

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 PORTION 18 OF FARM 799 BY FREEDOM'S WHOLLY OWNED SUBSIDIARY, CLEAR CREEK TRADING 145 PROPRIETARY LIMITED

#### 1. INTRODUCTION

Shareholders are referred to the announcement released by Freedom on the Securities Exchange News Service ("SENS") of JSE Limited on 24 February 2016 wherein it was advised that a wholly owned subsidiary of Freedom, Clear Creek Trading 145 Proprietary Limited (the "Seller") had entered into a sale agreement (the "First Sale Agreement") with Garvin Investments Holdings Proprietary Limited (the "Purchaser") whereby the Purchaser had offered to acquire Portion 18 of Farm 799 (the "Property") from the Seller, for a total consideration of R22,000,000 (twenty two million Rand) plus valued added tax, if applicable.

Shareholders are hereby advised that the conditions precedent to the First Sale Agreement were not fulfilled by the requisite dates and hence that the transfer of the Property into the name of the Purchaser by 31 May 2016 did not take place.

Consequent to the non-fulfilment of the conditions precedent to the First Sale Agreement, the Company and the Purchaser have entered into a new sale agreement (the "Second Sale Agreement") whereby the Purchaser has offered to acquire the Property (the "Sale") for R15,000,000 (fifteen million Rand) plus valued added tax if applicable (the "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 SENS 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 SELLER AND THE PURCHASER

##### 3.1. The Seller

The Seller is a wholly owned subsidiary of Freedom and the owner of the Property, located in the Registration Division East London RD and in extent 17,9910 ha (seventeen comma nine nine one zero hectares).

##### 3.2. The Purchaser

The Purchaser is a private company incorporated in South Africa.

#### 4. MATERIAL TERMS OF THE SALE SECOND 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 receipt by the Seller of confirmation (the "Confirmation") that the Purchaser has obtained formal approval for a loan that is satisfactory in amount and terms to the board of directors of the Purchaser,
- have been fulfilled.

The Confirmation must be presented to the board of directors of the Seller on or before 18 July 2016.

##### 4.2. Sale Consideration

The Consideration is payable on demand by the Seller no more than 7 (seven) days prior to the anticipated date of transfer of the Property into the name of the Purchaser.

##### 4.3. Effective Date

The effective date of the Second 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

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

#### 5. VALUE AND PROFITS ATTRIBUTABLE TO THE PROPERTY

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

Title deed numbers:	1685/2014
Location:	East London, Eastern Cape
Sector:	Residential
Original purchase price:	R46,500,000 (forty-six million five hundred thousand Rand) together with capitalized acquisition costs of R2,996,397 (two million nine hundred and ninety-six thousand three hundred and ninety-seven Rand)
Valuation:	R115,900,000 (one hundred and fifteen million nine hundred thousand Rand)

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

The Property contributed earnings of R54,013,515 (fifty-four million thirteen thousand five hundred and fifteen Rand) to the Group's earnings for the year ended 28 February 2015 with such earnings reflecting an adjustment to the fair value of the Property net of costs and deferred taxes. The Property's contribution

to the Group's headline earnings for the same period was a loss of R7,144 (seven thousand one hundred and forty-four Rand).

#### 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

11 July 2016

Sponsor

Bravura Capital Proprietary Limited