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**" or "**the Group**")

UNAUDITED INTERIM CONDENSED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2019

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	31 August 2019 Unaudited R	28 February 2019 Audited R	31 August 2018 Unaudited R
Revenue	11 587	25 588	15 885
Other operating income	-	76 694	76 696
Other operating expenses	(3 021 326)	(8 501 627)	(3 545 404)
Operating loss	**(3 009 739)**	**(8 399 345)**	**(3 452 282)**
Investment revenue	1 572 708	3 229 868	1 599 135
Finance costs	(599 025)	(2 405 878)	(1 173 594)
Loss before taxation	**(2 036 056)**	**(7 575 355)**	**(3 027 282)**
Taxation	-	(242 466)	-
Loss for the period	**(2 036 056)**	**(7 817 821)**	**(3 027 282)**
Other comprehensive income	-	-	-
Total comprehensive loss for the period	**(2 036 056)**	**(7 817 821)**	**(3 027 282)**
Loss attributable to:			
Owners of the parent	(1 996 700)	(7 785 243)	(2 981 275)
Non-controlling interest	(39 356)	(32 578)	(46 007)
	(2 036 056)	**(7 817 821)**	**(3 027 282)**
Shares in issue at period end	268 265 546	268 265 546	268 265 547
Weighted average number of shares	268 265 546	268 265 546	266 207 318
Loss per share (cents)	(0.76)	(2.90)	(1.12)
Diluted loss per share (cents)	(0.76)	(2.90)	(1.07)

CONDENSED STATEMENT OF FINANCIAL POSITION

	31 August 2019 Unaudited R	28 February 2019 Audited R	31 August 2018 Unaudited R
Assets			
Non-Current Assets			
Investment property	1 920 000	1 920 000	1 920 000
Property, plant and equipment	13 520	107 479	153 960
Finance lease receivables	-	-	2 456 247
Investment in joint ventures	-	-	60
Loans to shareholders*	37 000 000	37 000 845	38 429 233
Other financial assets	-	-	201
Deferred tax	-	-	1 934 095
	38 933 520	**39 028 324**	**44 893 796**
Current Assets			
Finance lease receivable	1 089 138	3 074 334	1 202 462
Current tax receivable	1 686	1 686	1 686
Trade and other receivables	177 273	209 183	55 446
Cash and cash equivalents	-	284 181	442 805
	1 268 097	**3 569 384**	**1 702 399**
Non-current assets held for sale and assets of disposal groups	**10 000 000**	**10 000 000**	**10 000 000**
Total Assets	**50 201 617**	**52 597 708**	**56 596 195**
Equity and Liabilities			
Equity			
Share capital	73 809 025	73 809 025	73 809 025
(Accumulated loss)	(56 442 274)	(54 445 571)	(49 641 605)
Equity Attributable to Equity Holders of Parent	17 366 751	19 363 454	24 167 420
Non-controlling interest	(1 653 530)	(1 614 174)	(1 627 603)
	15 713 221	**17 749 280**	**22 539 817**
Liabilities			
Non-Current Liabilities			
Loans from shareholders	7 582 352	7 582 352	7 136 957
Borrowings/Other financial liabilities	8 958 688	10 723 124	11 279 722
Deferred tax	-	-	1 934 094
	16 541 040	**18 305 476**	**20 350 773**
Current Liabilities			
Loans from group companies	-	38 434	39 162
Borrowings/Other financial liabilities	3 290 328	3 309 614	1 193 260
Trade and other payables	14 652 338	13 194 904	12 473 183
Bank overdraft	4 690	-	-
	17 947 356	**16 542 952**	**13 705 605**
Total Liabilities	**34 488 396**	**34 848 428**	**34 056 378**
Total Equity and Liabilities	**50 201 617**	**52 597 708**	**56 596 195**
Net asset value per share (cents)	**5.86**	**6.62**	**6.02**
Net tangible asset value per share	**5.86**	**6.62**	**6.02**

* Shareholders are referred to the Going Concern and Events after the reporting period note below.

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Total Stated capital R	Retained income R	Total Attributable to equity holders of the Group R	Non-controlling interest R	Total equity R
Group					
Balance at 1 March 2018	**73 809 025**	**(46 660 330)**	**27 148 695**	**(1 581 596)**	**25 567 098**
Total comprehensive loss for the period ended 31 August 2018	-	(2 981 275)	(2 981 275)	(46 007)	(3 027 282)
Balance at 31 August 2018	**73 809 025**	**(49 641 605)**	**24 167 420**	**(1 627 603)**	**22 539 817**
Total comprehensive loss for the period ended 28 February 2019	-	(4 803 966)	(4 803 966)	13 429	(4 790 537)
Balance at 28 February 2019	**73 809 025**	**(54 445 571)**	**19 363 454**	**(1 614 174)**	**17 749 280**
Total comprehensive loss for the period ended 31 August 2019	-	(1 996 700)	(1 996 700)	(39 356)	(2 036 056)
Balance at 31 August 2019	**73 809 025**	**(56 442 271)**	**17 366 754**	**(1 653 530)**	**15 713 224**

CONDENSED ABRIDGED STATEMENT OF CASH FLOWS

	31 August 2019 Unaudited R	28 February 2019 Audited R	31 August 2018 Unaudited R
Cash flows from operating activities			
Loss before taxation	(2 036 056)	(7 575 355)	(3 027 282)
Depreciation	93 961	177 726	131 247
Interest income	(1 572 708)	(3 229 868)	1 599 135
Finance costs	599 025	2 405 878	(1 173 594)
Impairment losses	1 296 693	3 028 972	121 014
Other expenses (non cash)	-	379 838	-
Changes in Working Capital			
Trade and other receivables	31 910	(154 771)	(1 034)
Trade and other payables	1 457 434	232 658	1 473 660
Cash used in operations	**(129 741)**	**(4 735 822)**	**(1 302 395)**
Interest income	-	6 978	-
Finance costs	(150 595)	(57 921)	-
Net cash from in operating activities	**(280 336)**	**(4 786 765)**	**(1 302 395)**
Cash flows from investing activities			
Purchase of property, plant and equipment	-	(70 163)	(70 164)
Finance lease receipts	-	-	559 828
Loans to group companies repaid	-	-	(944)
Net cash from investing activities	**-**	**(70 163)**	**488 720**
Cash flows from financing activities			
Proceeds from borrowings	-	6 137 245	-
Repayment of borrowings	(10 677)	(648 831)	-
Proceeds from group companies	2 142	-	-
Net movement in other financial liabilities	-	-	2 619 079
Net movement in shareholders loans	-	-	(1 015 294)
Net cash from financing activities	**(8 532)**	**5 488 414**	**1 603 785**
Total cash movement for the year	**(288 871)**	**631 486**	**790 110**
Cash at the beginning of the year	284 181	(347 305)	(347 305)
Total cash at end of the year	**(4 690)**	**284 181**	**442 805**

BASIS OF PREPARATION

The board of directors of Visual ("**the Board**") presents the unaudited condensed consolidated interim results for the six months ended 31 August 2019. The results have been prepared in accordance with the requirements of the South African Companies Act, 71 of 2008, as amended, the JSE Listings Requirements, as well as the framework concepts and the recognition and measurement principles of International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board, including IAS 34 *Interim Financial Reporting.* The accounting policies used in preparation of the interim 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 28 February 2019.

These condensed interim consolidated financial statements were compiled by Mr S Weldon CA(SA), and were not reviewed or audited by Visual's external auditor, BDO Cape Incorporated. These interim results 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 settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the Company's auditor.

NATURE OF BUSINESS
Visual International Holdings Limited ("**Visual**" or "**the Company**" or "**the Group**") 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 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 at Stellendale. However, further development has been frustrated by the lack of funding for property development over the past few years.

FINANCIAL RESULTS COMMENTARY
Visual reports that the Company adopted a strategy from 2017 onwards to reduce gearing in order to protect Visual's assets base, reduction of operating and financing costs, whilst seeking to secure development partners and potential investors in order to turn the Company around. Many of these objectives were achieved during 2017 through to 2019.

While almost no turnover was reported during 2019, due to no units being developed or properties sold, the Group's primary focus was to decrease operating costs, position itself for future growth and to secure a strategic funding partner.

Operating expenses (excluding impairments) were again contained during the period under review, resulting in a reduction of 14.8% at 31 August 2019 compared to 31 August 2018.

Interest expense reduced substantially due to lower levels of gearing, other than loans from related parties and the partial off-set of loans mentioned above.

Investment properties and property held as inventories remained constant with the prior year.

Finance lease receivable and the associated other financial liabilities were settled with the transfer of the underlying units and obligations prior to 28 February 2019.

Borrowings comprises amongst other loans, a loan from Chynge Finance Proprietary Limited ("**Chynge Finance**") and a loan from Makoro Property Developers Proprietary Limited ("**Makoro**", a portion of which has been settled after the period end from the proceeds of the sale of Stellendale Junction, under Non-Current Assets held for resale. The land was transferred during October 2019 and the proceeds were primarily applied to reduce the obligations of the group.

Trade and other payables included an amount payable of R1.04 million to the major shareholders of Mosegedi, which was repaid during September 2020. The parties had agreed to unwind the acquisition of 31.2% of Mosegedi, and the results have consistently been prepared on the basis that Phase 1 of the Mosegedi Acquisition was unwound.

SEGMENTAL REPORTING

The segmental information is set out below. The composition and measurement of reportable segments is consistent with the previous period.

Geographic information

The Group's revenue is derived from operations and property holdings 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. Interest income on loans to shareholders are included in the property development segment as the recoverability of the loans to shareholders are based on the fair value of the shareholders underlying assets which included property held for development. Interest expenses on loans from shareholders and other related party loans are not directly or indirectly related to specific segments and income tax is not included in the results of the segments when reviewed by the CEO.

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 include loans to shareholders and these are allocated to the property development segment as the recoverability of the loans to shareholders are based on the fair value of the shareholders underlying assets which included property held for development.

Segment assets exclude other financial assets, deferred tax assets, tax assets, bank balances, deposits and cash.

Segment liabilities exclude certain loans from shareholders, bank overdraft and current and deferred 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. During the financial year under review the capital expenditure amounted to R Nil (2018: R70 164) and was attributable to the property, plant and equipment in the property services segment.

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 on at least a monthly basis.

The following summary describes the operations of each of the Group's reportable segments for the period ended 31 August 2019 and 31 August 2018:

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

The classification of revenue, expenses, assets and liabilities in each segment is based on the main activity of each segment.

No consulting fees were generated in the reporting period. Revenue from rentals amounted to R11 587 (August 2018: R15 885), arising from services rendered by the Property Investment segment.

Primary segment report - 2019				
Segment results	**Property Services**	**Property Investment**	**Property Development**	**Total**
Total revenue	-	11 587	-	11 587
Total external revenue	**-**	**11 587**	**-**	**11 587**
Depreciation	(86 338))	-	(7 622)	(93 960)
Employee costs	(295 757)	-	(1 215)	(296 971)
Other operating expenses	(1 283 103)	(45 818)	(39 121)	(1 368 042)
Investment income	-	-	1 572 708	1 572 708
Finance costs	(129 170)	-	(397 465)	(526 635)
Segment results before taxation	**(1 794 368)**	**(34 231)**	**1 127 285**	**(701 313)**
Finance costs accrued on shareholder loans	-	-	-	(1 292 231)
Finance costs on related parties	-	-	-	(72 390)
Loss before taxation	**-**	**-**	**-**	**(2 036 056)**

Primary segment report - 2019				
Segment results	**Property Services**	**Property Investment**	**Property Development**	**Total**
Segment assets and liabilities				
Other reportable segment assets	190 792	3 009 139	47 000 000	50 199 931
Total reportable segment assets	**190 792**	**3 009 139**	**47 000 000**	**50 199 931**
Current tax	-	-	-	1 686
Total assets per statement of financial position	**-**	**-**	**-**	**50 201 617**
Trade and other payables	11 754 637	-	1 385 508	13 140 145
Borrowings	-	117 906	1 048 402	1 166 308
Total reportable segment liabilities	**11 754 637**	**117 906**	**2 433 910**	**14 306 453**
Loan from shareholder	-	-	-	7 582 352
Bank overdraft	-	-	-	4 690
Borrowings	-	-	-	12 594 901
Total liabilities per statement of financial position	**-**	**-**	**-**	**34 488 396**

Primary segment report August 2018	**Property Services**	**Property Investment**	**Property Development**	**Total**
SEGMENT RESULTS				
Total revenue	-	15 885	-	15 885
Total external revenue	**-**	**15 885**	-	**15 885**
Other income	-	76 694	-	76 694
Finance costs	(322 418)	(169 822)	(44 000)	(536 240)
Employee costs	(396 899)	-	(845 685)	(1 242 584)
Depreciation	(33 126)	(90 837)	(7 283)	(131 246)
Impairment	-	(121 014)	-	(121 014)
Other operating expenses	(1327 871)	(362 106)	(360 580)	(2 050 557)
Investment income	82	169 821	1 429 232	1 599 135
Segment results before taxation	**(2 080 232)**	**(481 379)**	**171 684**	**(2 389 927)**
Finance costs accrued on shareholder loans	-	-	-	(413 939)
Finance costs on loans from related parties	-	-	-	(223 416)
Loss before taxation	**-**	**-**	**-**	**(3 027 282)**

SEGMENT ASSETS AND LIABILITIES				
Investment in joint venture	-	60	-	60
Other reportable segment assets	188 332	3 664 877	50 364 140	54 217 349
Total reportable segment assets	**188 332**	**3 664 937**	**50 364 140**	**54 217 409**
Other financial assets	-	-	-	201
Current tax receivable	-	-	-	1 686
Cash and cash equivalents	-	-	-	442 805
Deferred tax assets	-	-	-	1 934 094
Total assets	**-**	**-**	**-**	**56 596 195**
Total reportable segment liabilities	**7 806 902**	**4 606 914**	**4 073 165**	**16 486 981**
Deferred tax	-	-	-	1 934 094
Loans from shareholders	-	-	-	7 136 957
Loans from group companies	-	-	-	39 162
Other financial liabilities	-	-	-	8 459 184
Total liabilities	**-**	**-**	**-**	**34 056 378**

HEADLINE LOSS INFORMATION

Headline loss reconciliation	**31 August 2019 Unaudited R**	**28 February 2019 Audited R**	**31 August 2018 Unaudited R**
Net loss for the period	**(1 996 700)**	**(7 785 243)**	**(2 981 275)**
Adjustments:			
Impairments losses	-	121 014	121 014
Headline loss for the period	**(1 996 700)**	**(7 664 229)**	**(2 860 261)**
Headline loss per share (cents)	**(0.74)**	**(2.86)**	**(1.07)**

ACQUSIITIONS AND DISPOSALS

Stellendale Junction
With effect from 5 March 2019, Visual International agreed terms for the disposal of land with Makoro in terms of which Visual International disposed of the property described as Erf 25312 Kuils River, situated in the registration division of Stellenbosch in extent of approximately 2.7 hectares ("**Stellendale Junction**") for a consideration of R10 million, plus VAT (if applicable) ("**Stellendale Junction Disposal Agreement**"). Zoning rights are in place for this property.

Visual has been appointed to undertake the development management work in respect of the Stellendale Junction project for Makoro in terms of a property development management agreement ("**Property Development Management Agreement**").

The development potential in respect of the Stellendale Junction land is approximately 500 apartments on the site. The sale and development of these apartment buildings will bring revenue and additional cash flow to the Group. Makoro will be responsible for securing the development funding for Stellendale Junction.

The property was transferred subsequent to the period under review.

The Group has also entered into an agreement in terms of which it purchased a property, consisting of the Remaining portion of Portion 4 of Farm 438, for a total consideration of R3 831 100. It is anticipated that the fair value of the said property will exceed the amount of the consideration payable. This property will be used in the property development business of the Group.

SHARE CAPITAL AND ISSUE/REPURCHASE OF SHARES
No shares were issued during the period under review.

During the period under review, the Company did not repurchase any shares. However, shareholders are reminded of the agreement to cancel the 106 000 000 shares issued to Mosegedi, which shares were cancelled in September 2020.

DIVIDENDS
The Company has not declared a dividend for the period ended 31 August 2019. (31 August 2018: RNil).

LITIGATION
There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the Company and the Group are 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 (2018: RNil).

COMMITMENTS
Ahead of its listing, the Group had 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. The purchase price will be equal to the fair value of Erf 18362 on the date that it is rezoned as determined by an independent valuer and will be used to settle all or part of the loan receivable from the RAL Trust, to the extent of the fair value after rezoning. Shareholders are referred to the Going Concern and Events after the reporting period note below.

RELATED PARTIES
Related parties are the same as reported in the previous period, transactions are similar in nature and thus no further disclosure is provided in these interim results.

GOING CONCERN AND EVENTS AFTER THE REPORTING PERIOD
As noted above, the interim results 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's cash flow constraints previously reported have improved from the prior year and will continue to improve due to the various agreements referred to below.

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 following events or subsequent events:

a) The successful conclusion of the Stellendale Junction Disposal Agreement and associated Property Development Management Agreement.

b) As announced on SENS on 18 June 2020, the Company has entered into a subscription agreement with Verityhurst Proprietary Limited, in terms of which R3 million of loan funding will be advanced to the Company ahead of the lifting of the suspension of the Company and R2.32 million will follow thereafter. This will result in the issue of up to 133 000 000 new shares at 4 cents per Share. Of the R3 million of loan funding, R2.45 million has been received as at the date of this announcement.

The Company has not been negatively impacted by COVID-19 subsequent to 31 August 2019 due to its limited operations at the time and the fact that the Company operates in the residential sector. Furthermore, the recent property valuations undertaken during August 2020 have indicated that no impairment of the property values was required.

However, during the audit for the year ended 29 February 2020, the auditors were uncomfortable with the valuation of the property that is to be acquired by Visual in settlement of the RAL Trust loan (refer to the Commitments note above) due to the length of time that the company has taken to rezone the property and has requested that the RAL Trust loan be provided against at year end. The directors have agreed to process the provision for credit loss at year end, although it has not been processed in these interim results. The provision is non-cash flow in nature.

The Board believes that the provision will be reversed, in whole or in part, once the property has been rezoned (currently applying for Business Use) and transferred to Visual. The process of rezoning was not pursued previously due to the Company being focussed on other projects and the saving in rates whilst the site is zoned as agricultural. However, a professional team has been appointed has commenced work during 2021 but progress is slow.

CHANGES TO THE BOARD

There have been no changes to the Board during the period under review and to the date of the publication of these results.

PROSPECTS

Visual has eliminated the majority of its debt and creditors, has concluded the sale of Stellendale Junction, has secured the Property Development Management Agreement and has signed the subscription agreement with Verityhurst. Accordingly, the Company is in a much better position that over the past 4 years. 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's property assets.

By order of the Board

Cape Town

10 March 2021

Designated Advisor

AcaciaCap Advisors Proprietary Limited

AcaciaCap
ADVISORS