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 2020

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	31 August 2020 Unaudited R	31 August 2019 Restated* R
Revenue	11 587	11 587
Movement in credit loss allowances (Note 1)	(1 199 942)	(1 296 693)
Other operating expenses*	(1 231 906)	(1 724 633))
Operating loss	**(2 420 261)**	**(3 009 739)**
Investment revenue	1 203 323	1 572 708
Finance costs	(741 281)	(599 025)
Loss before taxation	**(1 958 219)**	**(2 036 056)**
Taxation	548 301	-
Loss for the period	**(1 409 918)**	**(2 036 056)**
Other comprehensive income	-	-
Total comprehensive loss for the period	**(1 409 918)**	**(2 036 056)**
Loss attributable to:		
Owners of the parent	(1 365 781)	(1 996 700)
Non-controlling interest	(44 137)	(39 356)
	(1 409 918)	**(2 036 056)**
Shares in issue at period end (Note 2)	268 265 546	268 265 546
Weighted average shares in issue (Note 2)	268 265 546	268 265 546
Loss per share (cents)	(0.43)	(0.76)

Notes:

1 Restatement - The movement in credit loss allowance was included under other operating expenses in the 31 August 2019 results and has now been separately reflected.

2 50 000 000 new shares are to be issued in relation to the R2m received from Verityhurst during the period ended 31 August 2020. These shares will be issued on lifting of the suspension of trade in Visual shares. The issue of shares is non-dilutive to the loss per share reported. The weighted average shares, including the issue of the new shares, would have reflected as 282 803 589 shares.

CONDENSED STATEMENT OF FINANCIAL POSITION

	31 August 2020 Unaudited R	28 February 2020 Audited R	31 August 2019 Unaudited R
Assets			
Non-Current Assets			
Investment property	12 720 000	12 720 000	1 920 000
Property, plant and equipment	5 333	9 075	13 520
Loans to shareholders	6 500 000	6 499 800	37 000 000
	19 225 333	**19 228 875**	**38 933 520**
Current Assets			
Current tax receivable	1 686	1 686	1 686
Trade and other receivables	198 233	129 504	177 273
Finance lease receivable	-	-	1 089 138
Cash and cash equivalents	98 280	372 617	-
	298 199	**503 807**	**1 268 097**
Non-current assets held for sale and assets of disposal groups	-	-	10 000 000
Total Assets	**19 523 532**	**19 732 682**	**50 201 617**
Equity and Liabilities			
Equity			
Share capital	75 809 025	73 809 025	73 809 025
Accumulated loss	(81 949 701)	(80 583 921)	(56 442 274)
Equity Attributable to Equity Holders of Parent	(6 140 676)	**(6 774 896)**	17 366 751
Non-controlling interest	(1 746 333)	(1 702 196)	(1 653 530)
	(7 887 009)	**(8 477 092)**	**15 713 221**
Liabilities			
Non-Current Liabilities			
Loans from shareholders	8 985 794	8 547 657	7 582 352
Borrowings/Other financial liabilities	4 550 246	4 436 969	8 958 688
Deferred tax	1 048 000	1 596 301	-
	14 584 040	**14 580 927**	**16 541 040**
Current Liabilities			
Borrowings	4 293 278	4 113 537	3 290 328
Trade and other payables	8 533 223	9 515 310	14 652 338
Bank overdraft	-	-	4 690
	12 826 501	**13 628 847**	**17 947 356**
Total Liabilities	**27 410 541**	**28 209 774**	**34 488 396**
Total Equity and Liabilities	**19 523 532**	**19 732 682**	**50 201 617**
Net asset value per share (cents)	(2.48)	(3.16)	5.86
Net tangible asset value per share (cents)	(2.48)	(3.16)	5.86

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Total Stated capital R	Shares to be issued R	Accumulated loss R	Total Attributable to equity holders of the Group R	Non-controlling interest R	Total equity R
Group						
Balance at 1 March 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**
Total comprehensive loss for the period ended 28 February 2020	-	-	(24 141 649)	(24 141 649)	(48 666)	(24 190 315)
Balance at 28 February 2020	**73 809 025**	**-**	**(80 583 920)**	**(6 774 895)**	**(1 702 196)**	**(8 477 091)**
Total comprehensive loss for the period ended 31 August 2020	-	-	(1 365 781)	(1 365 781)	(44 137)	(1 409 918)
Proceeds relating to shares to be issued	-	2 000 000	-	-	-	-
Balance at 31 August 2020	**73 809 025**	**2 000 000**	**(81 949 701)**	**(8 140 676)**	**(1 746 333)**	**(9 887 009)**

CONDENSED ABRIDGED STATEMENT OF CASH FLOWS

	31 August 2020 Unaudited R	28 February 2020 Audited R	31 August 2019 Unaudited R
Cash flows from operating activities			
Loss before taxation	(1 958 219)	(24 630 070)	(2 036 056)
Adjustments for:			
Depreciation	3 743	98 404	93 961
Interest received	(1 203 323)	(3 537 224)	(1 572 708)
Finance costs	741 281	2 434 946	599 025
Fair value gains	-	(6 173 146)	
Expected credit losses	1 199 942	33 711 636	1 296 693
SARS compromise	-	(4 908 621)	
Gain on release of loan obligation	-	(1 297 669)	
Changes in Working Capital			
Trade and other receivables	(68 729)	79 679	31 910
Trade and other payables	(982 087)	1 458 309	1 457 434
Cash used in operations	**(2 267 392)**	**(2 763 756)**	**(129 741)**
Interest income	3 382	3 590	-
Finance costs	-	(28 431)	(150 595)
Net cash used in operating activities	**(2 264 010)**	**(2 788 597)**	**(280 336)**
Cash flows from investing activities			
Purchase of investment property	-	(4 376 854)	-
Proceeds on disposal of non-current assets held for sale	-	10 000 000	-
Net cash from investing activities	**-**	**5 623 146**	**-**
Cash flows from financing activities			
Proceeds from shares to be issued	2 000 000	796 339	-
Repayment of borrowings	(10 327)	(3 542 452)	(10 677)
Proceeds from group companies	-	-	2 142
Net cash generated by/(used in) financing activities	**1 989 673**	**(2 746 113)**	**(8 532)**
Total cash movement for the year	**(274 337)**	**88 436**	**(288 871)**
Cash at the beginning of the year	372 617	284 181	284 181
Total cash at end of the year	**98 280**	**372 617**	**(4 690)**

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 2020. 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 29 February 2020.

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.

During 2021, Visual has recommenced with its business of property development, having weathered a difficult four years, with its first projects being the development of Stellendale Junction and The Marine, Strand. Revenue will flow from these projects from mid-2021, subsequent to year end.

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 2020 and 2021, 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 were again contained during the period under review, resulting in a reduction of 29% at 31 August 2020 compared to 31 August 2019.

The provision for credit losses arose on the RAL Trust loan and amounted to the corresponding interest receivable on the RAL Trust loan. Shareholders are reminded that although a large provision for credit loss was raised against the RAL Trust loan at the 29 February 2020 year end, the higher loan still attracts interest. The provision for credit losses in line with the interest receivable raised leads to a neutral effect on the Statement of Comprehensive Income.

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.

The taxation credit of R548k arose from the reversal of a portion of the Deferred Tax Liability during the period under review.

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

Borrowings comprises amongst other loans, a loan from Chynge Finance Proprietary Limited ("**Chynge Finance**") and a loan from Makoro Property Developers Proprietary Limited ("**Makoro**", which will be settled from development profits on Stellendale Junction and The Marine, Strand.

Borrowings/Other financial liabilities increased slightly from R4.4m at 29 February 2020 to R4.5m at 31 August 2020.

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 previously 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 (2019: R Nil).

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 2020 and 31 August 2019:

- 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 were in line with the prior period at R11 587 (August 2019: R11 587), arising from services rendered by the Property Investment segment.

Primary segment report - 2020 **Segment results**	**Property Services**	**Property Investment**	**Property Development**	**Total**
Total revenue	-	11 587	-	11 587
Total external revenue	**-**	**11 587**	**-**	**11 587**
Depreciation	(3 743)	-	-	(3 743)
Employee costs	(179 053)	-	(31 300)	(210 353)
Other operating expenses	(978 708)	(20 067)	(19 035)	(1 017 810)
Investment income	3 381	-	1 199 942	1 203 323
Finance costs	(126 623)	-	(58 061)	(184 685)
Segment results before taxation	**(1 284 746)**	**(8 480)**	**1 091 546**	**(201 681)**
Finance costs accrued on shareholder loans	-	-	-	(438 138)
Finance costs on related parties	-	-	-	(118 458)
Credit losses on shareholder loan	-	-	-	(1 199 942)
Loss before taxation	**-**	**-**	**-**	**(1 958 219)**

Primary segment report - 2020 **Segment results**	**Property Services**	**Property Investment**	**Property Development**	**Total**
Segment assets and liabilities				
Other reportable segment assets	180 336	820 000	18 423 230	9 423 566
Total reportable segment assets	**180 336**	**820 000**	**18 423 230**	**19 423 566**
Cash and cash equivalents	-	-	-	98 280
Current tax	-	-	-	1 686
Total assets per statement of financial position	**-**	**-**	**-**	**19 523 532**
Trade and other payables	6 701 025		1 798 588	8 499 614
Borrowings	-	108 897		108 897
Total reportable segment liabilities	**6 701 025**	**108 897**	**1 798 588**	**8 608 510**
Loan from shareholder	-	-	-	8 985 794
Trade and other payables				33 604
Deferred tax	-	-	-	1 048 000
Borrowings	-	-	-	8 734 627
Total liabilities per statement of financial position	**-**	**-**	**-**	**27 410 541**

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)	(296 972)
Other operating expenses	(1 248 762)	(45 818)	(39 121)	(1 333 701)
Investment income	-	-	1 572 708	1 572 708
Finance costs	(129 170)	-	(397 465)	(526 635)
Segment results before taxation	**(1 760 027)**	**(34 231)**	**1 127 285**	**(666 973)**
Credit losses on shareholder loan	-	-	-	(1 296 693)
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**

HEADLINE LOSS INFORMATION

Headline loss reconciliation	31 August 2020 Unaudited R	28 February 2020 Audited R	31 August 2019 Unaudited R
Net loss for the period	**(1 365 781)**	**(26 138 349)**	**(1 996 700)**
Adjustments:			
Fair value loss adjustment of investment property	-	(4 790 361)	-
Headline loss for the period	**(1 365 781)**	**(30 928 710)**	**(1 996 700)**
Headline loss per share (cents)	**(0.43)**	**(11.53)**	**(0.74)**

ACQUSIITIONS AND DISPOSALS

There were no acquisitions or disposals during the period under review.

SHARE CAPITAL AND ISSUE/REPURCHASE OF SHARES

During the period under review, the Company 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, R2m was received during the period under review (reflected under equity as shares to be issued) and R2.48 million has been received as at the date of this announcement. These shares will be issued subsequent to year end.

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 2020. (31 August 2019: 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 (2019: 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 2020 due to its limited operations at the time and the fact that the Company operates in the residential sector.

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, following a second valuation on a different basis, requested that a provision for credit loss of R33 711 636 be raised against the RAL Trust loan at year end. The directors agreed to process the provision for credit loss at year end, which was 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 2020 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 during the year ended 29 February 2020, has secured the Property Development Management Agreement and has signed the subscription agreement with Verityhurst.

Accordingly, the Company is in a much better position than over the past four 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

19 April 2021

Directors: CK Robertson; R Kadalie; RR Richards*#; CT Vorster*#; LT Matholwa*# (* non-executive # independent)

Registered Address: 23 Kleinplaas, Hohenort Street, Stellenberg, 7550 (P.O. Box 3163, Tyger Valley, 7536)

Company Secretary: Light Consulting (Pty) Ltd

Auditors: BDO South Africa Incorporated, 106 Park Drive, Port Elizabeth Central, Port Elizabeth, 6001

Transfer Secretaries: JSE Investor Services Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, 2017

Designated Advisor: AcaciaCap Advisors (Pty) Ltd

Website: www.visualinternational.co.za

Designated Advisor

AcaciaCap Advisors Proprietary Limited

AcaciaCap

ADVISORS