

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

AMENDMENTS TO THE SETTLEMENT TERMS OF SPECIFIC ACQUISITION AGREEMENTS AND THE WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. Introduction

Freedom shareholders ("Shareholders") are referred to the annual report for the year ended 28 February 2015 that was distributed to Shareholders on 29 July 2015, and the interim results announcement which was published on the Stock Exchange News Service ("SENS") of the JSE Limited ("JSE") on Monday, 30 November 2015, both of which provided details of the settlements of the various guarantee share agreements ("Guarantee Share Agreements") as outlined in the Freedom pre-listing statement issued on 5 June 2014 ("Pre-listing Statement"). Shareholders are further referred to the cautionary announcements published on SENS on 11 August 2015, 15 October 2015 and 20 November 2015, which stated that Freedom was negotiating variations to the settlement terms and conditions ("Amendments") of the Guarantee Share Agreements, as they relate to the Christo Le Grange Gesins Trust ("Christo Trust").

2. Amendments to the Guarantee Share Agreements

The Amendments are set out in an agreement dated 12 October 2015 ("Amendment Agreement") wherein the parties agree to substitute the rights and obligations set out in clause 6.2.2, including clauses 6.2.2.1 to 6.2.2.3 of the Guarantee Share Agreements, the details of which are set out in the Pre-listing Statement, with the following:

- * The Christo Trust is to receive payment in the sum of R50 000 000 (fifty million rand), determined with reference to the formula included in the Guarantee Share Agreements, plus interest thereon reckoned from 12 June 2015 at a rate equivalent to the repo-rate (repurchase rate) as published by the South African Reserve Bank from time to time, such interest to be calculated monthly in arrears on the last day of each month and capitalised on the same day of each and every month until the total amount owing has been paid ("The Payment Consideration");
- * Off Peak Props (Pty) Ltd ("Off Peak"), Clear Creek Trading 145 (Pty) Ltd ("Clear Creek"), Kadoma Investments (Pty) Ltd ("Kadoma") and Freedom are all jointly and severally liable *in solidum*, the one paying the other to be absolved, for the payment of the Payment Consideration to the Christo Trust, which is to be paid as follows. Clear Creek and Off Peak are wholly owned subsidiaries of Freedom and Kadoma is a wholly owned subsidiary of Off Peak:
 - An initial payment of R10 000 000 (ten million rand) is to be affected upon the same date which coincides with the date of registration of transfer of certain immovable property, namely Erf 15719 Stellenbosch, being effected from Passion Way Props (Pty) Ltd, a wholly owned subsidiary of Freedom, to K2014120563 (Pty) Ltd;
 - The remaining balance of the Payment Consideration, namely the amount of R40 000 000 (forty million rand) is to be paid in instalments of not less than R200 000 (two hundred thousand rand) per month until fully settled, with the first payment to be made on or before 5 December 2015, and the remaining instalments to be made on or before the first day of each and every successive month thereafter; and
 - Mortgage bonds in favour the Christo Trust to the value of R57 000 000 (fifty seven million rand) are to be registered over the immovable property of Clear Creek, being the remaining extent of portion 18 (a portion of portion 8) of Farm number 799 East London (held by deed of transfer number T1685/2014) as security for payment of the Payment Consideration.

3. Conditions precedent and *pro forma* financial effects

The Amendments are subject to regulatory approval of the circular, incorporating a notice of general meeting (“General Meeting”), to be issued to Shareholders and Shareholder approval of the Amendments at the General Meeting.

The following payments in terms of the Amendment Agreement have been made and Shareholder ratification of these pre-payments will be sought at the General Meeting, together with approval of the remaining payments and interest in terms of the Amendments:

- * A payment of R10 000 000 (ten million rand) was made on 30 November 2015 as the transfer of Erf 15719 Stellenbosch, had been effected from Passion Way Props (Pty) Ltd to K2014120563 (Pty) Ltd; and
- * Payments of R200 000 (two hundred thousand rand) each were made on 3 December 2015 and 4 January 2016 in terms of the Amendment Agreement.

The Amendments provide for a change in the structure of the repayment obligations of Freedom to the Christo Trust and do not materially change the quantum of the liability to the Christo Trust resulting from the Guarantee Share Agreements. Shareholders are advised that the financial implications of the Amendments are reflected in the interim results of Freedom for the 6 month period ending 31 August 2015 which were published on SENS on 30 November 2015 i.e. the published financial results have taken into account the financial effects of the Payment Consideration and interest thereon.

4. Related Party Transaction

The Christo Trust was a 14.59% Shareholder in Freedom as at 31 December 2015 and, therefore, the Amendments constitute a related party transaction in terms of Section 10 of the JSE Listings Requirements. The Amendments will, therefore, require the ratification and approval of Shareholders acting at the General Meeting. A circular, containing full details of the Amendments and incorporating a fairness opinion in respect of the Amendments from an independent expert and a notice of General Meeting, will be sent to Shareholders for this purpose on or around 29 February 2016.

5. Withdrawal of cautionary

Shareholders and potential investors are advised that caution is no longer required to be exercised when dealing in Freedom shares.

Johannesburg

12 January 2016

Sponsor

KPMG Services (Pty) Ltd