VISUAL INTERNATIONAL HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2006/030975/06)
("the Company" or "Visual")
ISIN Code : ZAE000187407 Share code : VIS

AUDITED CONDENSED CONSOLIDATED RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2017

Condensed Statement of Financial Position as at 28 February 2017

	28 February 2017 Audited	29 February 2016 Audited
Assets		
Non-Current Assets		
Investment property	13 023 820	17 248 820
Property, plant and equipment	520 394	682 359
Intangible assets	-	70 675
Investment in joint ventures	110	524 835
Loans to shareholders	44 898 129	43 770 831
Other financial assets	201	74 787
Finance lease receivables	4 896 075	-
	63 338 729	**62 372 307**
Current Assets		
Inventories	22 896 180	30 246 180
Current tax receivable	1 686	6 660
Trade and other receivables	25 302	600 071
Finance lease receivable	925 565	
Cash and cash equivalents	355 100	4 468
	24 203 833	**30 857 379**
Non-current assets held for sale and assets of disposal groups	**2 964 000**	**32 025 000**
Total Assets	**90 506 562**	**125 254 686**
Equity and Liabilities		
Equity		
Stated capital	70 614 960	68 365 080
Accumulated loss	(14 930 631)	(6 374 179)
Equity Attributable to Equity Holders of Parent	55 684 329	61 990 901
Non-controlling interest	(907 166)	(566 842)
	54 777 163	**61 424 059**
Liabilities		
Non-Current Liabilities		
Loans from shareholders	16 161 571	16 715 967
Other financial liabilities	8 489 633	7 417 534
Deferred tax	1 081 839	3 724 333
	25 733 043	**27 857 834**
Current Liabilities		
Loans from group companies	688 232	553 952
Other financial liabilities	2 531 130	12 338 091
Trade and other payables	4 996 115	5 547 444
Deferred income	100 000	-
Bank overdraft	833 501	1 133 405
	9 148 978	**19 572 892**
Liabilities of disposal groups	847 378	16 399 901
Total Liabilities	**35 729 399**	**63 830 627**
Total Equity and Liabilities	**90 506 562**	**125 254 686**
Net asset value per share (cents)	**23.29**	**28.26**
Net tangible asset value per share (cents)	**23.25**	**28.33**

Condensed Statement of Comprehensive Income

	28 February 2017 Audited	29 February 2016 Audited
Revenue	11 081 722	2 793 247
Cost of sales	(7 350 000)	(282 761)
Gross profit	**3 731 722**	**2 510 486**
Other income	780 763	335 703
Fair value adjustments	(3 042 675)	(1 931 972)
Operating expenses	(13 172 487)	(11 271 608)
Operating loss	**(11 702 677)**	**(10 357 391)**
Investment revenue	3 666 996	3 003 052
Loss from equity accounted investments	(521 725)	(347 614)
Finance costs	(5 697 508)	(6 279 746)
Loss before taxation	**(14 254 914)**	**(13 981 699)**
Taxation	5 358 138	2 137 029
Loss for the year from continuing operations	**(8 896 776)**	**(11 844 670)**
Other comprehensive income	-	-
Total comprehensive loss for the period	**(8 896 776)**	**(11 844 670)**
Total comprehensive loss attributable to:		
Owners of the parent	(8 556 452)	(11 734 046)
Non-controlling interest	(340 324)	(110 624)
	(8 896 776)	**(11 844 670)**
Share information		
Shares in issue at year end	231 700 445	215 383 400
Weighted average number of shares	226 665 525	215 383 400
Loss per share (cents)	(3.77)	(5.45)
Diluted loss per share (cents)	(3.54)	(4.55)

Condensed Statement of Changes in Equity

	Stated capital R	Retained income/ (loss) R	Total attributable to equity holders of the group R	Non-controlling interest R	Total equity R
Group					
Balance at 1 March 2015	**68 365 080**	**5 359 867**	**73 724 947**	**(456 218)**	**(73 268 729)**
Loss for the year	-	(11 734 046)	(11 734 046)	(110 624)	(11 844 670)
Total comprehensive loss for the year ended 29 February 2016	**-**	**(11 734 046)**	**(11 734 046)**	**(110 624)**	**(11 844 670)**
Balance at 1 March 2016	**68 365 080**	**(6 374 179)**	**61 990 901**	**(566 842)**	**61 424 059**
Loss for the year	-	(8 556 452)	(8 556 452)	(340 324)	(8 896 776)
Total comprehensive loss for the year ended 28 February 2017	**-**	**(8 556 452)**	**(8 556 452)**	**(340 324)**	**(8 896 776)**
Issue of shares	2 349 880	-	2 349 880	-	2 349 880
Balance at 28 February 2017	**70 614 960**	**(14 930 631)**	**55 684 329**	**(907 166)**	**54 777 163**

Condensed Statement of Cash Flows

	28 February 2017 Audited	29 February 2016 Audited
Cash flows from operating activities		
Cash used in operations	(956 145)	(3 861 747)
Interest income	3 666 996	340
Finance costs	(5 697 508)	(1 184 553)
Tax paid	4 974	(1 156 830)
Net cash used in operating activities	**(2 981 683)**	**(6 202 790)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(53 881)	(67 138)
Movement of investment property into assets held for sale	475 000	-
Net movement in assets classified as held for sale	29 061 000	-
Net movement in finance leases	(5 821 640)	
Sale of investment property	725 000	-
Net movement in assets classified as held for sale		-
Loans to joint venture (repaid)/provided	(134 640)	313 935
Loans advanced to shareholders	(1 127 298)	-
Advances on loans included in other financial assets	-	(2 000)
Proceeds from loans included in other financial assets	74 586	1 000
Net cash from investing activities	**23 198 127**	**245 797**
Cash flows from financing activities		
Proceeds on share issue	2 249 880	-
Net movement in other financial liabilities	8 734 862	2 603 871
Net movement in liabilities of disposal groups	(15 552 523)	-
Proceeds from shareholders' loan	-	3 077 100
Repayment of shareholders' loan	(554 396)	(745 005)
Net cash from financing activities	**(19 565 908)**	**4 935 966**
Total cash movement for the year	**650 536**	**(1 021 027)**
Cash at the beginning of the year	(1 128 937)	(107 910)
Total cash at end of the year	**(478 401)**	**(1 128 937)**

BASIS OF PREPARATION

The Board of Directors ("the Board") presents its audited condensed consolidated results for the year ended 28 February 2017. The results have been prepared in accordance with the JSE Limited ("JSE") Listings Requirements and the framework concepts and the recognition and measurement requirements of International Financial Reporting Standards ("IFRS") and IAS 34 *Interim Financial Reporting.*

The accounting policies used in preparation of the year end results are in terms of IFRS and are consistent with those applied in the preparation of the annual financial statements of the Group for the year ended 29 February 2016. During the year under review, the Group adopted all the standards and interpretations that were effective and deemed applicable to the Group. The adoption of these standards did not have an effect on the current and prior year results. Full details of the new standards and interpretations and the related disclosures will be included in the consolidated audited annual financial statements of the Group.

The audited results have been prepared under the supervision of Ms L Schutte (CA(SA)) and Mr G Noble on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

These abridged consolidated financial statements have been extracted from the audited consolidated annual financial statements. The results have been audited by the Group's auditors, Grant Thornton Cape Inc. A copy of the Audited Financial Statements and the auditor's unqualified audit report is available for inspection at the Company's registered office. The audit report contained a paragraph on material uncertainty related to going concern as detailed below:

"We draw attention to Note 39 in the financial statements, which indicates the Group incurred significant cash flow pressures due to the negative cash flows during the year ended 28 February 2017. As stated in Note 39, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

The directors take full responsibility for the preparation of the abridged financial statements and confirm that the financial information has been correctly extracted from the underlying consolidated annual financial statements. The auditors' report does not necessarily cover all of the information contained in this financial report. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditors' work they should obtain a copy of that report together with the accompanying financial information from the registered office.

The Group annual financial statements are available for inspection at the Company's registered office.

BACKGROUND, INCORPORATION AND NATURE OF BUSINESS

Visual was incorporated as a private company on 5 October 2006 under the name Presto Financing Proprietary Limited. The Company's name was changed, and it was converted to a public company, by way of special resolutions on 3 October 2013, which special resolutions were registered by CIPC on 23 December 2013. Presto Financing Proprietary Limited was a dormant subsidiary of Visual International Proprietary Limited ("Visual International") until it was decided to use this group company as the new holding company for the purposes of the listing on the Alternative Exchange of the Johannesburg Stock Exchange ("JSE"). Visual then acquired the controlling interest in Visual International from CKR Investment Trust with effect from 1 March 2012 and became the holding company of the various subsidiaries of Visual. Thus, Visual, with its wholly owned subsidiary Visual International, commenced operating as a group for the year ended 28 February 2013. Visual listed on the JSE on 23 May 2014.

Visual is essentially a property developer that acquires land, rezones the land, installs the relevant services and then constructs houses and apartments on the land for sale to homeowners or investors. Visual has developed nearly 500 homes within Stellendale, comprising stand-alone homes and two and three storey walk-up apartments.

Visual focuses on the development of entire suburbs which comprise houses, apartments, lifestyle and retirement accommodation, retail facilities, schools, offices and recreation as well as other related facilities. With this focus Visual is able to ensure the overall quality and integrity of the suburb. It enables Visual to supply quality residences and other facilities at affordable prices. Furthermore, providing these combinations in a single suburb leads to job creation – which is important to the owners and occupants.

To date, close to 500 homes and apartments have been developed by Visual International at Stellendale.

FINANCIAL RESULTS COMMENTARY

Shareholders are reminded that the Group was effectively brought together during the 2013/4 year through various inter-related transactions ahead of the JSE listing. The results for 2015, 2016 and 2017 were negatively impacted by the delay in the commencement of the further development of Stellendale due to a number of constraints, including the delay in listing, the Company raising less capital than desired on listing and also the banking sector contracting its lending to property developers and potential home owners in the middle-income segment. In 2016 this led to the Company adopting a strategy to reduce gearing, sell non-core assets and developing strategic relationships in order to ensure the protection of Visual's asset base and position the Group for growth in the future. Many of these objectives have been achieved during the year ended 28 February 2017.

Revenue and cost of sales increased markedly compared to the prior year primarily due to the sale of land to Mergence Africa Property Fund Proprietary Limited ("Mergence") for R11 million, exclusive of VAT. The proceeds have been received and the funds applied to the reduction of expensive secured creditors, to pay creditors and fund operational activities to the end of October 2016. A net profit before tax of R3.73 million was realised on this disposal.

Operating expenses increased by 17% over the prior year due to an increase in accounting fees and other general expenses.

Other income, increased due to profit on the sale of investment property. The increase in fair value adjustments arose from the disposal of investment property during the year under review.

The interest expense decreased by 9.3% because of the Company actively reducing expensive funding from non-bank sources during the year as well as other funding in the group.

The taxation credit in the prior year increased due to the calculated tax losses which originated in the Group. No adjustment has been made in the current year under review.

On the balance sheet, assets and liabilities held for disposal decreased primarily due to the sale of investment properties during the year under review. Investment properties and property held as inventories were valued by the directors at year end after being independently valued in the prior year and fair value adjustments (where applicable) were made accordingly.

Visual concluded an agreement for the sale of Stellendale 3 to UVest Housing Portfolio 2 (RF) Proprietary Limited ("UVest") for R15 million, exclusive of VAT, in cash. The proceeds were applied towards the repayment of the R4.5 million bond, reduction of the balance of most of the secured debt in the Visual group, for the settlement of creditors and working capital. A net loss before tax of R2 million was realised on this disposal.

Visual also sold 20 rental units for R10 million and later another 7 rental units for R4 million. A net loss before tax of R1.025 million was realised on the disposal of the 7 rental units whilst no profit or loss was realised on the disposal of the 20 rental units. An undeveloped stand was also sold on auction for R725 000. No profit or loss was realised on this disposal. The net proceeds of the above sales were applied to reduce long term debts as well as creditors of the Group.

Deferred taxation has been provided at the capital gains tax rate for investment properties and at the normal tax rate for properties classified as inventories. Current liabilities were substantially reduced by approximately 53% compared to the prior year.

Shareholders are referred to events after the reporting period below.

SEGMENTAL REPORTING

The segmental information is set out below. The basis of segmentation and the measurement of segment profit/loss is consistent with the prior period group audited annual financial statements.

The Group currently has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different services and are reviewed by management. For each of the strategic business units, the Group's CEO reviews internal management reports as soon as they are received.

The following summary describes the operations of each of the Group's reportable segments for the years ended 28 February 2017 and 29 February 2016:

- Property Services segment - Rendering of management, administration and consulting services on development projects
- Property Investment segment – Letting of residential properties held by the Group
- Property Development segment – Development of residential properties held by the Group or sold to third parties.

Primary segment report - 2017	**Property Services**	**Property Investment**	**Property Development**	**Total**
Total revenue	3 936 052	7 145 670	-	11 081 722
Total external revenue	**3 936 052**	**7 145 670**	**-**	**11 081 722**
Other income	92 006	167 032	-	259 038
Loss from equity accounted investments	-	(521 725)	-	(521 725)
Fair value adjustments	-	(3 042 675)	-	(3 042 675)
Employee costs	(2 690 048)	(2 202 691)	-	(4 892 739)
Cost of sales	(7 350 000)	--	--	(7 350 000)
Finance costs	-	(2 524 864)	-	(2 524 864)
Depreciation	(94 209)	(171 033)	-	(265 242)
Other operating expenses	(2 806 411)	(8 275 321)	-	(11 0812 732)
Segment results before taxation	**(8 912 610)**	**(9 425 607)**	**-**	**(18 338 217)**
Taxation				5 358 138
Interest income on shareholder loans				3 613 554
Finance costs accrued on shareholder loans				(2 185 889)
Other income				521 714
Interest income on cash and cash equivalents				1 437
Finance costs on bank overdraft				(674 742)
Profit/(Loss) for period				**(11 704 005)**

Total segment assets	738 727	21 616 539	22 896 180	45 251 446
Total segment liabilities				(35 629 399)

Primary segment report - 2016	**Property Services**	**Property Investment**	**Property Development**	**Total**
Total revenue	992 117	1 801 130	-	2 793 247
External revenue	**992 117**	**1 801 130**	**-**	**2 793 247**
Other income	48 936	88 840	-	137 776
Loss from equity accounted investments	-	(347 614)	-	(347 614)
Finance costs	-	(3 643 898)	(769 833)	(4 413 731)
Fair value adjustments	-	(1 931 972)	-	(1 931 972)
Employee costs	(1 504 257)	(1 231 730)	(2 156 752)	(4 892 739)
Cost of sales	(282 761)	-	-	(282 761)
Depreciation	(88 730)	(161 085)	-	(249 815)
Other operating expenses	(1 552 162)	(4 576 892)	-	(6 129 054)
Segment results before taxation	**(2 386 857)**	**(10 003 221)**	**(2 926 585)**	**(15 316 663)**
Taxation				2 137 029
Interest income on shareholder loans				3 002 712
Finance costs accrued on shareholder loans				(1 850 727)
Other income				197 927
Interest income on cash and cash equivalents				340
Finance costs on bank overdraft				(15 288)
Profit/(Loss) for period				**(11 844 670)**
Total segment assets	663 234	40 488 526	40 246 180	81 397 940
Total segment liabilities	(26 664)	(26 627 893)	(6 561 806)	(33 216 363)

Revenue from one customer amounted to R11 081 722(2016: R512 117), arising from the sale of land held as inventory.

Geographic information:
The Group's revenue is derived from operations and property holding only in South Africa. The Group's non-current assets are also located in South Africa.

Segment revenue and expenses:
Revenue and expenses that are directly attributable to segments are allocated to those segments. Those that are not directly attributable to segments are allocated on a reasonable basis.

Segment assets and liabilities:
Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets exclude investments, tax assets, bank balances, deposits and cash. Segment liabilities exclude certain loans, bank overdraft and tax liabilities. Capital expenditure represents the local costs incurred during the period to acquire segment assets that are expected to be used during more than one period, namely, property, plant and equipment, investment property and intangible assets other than goodwill.

HEADLINE EARNINGS

The headline earnings reconsolidation and per share is set out below:

Headline loss reconciliation		
Net loss for the period	**(8 556 452)**	**(11 734 046)**
Adjustments:		
Fair value adjustment on investment properties	536 000	1 931 972
Tax effects on fair value adjustment	-	(432 762)
Headline loss for the period	**(8 020 452)**	**(9 802 074)**
Headline loss per share (cents)	**(3.54)**	**(4.75)**

GOING CONCERN

The group annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and the settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The Group experienced severe cash flow constraints during the prior year, partly due to the nature of the business, which it addressed by borrowing from a lending institution at higher interest rates. This led to the board taking action to actively reduce the gearing of the business and the repayment of the lending institution, as well as other funders, during the current year under review.

The cash flow constraints remain due to delays in being able to generate revenue from property development and sales. However, the situation has improved substantially from the prior year.

The directors have considered the operational budget and cash flow forecasts for the ensuing year which are based on the current expected economic and market conditions and the happening of the following events or subsequent events:

a) That Visual will receive planned management fees and dividends pursuant to the acquisition of 50.1% of Mosegedi as detailed under Subsequent Events;

b) Visual International has signed a 10-year corporate head lease with Spar and Spar Tops for the anchor tenancies in Stellendale Junction. Keen interest exists for the line shops that are available. Visual International is currently in active discussions with various parties to either develop the property on a joint venture basis or to sell the property and has received a signed offer, which it is considering.

c) With the restructuring and de-gearing exercise essentially complete, Visual has been actively seeking development funding in order to continue with the development of Stellendale. Visual International has signed a funding agreement for R500 million of draw down funding from Milost Global, comprising a R150 million equity draw down facility and a R350 million Convertible Note facility, as separately announced. The draw down funding will be applied to working capital, property development projects and acquisitions, where appropriate.

These events and the underlying assumptions relating thereto still represent material uncertainties that may cast doubt on the Group's ability to continue as a going concern. The directors believe that due to the conclusion of the agreement in a) above and the expectation that the plans mentioned in b) and c) above will materialise, the Company will have adequate financial resources to continue as a going concern. Accordingly, the directors have adopted the going concern basis in the preparation of the annual financial statements.

It is noted that the Group has more than R50 million in tangible net asset value, which has been supported by the independent property valuations.

RELATED PARTIES
Related parties are the same as reported in the previous period.

Related party transactions	2017	2016
Loan accounts – Owing (to)/by related parties		
Shareholders	(16 161 571)	(20 940 408)
Shareholder	44 898 129	43 770 831
Joint venture	(688 232)	(553 960)
Trust of director	(1 914 172)	(3 581 066)
Shareholder of subsidiary	-	(12 512 677)
Trusts of close family member or director/shareholder	-	1 041 110
Companies controlled by shareholder	-	(1 771 327)
Companies controlled by directors	-	74 787
Investment in Joint Ventures		
Dream Weaver Trading 170 Proprietary Limited	50	524 775
The Visual Property Club Proprietary Limited	60	60
Related party balances included in trade receivables/(trade and other payables)		
Non-executive directors	(750 554)	(765 000)
Executive directors	-	(162 306)
Companies controlled by directors	-	213 417
Interest paid to/(received from) related parties		
Shareholders	-	1 850 727
Shareholders	(3 13 046)	(3 002 712)
Company controlled by director	-	306 616
Joint venture	50 140	(14 036)
Close family member of director	-	3 750
Shareholders of subsidiaries and joint ventures	2 735 325	2 430 482
Rent paid to related parties		
Trust of a director	124 888	181 542
Salary paid to related party		
Close family member of director	66 000	70 290
Legal fees paid to related party		
Companies controlled by close family member of director	356 374	18 038
Management fees paid to/(received from) related parties		
Companies controlled by directors	-	(512 117)
Joint venture	26 316	(480 000)
Consulting fees paid to/(received from) related party		
Company controlled by director	-	204 874

DIRECTORS

During the year under review the board of directors was constituted as follows pursuant to the acquisition of 50.1% of Mosegedi & Associates Proprietary Limited ("Mosegedi"):

Name	Designation	Appointment Date	Resignation Date
R Richards	Independent non-executive Chairman	21 January 2014	
CK Robertson	Chief Executive Officer	1 May 1992	
PE Grobbelaar	Chief Operating Officer	1 July 2006	
G Noble	Executive director	1 February 2007	
R Kadalie	Independent non-executive director	23 October 2013	
CT Vorster	Independent non-executive director	21 January 2014	
P Ranchod	Independent non-executive director		31 January 2017
Dr E Links	Independent non-executive director		28 February 2017
L Schutte	Chief Financial Officer	1 March 2017	10 April 2017
L Matlholwa	Non-executive director	1 March 2017	
T Mokgatlha	Non-executive director	1 March 2017	

Mr G Noble will be responsible for overseeing the integration of Mosegedi into the Visual Group and accordingly stepped down as Financial Director with effect from 1 March 2017. He remains as an executive director on the Board.

Ms L Schutte ("Liska") resigned as Financial Director of Visual with effect from 10 April 2017. Liska continued to provide outsource services to Visual until further notice, including the finalisation of the draft annual financial statements for the year ended 28 February 2017. The company will be announcing the appointment of a new financial director in due course.

AUDITORS

Baker Tilly Greenwoods resigned as auditors of the Group following the appointment of Grant Thornton Cape Incorporated as the new auditors on 9 March 2017.

ISSUE AND REPURCHASE OF SHARES

During the year under review, the Company issued the following shares for cash:

a) An issue of 7 616 726 shares at 0.13129 cents per share;
b) An issue of 7 033 652 shares at 0.143 cents per share;

In addition to the above, an agreement was signed in relation to the issue of 33 333 333 shares at 15 cents per share, of which R350 000 was received and the balance of which has not been received and the agreement has lapsed. The following share issues were made under the above agreement:

a) An issue of 1 666 667 shares at 15 cents per share; and

Subsequent to year end, the Company issued 106 000 000 shares at 13 cents per share for the acquisition of 31.2% interest in Mosegedi as announced to shareholders on SENS on 28 February 2017 as further detailed under Subsequent Events.

The Company did not repurchase any shares during the year under review.

DIVIDEND

The Company has not declared a dividend for period ended 28 February 2017 and the Company will not be considering a dividend payment for the forthcoming year.

LITIGATION
There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the company and group is aware that may have or have had in the last 12 months, a material effect on the Company's or the Group's financial position.

CONTINGENT LIABILITIES
At the reporting date the Group does not have any contingent liabilities (2016: RNil).

COMMITMENTS
The Group has entered into an agreement in terms of which it is required to purchase a property, consisting of Erf 18362 from the RAL Trust, subject to the successful rezoning of Erf 18362 from agricultural to general. The purchase price will be equal to the fair value of Erf 18362 on the date that it is rezoned and will be used to settle the loan receivable from the RAL Trust, to the extent of the fair value after rezoning.

The Group has also entered into an agreement in terms of which it may be required to purchase a property, consisting of the Remaining portion of Portion 4 of Farm 438, for a total consideration of R3 831 100 before 17 March 2018. It is anticipated that the fair value of the said property will exceed the amount of the consideration payable. If this property is acquired, it is currently the Group's intention that the property will be used in the property development business of the Group.

EVENTS AFTER THE REPORTING PERIOD
Subsequent to year end the Company entered into an agreement with Messrs P Pheelwane, L Matlholwa and V Mokgatlha ("Mosegedi Shareholders") regarding a transaction whereby Visual has effectively acquired 50.1% of the issued share capital of Mosegedi & Associates Proprietary Limited ("Mosegedi") for a minimum price of R13 780 000 and a maximum price of R31 242 700 in two phases ("Acquisition"). The effective date of the transaction was 1 March 2017.

The Acquisition will be executed in two phases as follows:

a) In phase one of the agreement ("Phase One") the Company has issued 106 000 000 Visual shares at the closing market price on 27 February 2017, being 13 cents per share, to the Mosegedi Shareholders as consideration for the acquisition of 31.2% of Mosegedi, which resulted in the Mosegedi Shareholders holding approximately 31.4% in the increased issued share capital of Visual.

b) In phase two of the agreement ("Phase Two"), Visual will acquire an additional 18.9% of Mosegedi for a maximum amount of R17 462 700, subject to the achievement by Mosegedi of a profit warranty detailed below, to be settled by the issue of up to 116 418 000 shares in Visual at a market price of 15 cents per share. Mosegedi's performance relative to the profit warranty will determine the final number of shares to be issued to the Mosegedi shareholders in terms of Phase Two.

The Mosegedi shareholders have warranted that Mosegedi's total net pre-tax profit will be a minimum of R55.4 million for the year ending 28 February 2018, which profit warranty has been based on Mosegedi's various building contracts that are currently in progress and/or new contracts that are expected to be awarded during 2017.

Should the net profit of R55.4 million not be achieved, the total number of Visual shares to be issued to Mosegedi shareholders per Phase Two will be reduced proportionately by the same percentage as the actual profit is less than the warranted profit. Visual will hold a shareholding of 50.1% in Mosegedi.

A circular to shareholders is in the process of being finalised, pending receipt of the audited Annual Financial Statements for the two years ended 28 February 2017 and 29 February 2016, which are in the process of being prepared in accordance with full IFRS. This process has been taking much longer than expected.

Other matters and options

Shareholders are also referred to the announcement published on 14 October 2016 and 1 March 2017 whereby the Company secured a loan from Tokoza Cape Flowers Proprietary Limited, which was repaid on 23 December 2016. The loan agreement provided for an option to subscribe, in whole or in part, for 25 million Visual shares for cash at a subscription price of 15 cents per share ("the Tokoza Option"). The Tokoza Option will require shareholder approval.

In the event of the Tokoza Option, or a portion thereon, being exercised, the Mosegedi Shareholders will have an option to:

(i) simultaneously subscribe for the same number of Visual shares, as subscribed for in terms of the Tokoza option, at the Volume weighed average price (VWAP) of Visual's shares on the date of the exercise of the option less 10% ("the Mosegedi Option"); or

(ii) Should the Mosegedi shareholders have sufficient reason to believe that Mosegedi's net pre-tax profit will be a minimum of R55.4 million for the year ended 28 February 2018, the Mosegedi Shareholders may postpone their decision to exercise their option until 1 March 2018; and if Visual's auditors verify that Mosegedi's net pre-tax profit is a minimum of R55.4 million for the year ending 28 February 2018, then the Mosegedi Shareholders will have an option to subscribe, at 15 cents per Visual share, on or before 1 March 2018 for the same number of Visual shares as per the Tokoza option being exercised ("the Mosegedi 15 cents Option").

The Mosegedi Option or the Mosegedi 15 cent Option (the "Mosegedi Options") will require shareholder approval in General Meeting.

There are no other material events that require reporting after the year end, other than in the normal course of business.

FUTURE PROSPECTS

Going forward, Visual has eliminated the majority of its debt and creditors and has a positive net tangible asset value in excess of R50 million and the Board will be considering the size and nature of properties held in order to start its key development initiatives and ensure that it has sufficient cash and funding resources to grow the Group.

Furthermore, the acquisition of a controlling interest in Mosegedi, will bring revenue, profitability and positive cash flows into the Visual group, thereby allowing the development of the group's property assets.

By order of the board
Johannesburg
15 September 2017

Designated Advisor

Arbor Capital Sponsors Proprietary Limited

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