



**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"**)

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**RELATED PARTY ACQUISITION OF A 20% INTEREST IN TUIN HUIS PROPRIETARY LIMITED  
(**"Tuin Huis"**)**

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**1. The Acquisition**

In recent years there has been an amendment to the bylaws of the City of Cape Town in terms of which two additional houses or apartments may be developed on any suitable erven in the municipal area, subject to approval being granted by the city's Minor Works Department (**"Infill Housing Projects"**).

Tuin Huis, which is a residential property development company, has since undertaken two trial Infill Housing Projects in the Durbanville area.

To this end, shareholders are advised that Visual has concluded an agreement (**"the Agreement"**) with Tuin Huis in terms of which Visual will acquire a 20% interest in Tuin Huis (**"the Acquisition"**).

Following the conclusion of the Acquisition, Tuin Huis will:

- own a house on a sectional title at 8 Eclipse Close, Durbanville with a home loan of R2.4m (property valued at approximately R2.7m), with rental income of R17 000 per month;
- own a house at 1 Pioneer Street, Durbanville with two houses built on the erven (one of which requires renovation), with a home loan of R3.3m (property valued at approximately R3.8m), and an approved plan to build a further house on the erven; and
- have R1.5m in cash with loan accounts of R900 000 owing to each of two Tuin Huis shareholders.

Visual will be responsible to build and/or project manage all the development projects undertaken by Tuin Huis at cost. The intention is to complete at least three Infill Housing Projects per year.

**2. Rationale for the Acquisition**

Mr Charles Robertson (**"Mr Robertson"**) is a shareholder in Tuin Huis and is assisting Tuin Huis with the Infill Housing Projects. Mr Robertson is also the Chief Executive Officer of Visual. The Acquisition has been undertaken to align the interests of Visual with Tuin Huis and the time being spent by Mr Robertson on both Tuin Huis and Visual, whilst Visual's projects are commencing.

In addition, due to Visual's negative net asset value and the Company's continued cashflow constraints which limit the Company's current ability to take on new projects, the Board has decided to focus on smaller transactions for the foreseeable future.

**3. Effective date of the Acquisition**

The effective date of the Acquisition is 1 March 2023.

**4. Purchase consideration**

The purchase consideration is at a nominal value of R1.00 ("**Purchase Consideration**"). Visual also has no exposure to any liabilities or commitments arising from the Acquisition.

**5. Conditions precedent**

The Acquisition is unconditional.

**6. Other significant terms of the Agreement**

The Agreement provides for warranties and indemnities that are normal for a transaction of this nature.

Following the Acquisition, the profit distribution policy of Tuin Huis will be as follows:

- 60% of profit will be used to repay loan accounts and 40% will be distributed to shareholders as management fees, until the loan accounts have been repaid;
- thereafter, 50% of profit will be retained to fund future projects and 50% will be distributed to shareholders.

**7. Tuin Huis financial information**

Tuin Huis is a relatively young company, having only started infill projects during 2022. Management accounts are only expected in around one to two months. Financial information will be announced in due course.

**8. Categorisation**

Mr Robertson is also a shareholder of Tuin Huis. Accordingly, Tuin Huis is a related party to Mr Robertson and the Acquisition is categorised as a related party acquisition.

The Acquisition and categorisation of the Acquisition was considered by the disinterested board members of Visual, without Mr Robertson being present in the meeting.

As the Acquisition is also classified as a Category 2 transaction in terms of Section 21, as read with Section 10, of the JSE Listings Requirements, it does not require a fairness opinion or shareholder approval.

**CAPE TOWN**

31 March 2023

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**Designated Advisor**

AcaciaCap Advisors Proprietary Limited

