



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

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**GENERAL ISSUE OF SHARES FOR CASH TO VERITYHURST PROPRIETARY LIMITED**  
**("Verityhurst" or "the Subscriber")**

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**1. Introduction**

- 1.1 Shareholders are hereby advised that, subject to certain conditions precedent, the Company has entered into a share subscription agreement with Verityhurst ("**Share Subscription Agreement**") in terms of which Verityhurst has agreed to subscribe for 133 000 000 ordinary Visual shares ("**Subscription Shares**") for cash at a subscription price of 4 (four) cents per share ("**Subscription Price**") for a total consideration of R5 320 000 ("**Subscription Consideration**") with effect from 31 July 2020 ("**Subscription Effective Date**") ("**Share Subscription**").
- 1.2 The Subscriber will pay an amount of R3 000 000 ("**Initial Loan**") in cash into either the trust account of the Company's attorneys or the bank account of the Company Secretary (at the election of the Subscriber), which loan will form part of the Subscription Consideration. The Initial Loan will be payable in two tranches comprising R1 000 000 on or before 18 June 2020 (already received by the Company Secretary) ("**Tranche 1**") and R2 000 000 on or before 31 July 2020 ("**Tranche 2**").
- 1.3 Upon receipt of written confirmation by the Company's attorneys or the Company Secretary, as the case may be, that amounts are being held by them for payment to the Company, the amounts will be recorded as a loan in the books of the Company until such time as the JSE has lifted the suspension of trading in the Company's shares. Thereafter the Company will, as soon as possible, obtain approval from the JSE for the allotment and issuance of Subscription Shares to the Subscriber, limited to the amounts received in cash.
- 1.4 Within three Business Days after the unsuspension by the JSE of the Company, the balance of the Subscription Consideration ("**Balance**") shall be paid in cash by the Subscriber into the trust account of the Company's attorneys or the bank account of the Company Secretary (at the election of the Subscriber). Upon receipt of written confirmation by the attorneys or the Company Secretary, as the case may be, that the Balance is being held by them for payment to the Company, the Board will approve the allotment and issue of all the Subscription Shares to the Subscriber and the Company will apply to the JSE for the listing of the Subscription Shares.
- 1.5 The Share Subscription will be effected in terms of the general authority to issue shares for cash, which approval was granted by Visual shareholders at the Company's annual general meeting held on 24 April 2019 and will constitute 26.22% of the number of equity securities in issue prior to this general issue.

- 1.6 The Subscriber is an investment holding company with investments in the forestry, transportation, education, and agriculture sectors, and is seeking investments in property holding and development businesses, amongst other things. The Subscriber is not considered to be a related party to Visual in terms of the JSE Listings Requirements.
- 1.7 The Subscription Price is at an 8.89% premium to the 30-day volume weighted average share price of 3.67 cents per share at 30 June 2019, being the last date of trade prior to the suspension of the Company on the JSE and the reference price used and agreed to by the Company and the Subscriber.
- 1.8 The Subscription Shares will rank *pari passu* with the existing shares in issue and are of a class already in issue.
- 1.9 The Share Subscription will have the following impact on the financial statements:
- 1.9.1 The unwinding of the transaction concluded with Mosegedi and Associates Proprietary Limited ("**Mosegedi**") as detailed in paragraph 2 below, will result in a R1.04 million reduction in the long-term liabilities of the Company associated with the cancellation of 106 million shares previously issued to Mosegedi, noting that in the publication of the published results, the cancellation of the shares has already been recorded.
- 1.9.2 Following the cancellation of the Mosegedi Shares and the issue of the Subscription Shares, the issued share capital of the Company will be 401 265 547 ordinary shares of no par value.
- 1.9.3 The balance of the Subscription Consideration will result in a reduction in current liabilities.
- 1.10 Upon the issuance of the Subscription Shares to the Subscriber, the board of directors of the Company will nominate 2 (two) non-executive directors for appointment to the Board of the Company. However, the earlier nomination and appointment of directors will be considered.

## 2. Intended use of funds

The Company will use the proceeds of the Share Subscription as follows:

### 2.1 Initial Loan

- Payment to the Company's auditors for creditor amounts and an estimate for the audit costs for the years ended 28 February 2019 and 29 February 2020 amounting to up to R600 000, including VAT, from Tranche 1 and any remaining balance from Tranche 2;
- Payment to the Company's designated advisor for creditor amounts and costs amounting to R250 000 from Tranche 1 and R250 000 from Tranche 2, plus VAT;
- Payment of R150 000 towards the cost of the preparation of the Annual Financial Statements and Annual Reports for the years ended 28 February 2019 and 29 February 2020, as directed by the Company, from Tranche 1;
- Payment of R1.04 million (net of any costs to acquire shares) to Mosegedi in terms of the unwind of the acquisition of 31.2% of Mosegedi (as first announced on SENS on 16 February 2018) from Tranche 2, on condition that 106 million shares of the Company ("**Mosegedi Shares**") will have been returned to the Company's attorneys for cancellation; and
- The remaining balance of the Initial Loan will be applied to fund the working capital requirements of the Company.

## 2.2 Balance of the Subscription Consideration

- Payment to the Company's designated advisor for creditor amounts and costs amounting to R500 000, plus VAT; and
- The remaining balance of the Subscription Consideration will be applied to fund the working capital requirements of the Company.

## 3. **Acquisition of Additional Shares**

3.1 The Share Subscription Agreement contains a resolute condition providing for the Subscriber to enter into an agreement with the RAL Trust (a related party to Mr CK Robertson) on or before 31 December 2020 for the acquisition of an additional 68 000 000 ordinary Visual shares ("**Additional Shares**") from the RAL Trust at an acquisition price of 8 (eight) cents per share ("**Acquisition Agreement**"). The intention behind this resolute conditions is to enable the Subscriber to acquire control of the Company without further diluting the minority shareholders.

3.2 In the event that the Subscriber holds more than 35% of the issued share capital of the Company, the Subscriber will be required to extend a mandatory offer to the remaining shareholders of the Company in terms of the provision of the Companies Act, No. 71 of 2008 read with the Companies Regulations, 2011 ("**Mandatory Offer**"). In such instance, Mr CK Robertson will procure an irrevocable undertaking to not accept the Mandatory Offer from each of the RAL Trust and the CKR Investment Trust in relation to any remaining shares held by these two trusts.

## 4. **Suspensive and Resolute Conditions**

The Share Subscription is subject to the fulfilment or waiver (if applicable) of the following conditions:

- 4.1 the listing of the Subscription Shares on the JSE within five business days of the lifting of the suspension of trading in the Company's shares; and
- 4.3 the resolute condition of the Subscriber entering into the Acquisition Agreement, as detailed in paragraph 3 above, which will require dispensation from the JSE if the Company is in a closed period.

The Subscriber and the Company may, by written agreement concluded between them on or before the date specified for its fulfilment, extend the date specified for the fulfilment of the suspensive conditions set out in this paragraph 4.

Cape Town  
18 June 2020

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**Designated Advisor**  
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