl
16 March 2020

Sponsor and Corporate Advisor



Questco Corporate Advisory Proprietary Limited