



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

**SPECIFIC ISSUE OF SHARES FOR CASH TO ROBCO HOLDINGS PROPRIETARY LIMITED ("Robco")
AND TLP INVESTMENTS ONE FIVE FOUR PROPRIETARY LIMITED ("TLP Investments") AND
WITHDRAWAL OF CAUTIONARY**

1. Introduction

Shareholders are hereby advised that, subject to certain conditions precedent, the Company has entered into subscription agreements with Robco and TLP Investments ("**the Investors**") in terms of which the Investors have agreed to subscribe for, and Visual will issue:

- 1.1 151 515 152 ordinary Visual shares for cash at an issue price of 3.3 cents per share to Robco for an aggregate consideration of R5 million; and
- 1.2 151 515 152 ordinary Visual shares for cash at an issue price of 3.3 cents per share to TLP Investments for an aggregate consideration of R5 million

(collectively "**the Specific Issue**").

The shares to be issued pursuant to the Specific Issue will result in each Investor holding 22.37% of the entire issued share capital of Visual after the Specific Issue.

Robco and TLP Investments are both investment holding companies that seek investments in property development businesses, amongst other things. Neither Investor is considered to be a related party in terms of the JSE Listings Requirements.

The subscription price in respect of the Specific Issue is at a 65% premium to the 30-day volume weighted average share price of 2 cents per share at 31 July 2018, being the last date of trade prior to the suspension of the Company and the reference price used by the board on 4 September 2018, being the date that the Board approved the Specific Issue of shares. The shares to be issued will rank *pari passu* with the existing shares in issue and will be of a class already in issue.

The Specific Issue will have no impact on the financial statements of the Company other than the subscription of shares for cash.

2. Intended use of funds

The Company will use the proceeds of the Specific Issue as follows:

- to repay the R3 million loan to Visual as announced on SENS on 31 July 2018 and the option to subscribe for shares associated with the loan will be cancelled;
- approximately R4 million will be used to settle the Western Cape Government in relation to land that forms part of the Stellendale development;

- R1.09 million will be repaid to Mosegedi in terms of the unwind of the acquisition of 31.2% of Mosegedi and Associates Proprietary Limited as first announced on SENS on 16 February 2018; and
- the balance will be used to fund the working capital requirements of the Company.

3. Conditions precedent

- 3.1 The Specific Issue will be subject to the fulfilment of various suspensive conditions, including, amongst others:
- 3.1.1 on or before 13 September 2018, the Investors declaring themselves satisfied with the results of their due diligence investigation on CKR Trust, MP Trust and RAL Trust;
 - 3.1.2 on or before 13 September 2018, the Company providing the Investors with the Company's board authority matrix and the boards of directors of the Investors confirming that they are satisfied with the said authority matrix and the general authorities of the board of directors of the Company ("**the Board**");
 - 3.1.3 on or before 13 September 2018, the Board nominates CH Robertson and K Nel as candidates for election at the Company's upcoming annual general meeting as non-executive directors of the Company;
 - 3.1.4 on or before 13 September 2018, Visual International and a previous director of the Company concluding an addendum to the settlement agreement entered into between them to provide for new payment dates;
 - 3.1.5 on or before 13 September 2018, Visual and/or the relevant subsidiary of the Company conclude an agreement with Finland Eiendomsdienste ("**Finland**") and Stellendale Masters Home Owners Association ("**SMHOA**") providing for, amongst other things, the collection of levies and payment of outstanding rates and taxes by SMHOA;
 - 3.1.6 on or before 17 September 2018, the shareholders of the Company having duly approved the Share Issue; and
 - 3.1.7 on or before 17 September 2018, the Company having been unsuspended by the JSE.
- 3.2 The Investors and the Company may, by written agreement, on or before the date specified for its fulfilment, waive any suspensive condition (to the extent applicable) or extend the date specified for the fulfilment of such suspensive condition.

4. Section 60 notice

In terms of paragraph 5.51(g) of the JSE Listings Requirements, the Specific Issue requires the approval by way of an ordinary resolution (requiring at least a 75% majority of the votes cast in favour of such resolution) by all Visual shareholders. Such shareholder approval will be sought in terms of Section 60 of the Companies Act, 71 of 2008. A further SENS announcement in this regard will be published in due course.

5. Section 122 Notice

A notice in terms of Section 122 of the Act will be published on the completion or waiver of the remaining Conditions Precedent noted above.

6. Other Matters

Shareholders are also advised that Robco and TLP Investments intend to separately enter into agreements with Visual for the development of apartment blocks comprising 20 units each in the Stellendale Junction development for a consideration of approximately R12.4 million per apartment block. These developments will be in the ordinary course of business, and a 10% advance payment in respect of the purchase price will be payable

by each Investor. These advance payments will be made by way of loans to Visual until completion of building works of the apartment blocks, and will be secured by a covering bond over another one of Visual's properties. These advance payments will assist and enable Visual to undertake the development of the two apartment blocks for the investors on the Stellendale Junction land (for which zoning rights are in place). The sale and development of these apartment buildings will bring revenue and additional cash flow to the group. The development potential is approximately 500 apartments on the site.

7. Withdrawal of cautionary announcement

Shareholders are referred to the Company's renewal of cautionary announcements, the last of which was published on 1 August 2018 and which related to the offer received by the Company for the disposal of the Stellendale Junction property. In light of the funds to be received by the Investors which will now enable the Company to develop the Stellendale Junction land itself (as detailed in paragraph 2 above) as opposed to disposing of this property, caution is no longer required to be exercised by shareholders when dealing in the Company's securities.

Cape Town

7 September 2018

Designated Advisor

Arbor Capital Sponsors Proprietary Limited

