



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")

AUDITED CONDENSED CONSOLIDATED RESULTS FOR THE YEAR ENDED 29 FEBRUARY 2020

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	29 February 2020 Audited R	28 February 2019 Audited R
Revenue	423 173	25 588
Other income	6 441 914	76 694
Movement in credit loss allowances	(33 711 636)	-
Other operating expenses	(5 058 945)	(8 501 627)
Operating loss	(31 905 494)	(8 399 345)
Investment income	3 537 224	3 229 868
Finance costs	(2 434 946)	(2 405 878)
Fair value adjustments	6 173 146	-
Loss before taxation	(24 630 070)	(7 575 355)
Taxation	(1 596 301)	(242 466)
Loss for the year	(26 226 371)	(7 817 821)
Other comprehensive income	-	-
Total comprehensive loss for the year	(26 226 371)	(7 817 821)
Loss and total comprehensive loss attributable to:		
Owners of the parent	(26 138 349)	(7 785 243)
Non-controlling interest	(88 022)	(32 578)
	(26 226 371)	(7 817 821)
Share information		
Weighted average number of shares	268 265 547	268 265 547
Loss per share (cents)	(9.74)	(2.90)
Diluted loss per share (cents)	(9.74)	(2.90)

CONDENSED STATEMENT OF FINANCIAL POSITION

	29 February 2020 Audited R	28 February 2019 Audited R
Assets		
Non-Current Assets		
Investment property	12 720 000	1 920 000
Property, plant and equipment	9 075	107 479
Loans to shareholders	6 499 800	37 000 845
	19 228 875	39 028 324
Current Assets		
Current tax receivable	1 686	1 686
Trade and other receivables	129 504	209 183
Finance lease receivable	-	3 074 334
Cash and cash equivalents	372 617	284 181
	503 807	3 569 384
Non-current assets held for sale and assets of disposal groups	-	10 000 000
Total Assets	19 732 682	52 597 708
Equity and Liabilities		
Equity		
Share capital	73 809 025	73 809 025
Accumulated loss	(80 583 921)	(54 445 571)
Equity Attributable to Equity Holders of Parent	(6 774 896)	19 363 454
Non-controlling interest	(1 702 196)	(1 614 174)
	(8 477 092)	17 749 280
Liabilities		
Non-Current Liabilities		
Loans from shareholders	8 547 657	7 582 352
Borrowings	4 436 969	10 723 124
Deferred tax	1 596 301	-
	14 580 927	18 305 476
Current Liabilities		
Loans from group companies	-	38 434
Borrowings	4 113 537	3 309 614
Trade and other payables	9 515 310	13 194 904
	13 628 847	16 542 952
Total Liabilities	28 209 774	34 848 428
Total Equity and Liabilities	19 732 682	52 597 708
Net (liability)/asset value per share (cents)	(3.16)	6.62
Net tangible (liability)/asset value per share (cents)	(3.16)	6.62
Shares in issue at year end	268 265 546	268 265 546

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Stated capital 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 2018	73 809 025	(46 660 328)	27 148 697	(1 581 596)	25 567 101
Loss for the year	-	(7 785 243)	(7 785 243)	(32 578)	(7 817 821)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	(7 785 243)	(7 785 243)	(32 578)	(7 817 821)
Balance at 1 March 2019	73 809 025	(54 445 572)	19 363 453	(1 614 174)	17 749 280
Loss for the year	-	(26 138 349)	(26 138 349)	(88 022)	(26 226 371)
Total comprehensive loss for the year	-	(26 138 349)	(26 138 349)	(88 022)	(26 226 371)
Balance at 29 February 2020	73 809 025	(80 583 921)	(6 774 896)	(1 702 196)	(8 477 092)

CONDENSED STATEMENT OF CASH FLOWS

	29 February 2020 Audited R	28 February 2019 Audited R
Cash flows from operating activities		
Loss before taxation	(24 630 070)	(7 575 355)
Adjustments for:		
Depreciation	98 404	177 726
Interest received	(3 537 224)	(3 229 868)
Finance costs	2 434 946	2 405 878
Fair value gains	(6 173 146)	-
Impairment losses	33 711 636	3 028 072
Other expenses (non-cash)	-	379 838
SARS compromise	(4 908 621)	-
Gain on release of loan obligation	(1 297 669)	-
Changes in working capital:		
Trade and other receivables	79 679	(154 771)
Trade and other payables	1 458 309	232 658
Cash used in operations	(2 763 756)	(4 735 822)
Interest income	3 590	6 978
Finance costs	(28 431)	(57 921)
Net cash used in operating activities	(2 788 597)	(4 786 765)
Cash flows (used in)/from investing activities		
Purchase of property, plant and equipment	-	(70 163)
Purchase of investment property	(4 376 854)	-
Proceeds on disposal of non-current assets held for sale	10 000 000	-
Net cash (used in)/from investing activities	5 623 146	(70 163)
Cash flows from financing activities		
Proceeds from borrowings	796 339	6 137 245
Repayment of borrowings	(3 542 452)	(648 831)
Net cash from financing activities	(2 746 113)	5 488 414
Total cash movement for the year	88 436	631 486
Cash at the beginning of the year	284 181	(347 305)
Total cash at end of the year	372 617	284 181

BASIS OF PREPARATION

The board of directors of Visual ("the Board") presents the audited condensed consolidated results of the Group for the year ended 29 February 2020. The results have been prepared in accordance with the requirements of the South African Companies Act, No. 71 of 2008, as amended, the JSE Listings Requirements, as well as the framework concepts and the recognition and measurement requirements 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 the preparation of the year end 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. During the year under review, the Group adopted all the standards and interpretations that were effective and deemed applicable to the Group. The adoption of these standards did not have a material effect on the current or prior year results. Full details of the new standards and interpretations and the related disclosures will be included in the consolidated audited annual financial statements of the Group.

The audited results have been prepared by Mr E Marais (CA (SA)) and Mr S Weldon (CA(SA)) 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 auditors.

These abridged consolidated financial statements have been extracted from the audited consolidated annual financial statements. The results have been audited by the Group's external auditors, BDO South Africa Incorporated. A copy of the audited financial statements and the auditor's unqualified, unmodified audit report is available for inspection at the Company's registered office. The audit report contained a paragraph on material uncertainty related to going concern as well as a Reportable Irregularity as detailed below:

"We draw attention to Note 32 in the Annual Financial Statements, which indicates that the Group had accumulated losses of R80 583 921 (2019: R54 445 571) and the Company accumulated losses of R84 782 803 (2019: R49 215 515). The current liabilities exceed the current assets by R13 125 040 (2019: R12 973 568) on a Group level. As stated in Note 32, these events or conditions, along with other matters as set forth in Note 32, indicate that a material uncertainty exists that may cast significant doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

"In accordance with our responsibilities in terms of section 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified a reportable irregularity in terms of the Auditing Profession Act. We have reported such matter to the Independent Regulatory Board for Auditors. The matter pertaining to the Reportable Irregularity relates to the fact that the annual financial statements of the Company have not been issued within six months of the financial year end. This results in non-compliance with Section 30(1) of the Companies Act. The Company also did not prepare and issue annual financials within four months of their financial year end which resulted in non-compliance with paragraph 3.19 of the JSE's Listings Requirements. The Independent Regulatory Board for Auditors have notified the Companies and Intellectual Property Commission."

Shareholders are advised that Visual has applied to the Companies Tribunal with regard to an extension for the submission of the Annual Financial Statements, has kept CIPC updated with regard to the progress and is in the process of rectifying the non-compliance, following the receipt of the loan funding from Verityhurst Proprietary Limited as detailed below.

The directors take full responsibility for the preparation of the abridged financial statements and confirm that the financial information has been correctly extracted from the underlying consolidated annual financial statements. The auditors' report does not necessarily cover all of the information contained in this financial report. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditors' work, they should obtain a copy of that report together with the accompanying financial information from the Company's registered office.

BACKGROUND, INCORPORATION AND NATURE OF BUSINESS

Visual was incorporated as a private company on 5 October 2006 under the name Presto Financing Proprietary Limited. The name was changed and it was converted to a public company on 23 December 2013. Visual then acquired the controlling interest in Visual International Proprietary Limited ("**Visual International**") from CKR Investment Trust with effect from 1 March 2012 and became the holding company of the various subsidiaries of Visual. Thus Visual, with its wholly owned subsidiary Visual International, commenced operating as a group for the year ended 28 February 2013. Visual listed on the JSE on 23 May 2014.

Visual 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.

FINANCIAL RESULTS COMMENTARY

Visual 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. In 2019, the Company entered into the sale of a property known as Stellendale Junction.

Statement of Comprehensive Income

During the year under review, the Company concluded the sale of Stellendale Junction with the transfer of the property in October 2019 and started receiving property development fees towards the end of the year. The Company is also entitled to a profit share on the sale of the units. There was no cost of sales in relation to the revenue of the group.

Other income increased by over R6.3m, which arose from the fair value adjustment relating to investment property held.

The main impact on the results of the group was the provision for credit losses, which arose as a result of the provision against the RAL Trust loan receivable. This loan arose on the restructure of the group ahead of its listing on the JSE and did not arise on any cash advance. The loan is secured by Erf 18362, known as Stellendale Gardens, as well as the shares held in Visual by RAL Trust. Ahead of listing, it was contracted that Stellendale Gardens, currently zoned as agricultural land, would be acquired by Visual once the property was rezoned. At that point in time, the land would be independently valued and any difference remaining on the loan or owing to RAL Trust, would be settled in cash on terms to be agreed. Historically, the basis for assessing any provision against the loan has been an independent valuer's assessment of the value of the land on the assumption that it was revalued at balance sheet date. This process has been accepted by the Company's auditors from the time of listing. The property has not yet been rezoned in the past as rates and taxes will be higher after rezoning and Visual was not ready to commence further development of this property as yet. The process of rezoning has commenced in 2020 with the appointment of professionals although progress has been slow. Due to the Covid-19 pandemic and the various problems in the property industry in South Africa, the directors have adopted a conservative approach and have obtained two independent valuations on all the properties. A provision for credit losses was raised down to the current agricultural value of the land. This has resulted in a provision of R33.7m during the year under review. The Board believes that this approach is very conservative due to the high probability that there will be no objections to the rezoning to Business due to the location of the property and has full confidence that this provision will be reversed, in whole or in part, once the land has been rezoned. Shareholders are reminded that the land will need to be independently valued at the time that the property is rezoned and acquired as set out in the Prospectus ahead of the listing of the Company.

Operations remained limited during the period under review and operating expenses were further reduced by 40.5% compared to the prior year.

Investment income and finance costs remained in line with the prior year arising from the loan receivable from RAL Trust and the loan payable to CKR Investment Trust, both related party loans.

The loss for the year increased to (R26.2m) from (R7.8m) in the prior period due to the provision for credit losses of R33.7m against the RAL Trust Loan. If this is excluded, then the Company would have shown a profit after tax of R7.5m, being primarily attributable to the revaluation of investment property held during the year under review.

Statement of Financial Position

Investment property increased to R12.7m from R1.9m due to the purchase of a property, consisting of the Remaining portion of Portion 4 of Farm 438, for a total consideration of R4 626 854. This property was revalued at year end as the fair value of the property exceeded the consideration. It is currently the Group's intention that the property will be used in the property development business of the Group.

Loans receivable from shareholders reduced due to the provision for credit losses of R33.7m during the year under review. However, the Board believes that the RAL Trust loan of R37m will be recovered in full once Stellendale Gardens has been rezoned and transferred to Visual.

The finance lease receivable and the associated matching obligation of approximately R3m were settled during the year under review with the transfer of the units that were sold a number of years ago under hire purchase.

The non-current asset held for sale was realised with the transfer of the Stellendale Junction property during October 2019. The Company remains the property developer of Stellendale Junction and is also entitled to a 50% profit share on the sale of the units, with a minimum profit share of R35k per unit.

Other financial liabilities comprise a loan from Chynge Finance Proprietary Limited ("**Chynge Finance**") which loan was repaid from the proceeds on the disposal of the asset held for sale, namely Stellendale Junction. Overall liabilities were reduced by R6.6 million from the reduction in the hire purchase obligation and the proceeds from the sale of Stellendale Junction being applied to trade payables. During the year under review, the Company entered into a settlement agreement with SARS, which resulted in a substantial reduction in the group liabilities. Visual agreed to give up the assessed loss as part of the settlement agreement with SARS.

Trade and other payables include an amount payable of R1.04 million to the major shareholders of Mosegedi, which was repaid during September 2020 from the funds received from Verityhurst Proprietary Limited ("VH") subsequent to year end. The Company had previously agreed to unwind the Mosegedi Acquisition and the results have consistently been prepared on the basis that Phase 1 of the Mosegedi Acquisition was unwound.

SEGMENTAL REPORTING

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 these are allocated to 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, there was no capital expenditure (2019: R70 163).

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. The following summary describes the operations of each of the Group's reportable segments for the years ended 29 February 2020 and 28 February 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.
- 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.

Primary segment report - 2020				
Segment results	Property Services	Property Investment	Property Development	Total
Rental income	-	23 173	400 000	423 173
Rendering of services			1 120 000	1 120 000
Less: Intercompany elimination			(720 000)	(720 000)
Total external revenue	-	23 173	400 000	423 173
Other operating gains	5 124 343	-	1 297 669	6 422 012
Depreciation	(90 781)	-	(7 622)	(98 403)
Other operating expenses	(3 166 913)	(118 704)	(1 674 925)	(4 960 542)
Investment income	3 590	406 304	3 127 330	3 537 224
Finance costs	(889 408)	-	(280 093)	(1 169 501)
Segment results before taxation	980 831	310 773	2 862 359	4 153 963
Fair value gain on investment property	-	-	-	6 173 146
Other operating income	-	-	-	19 902
Impairment losses	-	-	-	(33 711 636)
Finance costs accrued on shareholder loans	-	-	-	(965 305)
Finance costs on related parties	-	-	-	(300 140)
Loss before taxation	-	-	-	(24 630 070)
Segment assets and liabilities				
Other reportable segment assets	13 575	9 906	19 334 898	19 358 379
Total reportable segment assets	13 575	9 906	19 334 898	19 358 379
Current tax	-	-	-	1 686
Cash and cash equivalents	-	-	-	372 617
Total assets per statement of financial position	-	-	-	19 732 682
Trade and other payables	2 450 156	-	5 990 831	8 440 987
Borrowings	-	114 931	-	114 931
Total reportable segment liabilities	2 450 156	114 931	5 990 831	8 555 918
Loan from shareholder	-	-	-	8 547 657
Deferred tax	-	-	-	1 596 301
Borrowings	-	-	-	8 435 575
Trade and other payables	-	-	-	1 074 323
Total liabilities per statement of financial position	-	-	-	28 209 774

Primary segment report - 2019	Property	Property	Property	
Segment results	Services	Investment	Development	Total
Total revenue	-	25 588	-	25 588
Total external revenue	-	25 588	-	25 588
Other income	-	76 694	-	76 694
Depreciation	(72 324)	(90 837)	(14 566)	(177 727)
Employee costs	(591 531)	-	(1 434 600)	(2 026 131)
Other operating expenses	(3 183 786)	(88 688)	(239 687)	(3 512 161)
Investment income	6 330	315 836	2 907 702	3 229 868
Finance costs	(1 236 169)	-	(12 804)	(1 248 973)
Segment results before taxation	(5 077 480)	238 593	1 206 045	(3 632 842)
Impairment losses	-	-	-	(2 785 607)
Finance costs accrued on shareholder loans	-	-	-	(859 334)
Finance costs on related parties	-	-	-	(297 572)
Loss before taxation	-	-	-	(7 575 355)
Segment assets and liabilities				
Other reportable segment assets	309 039	3 894 334	48 108 468	52 311 841
Total reportable segment assets	309 039	3 894 334	48 108 468	52 311 841
Current tax	-	-	-	1 686
Cash and cash equivalents	-	-	-	284 181
Total assets per statement of financial position	-	-	-	52 597 708
Trade and other payables	11 863 091	-	1 331 812	13 194 903
Borrowings	-	124,459	3 300 350	3 424 809
Total reportable segment liabilities	11 863 091	124 459	4 632 162	16 619 712
Loan from shareholder	-	-	-	7 582 352
Loans from Group companies	-	-	-	38 434
Borrowings	-	-	-	10 607 930
Total liabilities per statement of financial position	-	-	-	34 848 428

Geographic information

The group's revenue is derived from operations and property holdings only in South Africa. The Group's non-current assets are also located in South Africa.

HEADLINE EARNINGS

The headline earnings reconsolidation and per share is set out below:

	2020		2019	
	Gross	Net	Gross	Net
Loss per share (cents)	(9.74)	(9.74)	(2.90)	(2.90)
Diluted loss per share (cents)	(9.74)	(9.74)	(2.90)	(2.90)
Headline loss per share (cents)	(11.53)	(11.53)	(2.86)	(2.86)
Loss attributable to equity holders of the parent		(26 138 349)		(7 785 243)
Fair value adjustment of investment property	(6 173 146)	(4 790 361)	-	-
Impairment loss	-	-		121 014
Headline earnings		(30 928 710)		(7 664 229)

Loss per share as presented on the Statement of Profit or Loss and Other Comprehensive Income is based on the weighted average number of 268 265 547 ordinary shares in issue (2019 – 268 265 547). There are no dilutive instruments and therefore the basic earnings per share and diluted earnings per share are the same.

TRANSACTIONS AND ISSUE/ REPURCHASE OF SHARES

The Company did not issue any shares during the year under review. During the year under review, the Company did not repurchase any shares.

Cancellation of Phase 1 of the Mosegedi Acquisition

As previously announced on SENS, Phase 1 of the Mosegedi Acquisition was cancelled, resulting in the parties being put back into the same position as had they not entered into the agreement. The Group annual financial statements have been prepared on the basis that Phase 1 of the Mosegedi Acquisition was unwound. The Company has subsequently proceeded with the payment and cancellation of the entire Mosegedi Acquisition.

Disposal of Stellendale Junction and management agreement

As announced on 28 December 2018 Visual International agreed terms for the disposal of land with Makoro in terms of which Visual International disposed of the Stellendale Junction property for a consideration of R10 million, plus VAT (if applicable). 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 land was transferred to Mokoro in October 2019.

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 R4 626 854. The fair value of the said property exceeded the amount of the consideration payable. This property will be used in the property development business of the Group.

RELATED PARTIES

Related parties are the same as reported in the previous period. Transactions with related parties up until 29 February 2020 are detailed below:

Relationships

Subsidiaries Refer to note 6

Companies controlled by directors

Transflora Proprietary Limited
Transflora Properties Proprietary Limited
My Place Trust
CKR Investment Trust
RAL Trust

Trusts of close family member of director / shareholders

Related party balances	29 February 2020	28 February 2019
Loan accounts - Owing (to) by related parties		
Transflora Properties Proprietary Limited	(2 298 669)	(2 132 160)
My Place Trust	(1 936 535)	(1 760 296)
CKR Investment Trust	(8 547 657)	(7 582 352)
RAL Trust	6 499 800	37 000 845
Amounts included in trade receivables (trade payables) regarding related parties		
Executive directors	(885 777)	(1 259 342)
Non-executive directors	(2 694 479)	(1 531 479)
Trusts of directors	-	(72 466)
Interest paid to (received from) related parties		
Transflora Properties Proprietary Limited	166 510	155 319
CKR Investment Trust	965 305	859 349
Trusts of close family member of director	133 630	142 253
RAL Trust	(3 127 330)	(2 907 058)
Rent paid to (received from) related parties		
Trusts of directors	117 600	191 003
Salary paid to related party		

Related party balances	29 February 2020	28 February 2019
Close family members / companies controlled by close family members of director	91 040	67 320
Legal fees paid to related party		
Close family members / companies controlled by close family members of director	394 909	115 508
Compensation to directors and other key management		
Short-term employee benefits	1 466 000	2 154 600
Expected credit loss movements		
RAL Trust	33 711 636	-

DIRECTORS

During the year under review the board of directors was constituted as follows:

Name	Designation	Appointment Date
R Richards	Independent non-executive Chairman	21 January 2014
CK Robertson	Chief Executive Officer	1 May 1992
R Kadalie	Interim Financial Director	23 October 2013
CT Vorster	Independent non-executive director	21 January 2014
L Matlholwa	Non-executive director	1 March 2017

AUDITORS

BDO South Africa Incorporated, with Craig Killian as designated audit partner, are the appointed auditors and the appointments will be confirmed at the upcoming Annual General Meeting in accordance with Section 90 of the Companies Act No. 71 of 2008.

DIVIDEND

The Company has not declared a dividend for the year ended 29 February 2020 (2019: Nil).

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 to general. 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.

SUBSEQUENT EVENTS

As announced on SENS on 18 June 2020, the Company has entered into a subscription agreement for R5.32 million with Verityhurst Proprietary Limited, which provided for a loan of R3 million prior to the lifting of the suspension of the Company (of which R2.45 million has been received to date) 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.

There are no other material events that require reporting after the year end, other than in the normal course of business.

GOING CONCERN

As noted above, the 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 situation is improving due to the various agreements referred to below.

- a) The successful conclusion of the Stellendale Junction Disposal Agreement and associated Property Development Management Agreement, which transfer took place during October 2019 and has resulted in the company earning property development fees. The Company will also be entitled to a 50% profit share on the sale of around 500 units over the next two to three years, with a minimum of R35 000 per unit, as previously announced.
- 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 R3m of loan funding will be advanced to the Company ahead of the lifting of the suspension of the Company and R2.32m will follow thereafter. This will result in the issue of up to 133 000 000 new shares at 4 cents per Share. The loan funding was advanced to enable the Company to finalise its audits, repay Mosegedi and to ensure that the Company again becomes compliant with the JSE Listings Requirements and Companies Act.

The Company has not been negatively impacted by COVID-19 due to its limited operations at the time and the residential market segment not yet being impacted. Furthermore, the recent property valuations undertaken during August 2020 for the financial year ended 28 February 2019 indicated that no impairment of the property values was required. The property valuations subsequently undertaken by property valuers used by the auditors did not take into account the value of Stellendale Gardens based on the assumption that it was revalued to Business zoning at year end. The provision for credit loss is a non-cash flow item. The Board is comfortable that the rezoned value of the Stellendale Gardens property will be much higher than the current agricultural valuation and that the RAL Trust loan, currently impaired, will be recovered in part or in full. The Company's position and prospects are better than the past 4 years.

FUTURE PROSPECTS

Visual has concluded the sale of Stellendale Junction, has secured the Property Development Management Agreement and has signed the subscription agreement with Verityhurst. The Board will also look at commencing with 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

25 March 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

