



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

REPLACEMENT ANNOUNCEMENT - NEW CLAW BACK OFFER, POTENTIAL CHANGE IN CONTROL, PARTIAL WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT AND RENEWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are referred to the announcement issued this afternoon and are advised that it is replaced with this announcement.

New claw back offer terms

Shareholders are referred to the original announcement published on 19 February 2018 and subsequent renewal of cautionary announcements last published on 17 April 2018 and are advised that the Company has signed new agreements with Milost Global Incorporated ("Milost") relating to a subscription for 310 000 000 new shares in Visual at a subscription price of 3.3 cents in order to raise R10 230 000 by way of a claw back offer. The proceeds will support the recapitalisation of Visual and provide working and development capital for the business, which includes the settlement of all creditors of Visual.

The claw back subscription of R10 230 000 (less an amount of R581 503.40 which is payable on or before 21 May 2018) is payable by of 30 May 2018.

The Company will announce the claw back ratio in due course as this is affected by the potential cancellation and delisting of the 106 million shares previously issued in terms of the Mosegedi acquisition, as previously announced. Milost has agreed to sell up to 10 600 000 shares at the Claw Back subscription price to the Mosegedi shareholders to enable the full 106 000 000 shares to be tendered to Visual. The final terms, conditions and salient dates of the claw back offer will be made in due course.

Shareholders are also advised that pursuant to the claw back offer, Milost may hold more than 35% of the issued share capital of Visual, which would require a mandatory offer in terms of the Companies Regulations, 2011 as regulated by the Takeover Regulation Panel. Alternatively, shareholders may be approached to approve a waiver of a mandatory offer. The current Board of Directors will be dissolved and a new Board nominated by Milost on or as soon as possible after the Claw Back subscription date.

Mosegedi Cancellation Agreement

In terms of a separate agreement signed between Milost and Visual, it was noted that Visual had entered into an agreement with the Mosegedi shareholders for the cancellation of the acquisition of 31.2% of Mosegedi, *ab initio* and the return of 106 000 000 shares to the share capital of the Company for cancellation. The Mosegedi cancellation agreement was subject to certain conditions precedent, which were not met, and it is the intention that the dates will be extended. This will result in the parties being put back into the same position as had they not entered into the agreement.

The Mosegedi Cancellation Agreement also provides for the payment of approximately R1.09 million to be repaid to Mosegedi and Associates, which will be paid from the proceeds of the claw back offer. Application will be made to the JSE for the termination of the listing of the 106 000 000 shares. In the event that the JSE or any other regulatory authority has additional requirements, the Company and Milost agree to co-operate in good faith to comply with such requirements.

Update on Stellendale Junction

Shareholders are referred to the detailed cautionary announcement published on 3 November 2017 and the renewal of cautionary announcements, the last of which was published on 17 April 2018. The offer for R34 million received by the Company in relation to one of its properties known as Stellendale Junction is still subject to several conditions precedent, one pre-condition is approval of development funding for the purchaser, which is still in progress. Shareholders will be updated in due course as to the progress of the transaction. If the transaction proceeds, a full terms announcement will be made and the disposal will require shareholder approval.

Partial withdrawal of cautionary announcement

Visual will not be proceeding with the acquisition negotiations as previously announced on 30 January 2018 following the signing of the new claw back subscriptions agreement.

Renewal of cautionary announcement

Accordingly, shareholders are advised to continue exercise caution when dealing in the securities of Visual until a further announcement is made in respect of the following

- Confirmation of receipt of funds from Milost for the claw back offer and declaration announcement of the claw back offer terms;
- The confirmation of the implementation of the Mosegedi cancellation agreement; and
- The terms announcement or withdrawal of cautionary in relation to the offer for Stellendale Junction.

Cape Town
8 May 2018

Designated Advisor

Arbor Capital Sponsors Proprietary Limited

