

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" or the "Group")

DISPOSAL OF 100% OF THE ISSUED ORDINARY SHARES AND CLAIMS AGAINST, ZOLO PROPS PROPRIETARY LIMITED

1. INTRODUCTION

Shareholders are advised that Freedom has entered into a sale of shares and claims agreement ("Sale Agreement") with SADC Infrastructure Consulting Proprietary Limited (the "Purchaser") in terms of which the Purchaser will acquire (the "Sale") all of the issued ordinary share capital in and claims against Zolo Props Proprietary Limited (the "Company"), for a total consideration comprising R12,100,000 (twelve million and one hundred thousand Rand) in cash ("Cash Consideration").

2. RATIONALE FOR THE SALE

The Sale is in line with Freedom's strategy of divesting of non-core assets as set out in an announcement released on the Securities Exchange News Service of JSE Limited (the "JSE") on 15 March 2016 (the "Announcement"). The proceeds will be applied within the Group in accordance with the details set out in the Announcement.

3. BACKGROUND TO THE COMPANY AND THE PURCHASERS

3.1. The Company

The Company is a wholly owned subsidiary of Freedom and the owner of two properties (the "Properties"), each of which are vacant land zoned for residential development, held under separate deeds of sale and located in Stellenbosch in the Western Cape.

3.2. The Purchasers

The Purchaser is a private company incorporated in South Africa.

4. MATERIAL TERMS OF THE SALE AGREEMENT

4.1. Conditions Precedent

All conditions precedent to the Sale, including approval by the boards of directors of each of the Seller and the Purchaser and other than:

- the completion of a satisfactory due diligence by the Purchaser; and
 - the transfer of the Properties from Freedom to the Purchaser,
- each by no later than 17:00 South African time on 30 June 2016, have been fulfilled.

4.2. Sale Consideration

The Cash Consideration must be paid to the Seller or the Seller's nominee on or before 15 July 2016.

A portion of the Cash Consideration, a maximum of R3,900,000 (three million and nine hundred thousand Rand) excluding any interest payable thereon (the "Facility Amount"), will be set-off against the obligation of Freedom to repay the construction costs of the first 10 (ten) residential units to be constructed by the Purchaser on Erf 5973, Burgersfort Extension 40 Township ("Burgersfort Erf") in terms of a loan agreement (the "Loan Agreement") concluded between Freedom, the Purchaser and Zambesa Investments Proprietary Limited (a wholly owned subsidiary of Freedom and owner of the Burgersfort Erf) on 15 June 2016.

In terms of the Loan Agreement, the Purchaser has agreed to make available the Facility Amount to Freedom consequent to the cancellation of the agreement entered into between Freedom and the shareholders of Bilko Investments (Proprietary) Limited ("Bilko") on 24 August 2016, as amended on 18 September 2013, 31 October 2013, 19 November 2013 and 30 November 2013, respectively, and in terms of which Freedom had agreed to acquire the entire share capital and loan accounts of Bilko for an amount of R12,000,000 (twelve million Rand), the details of which were disclosed in the Company's Pre-Listing Statement, and which statement is available for download from the Company's website hosted at www.freedompropertyfund.com (see Pre-Listing Statement link on the Investor Relations page of the website).

4.3. Effective Date

The effective date of the Sale Agreement will be the date of fulfilment (or waiver, as the case may be) of all of the conditions precedent set out in paragraph 4.1 above.

4.4. Other

Freedom and the Purchaser have each provided warranties that are standard to a transaction of this nature.

5. VALUE AND PROFITS ATTRIBUTABLE TO THE PROPERTIES

The value of the Properties, effective as of 28 February 2015, and as determined by an external valuer to the Company, Mr JS Bosman (M.I.V) (SA), is as set out below:

Title deed numbers:	23981/2014 and 18519/2010
Location:	Stellenbosch, Western Cape
Sector:	Residential
Original purchase price:	R11,714,320 (eleven million seven hundred and fourteen thousand three hundred and twenty Rand)
Valuation:	R21,100,000 (twenty one million one hundred thousand Rand)

The Properties were held for development and hence gross lettable area, weighted average rental per square meter and rental income numbers are not available.

The Properties contributed costs of R8,997 (eight thousand nine hundred and ninety seven Rand) to the Group's earnings for the year ended 28 February 2015.

6. CATEGORISATION

Due to its relative size to the market capitalisation of Freedom, the Sale is deemed to constitute a Category 2 transaction under the JSE Listings Requirements.

Johannesburg

24 June 2016

Sponsor

Bravura Capital Proprietary Limited