

UnUsUaL™

飛凡有限公司 LIMITED

a mm2 entertainment company

CREATING
VALUE
FOR THE
FUTURE

ANNUAL REPORT

2020





This annual report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Hong Leong Finance Limited.

It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The details of the contact person for the Sponsor is Mr. Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.

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CORPORATE PROFILE

Founded in 1997, the UnUsUaL Group is an established producer and promoter of large-scale live events and concerts in Singapore and in the region.

Under our production business segment, we provide a full range of support to the artiste's team or the event organiser in terms of their design set creation and stage design, as well as the installation of sound, light and video ("SLV") requirement. We also assist to conceptualise and develop creative inputs for the entire event.

Under our promotion business segment, we are involved in the planning and managing of concerts and events, down to the coordinating of ticketing matters, as well as the marketing leading to the opening of the concert/events.

UnUsUaL Limited is the holding company of UnUsUaL Entertainment Pte. Ltd. ("**UnUsUaL Entertainment**"), UnUsUaL Productions Pte. Ltd. ("**UnUsUaL Productions**"), UnUsUaL Development Pte. Ltd. ("**UnUsUaL Development**"), UnUsUaL Productions (M) Sdn. Bhd. ("**UnUsUaL Malaysia**"), UnUsUaL Entertainment International Limited ("**UnUsUaL Hongkong**"), UnUsUaL Culture Development Co., Ltd ("**UnUsUaL China**"), and Mercury Rights Pte. Ltd. ("**Mercury**"), (collectively referred to as the "Group").

Our major shareholder is mm2 Asia Ltd ("**mm2**"). mm2 is a leading producer and distributor of content in the region. We expect to synergise with mm2 in our effort to expand in the Asia Region.

On 10 April 2017, the Company was listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Catalist Board (SGX stock code: 1D1).

"UnUsUaL" is a registered trademark in Malaysia, China, Hong Kong, Taiwan and Singapore. Through the years, we have won numerous awards and accolades awarded by the Ministry of Defence, Ministry of Education, as well as the People's Association and others.

For more information, please visit <http://www.unusual.com.sg>



REVENUE SOURCES

Production income is derived from the provision of technical and creative expertise to the large-scale live events and concerts. We conceptualise and develop creative input, provide consultancy services, design solutions for set creation, stage design and other requirements.

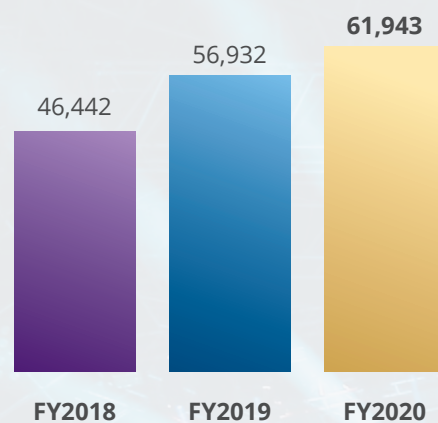
Promotion income is derived from the promotion of the concerts and events. We take charge of the overall planning and managing of concerts and events which includes working with artiste managers to assess venues and co-ordinate artistes' availability, handling ticketing matters, marketing and promotion of concerts and events.

Other Income is derived from rental of exhibition/ concert halls and related equipment and co-management of exhibition/concert.

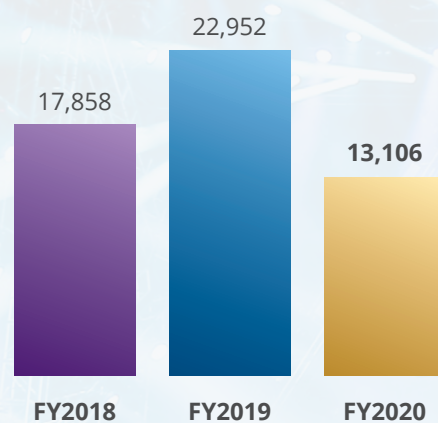


FINANCIAL

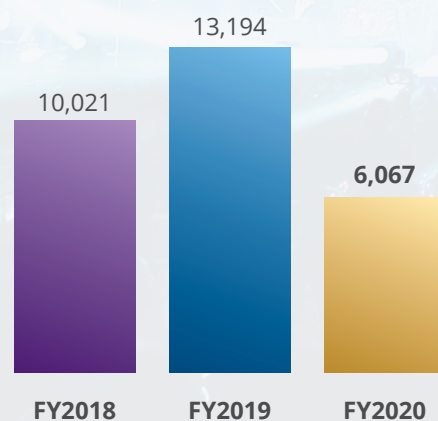
REVENUE (S\$'000)



GROSS PROFIT (S\$'000)

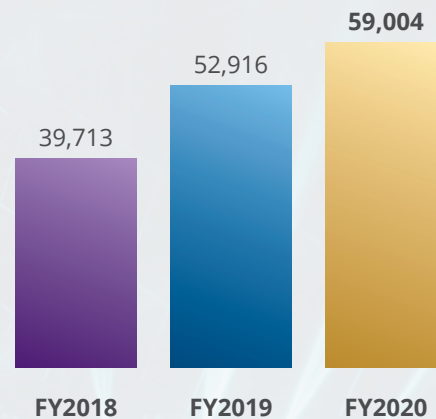


PROFIT ATTRIBUTABLE TO SHAREHOLDER (S\$'000)



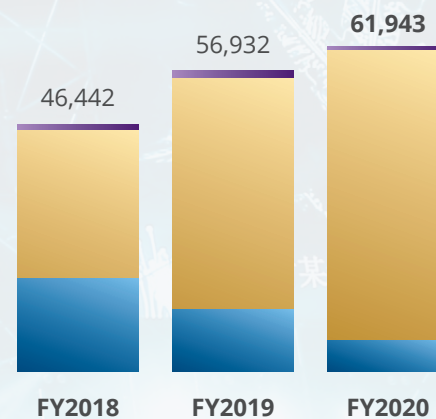
HIGHLIGHTS

TOTAL SHAREHOLDERS' EQUITY (S\$'000)



- PRODUCTION
- PROMOTION
- OTHERS

REVENUE BY BUSINESS SEGMENT (S\$'000)



	FY2018		FY2019		FY2020	
	S\$'000	%	S\$'000	%	S\$'000	%
Production	17,659	38.0	11,708	20.5	6,055	9.8
Promotion	27,900	60.1	44,162	77.6	55,660	89.8
Others	883	1.9	1,062	1.9	227	0.4
TOTAL	46,442	100.0	56,932	100.0	61,943	100.0

OPERATING FINANCIAL REVIEW

COMPREHENSIVE INCOME

Revenue

Revenue increased by approximately S\$5.0 million or 8.8% from S\$56.9 million in FY2019 to S\$61.9 million in FY2020. The increase was due to higher Promotion revenue of S\$11.5 million or 26.0%, which was partially offset by a decrease in Production and Others revenue by S\$5.7 million and S\$0.8 million respectively. The increase was mainly due to completion of larger scale projects during first nine months of FY2020.

Notwithstanding the above, Promotion segment's activities have been affected since the beginning of 4Q FY2020 largely due to the adverse impact by the COVID-19 pandemic. As a result, the increase in Group's revenue in FY2020 was only 8.8% as compared to 22.6% in FY2019.

Cost of sales

Cost of sales increased by S\$14.8 million or 43.7% from S\$34.0 million in FY2019 to S\$48.8 million in FY2020. The cost of sales attributable to Promotion segment was approximately S\$16.3 million, which was partially offset by the lower cost of sales attributable to Production and Others segments by S\$1.2 million and S\$0.3 million respectively. The increase was in line with revenue increase in the Promotion segment due to larger venue fees and the additional costs also came from full year depreciation charges on lighting and rental equipment.

Gross profit

As revenue has significantly dipped in 4Q FY2020 in the Promotion segment, gross profit has also decreased by S\$9.8 million or 42.9%, from the corresponding period in FY2019 to approximately S\$13.1 million in FY2020. The decrease was mainly attributed to higher cost of sales from the Promotion segment.

Other income

Other income decreased by approximately S\$41,641 or 39.0% from S\$106,813 in FY2019 to S\$65,172 in FY2020 mainly due to the decrease in interest income from bank deposit.

Other gains and losses - net

Other gains increased by approximately S\$0.4 million or 1,531.0% from S\$26,258 in FY2019 to S\$428,279 in FY2020. This was mainly attributed to foreign exchange gains in FY2020.

Administrative expenses

Administrative expenses decreased by S\$1.4 million or 19.9% from the corresponding period in FY2019 to approximately S\$5.5 million in FY2020 mainly due to a decrease in director incentives during the financial year.

Finance expenses

Finance expenses increased by S\$0.7 million or 4,745.6% from the corresponding period in FY2019 to S\$0.7 million in FY2020 due to the increase in bank borrowings.

Income tax expense

Income tax expense decreased by S\$1.7 million or 58.2% due to lower profits.

Profit after tax

Profit after tax was S\$6.1 million compared to S\$13.2 million in FY2019, a decrease of S\$7.1 million or 54.0%.

FINANCIAL POSITION

As at 31 March 2020, the Group's total shareholders' equity stood at S\$59.0 million.

Non-current assets

Non-current assets increased by S\$17.6 million or 142.2%, from approximately S\$12.4 million as at 31 March 2019 to approximately S\$30.0 million as at 31 March 2020 mainly due to the reclassification of balance deposit from other receivables in current assets as the relevant project was delayed due to COVID-19.

Current assets

Current assets decreased by S\$13.6 million or 17.5% from approximately S\$77.6 million as at 31 March 2019 to approximately S\$64.0 million as at 31 March 2020, which represents 68.1% of our total assets. The breakdown is as follows:

- i. Cash and cash equivalents increased by approximately S\$8.8 million or 235.4%, from S\$3.8 million to S\$12.6 million. This was mainly due to the proceeds of S\$21.6 million from bank borrowings, partially offset by repayment of bank borrowings and cash being disbursed for upcoming Promotion and Production projects.
- ii. Trade and other receivables decreased by approximately S\$10.1 million or 28.7%, from S\$35.3 million to S\$25.2 million. This decrease was mainly due to the following:
 - Decrease in deposits by S\$16.0 million due to the reclassification to non-current assets;
 - Decrease in accrued revenue by S\$0.1 million; and
 - Increase in prepayment by S\$6.0 million in relation to upcoming Promotion and Production activities.

iii. Other current assets decreased by approximately S\$12.4 million or 32.2%, from S\$38.6 million to S\$26.2 million. The decrease was mainly due to the deferment of upcoming Promotion and Production projects/activities in 4Q FY2020.

iv. Income tax recoverable increased by approximately S\$0.1 million.

Non-current liabilities

Non-current liabilities increased by approximately S\$9.9 million or 1,044.4%, from S\$1.0 million to S\$10.9 million mainly due to the increase in bank borrowings and deferred income tax liabilities.

Current liabilities

Current liabilities decreased by approximately S\$12.0 million or 33.1%, from S\$36.1 million to S\$24.1 million, representing approximately 68.9% of our total liabilities and comprised the following:

- Trade and other payables decreased by approximately S\$18.2 million or 61.5%, from S\$29.6 million to S\$11.4 million.
- Borrowings increased by approximately S\$7.4 million mainly for general working capital.
- Derivative financial instruments were recognised at S\$0.1 million due to fair value changes on the interest rate swaps during the financial year.
- Income tax payable decreased by approximately S\$1.3 million or 50.5% from S\$2.5 million to S\$1.2 million.

CASH POSITION

Net cash used in operating activities

For FY2020, the Group generated a net cash inflow of S\$10.6 million from operating activities before working capital changes. Net working capital changes was due to net cash outflow of S\$16.0 million, comprising an increase in trade and other receivables of S\$7.9 million, decrease in trade and other payables of S\$18.4 million and income tax paid of S\$2.7 million. This was partially offset with the decrease in other current assets of S\$12.4 million, inventories of S\$8,032, interest received of S\$26,432 and income tax refund of S\$0.6 million. The increase in trade and other receivables was due to the increase in Promotion and Production activities mainly in the first three quarters of FY2020. The decrease in trade and other payables was due to an increase in payment to suppliers.

Net cash used in investing activities

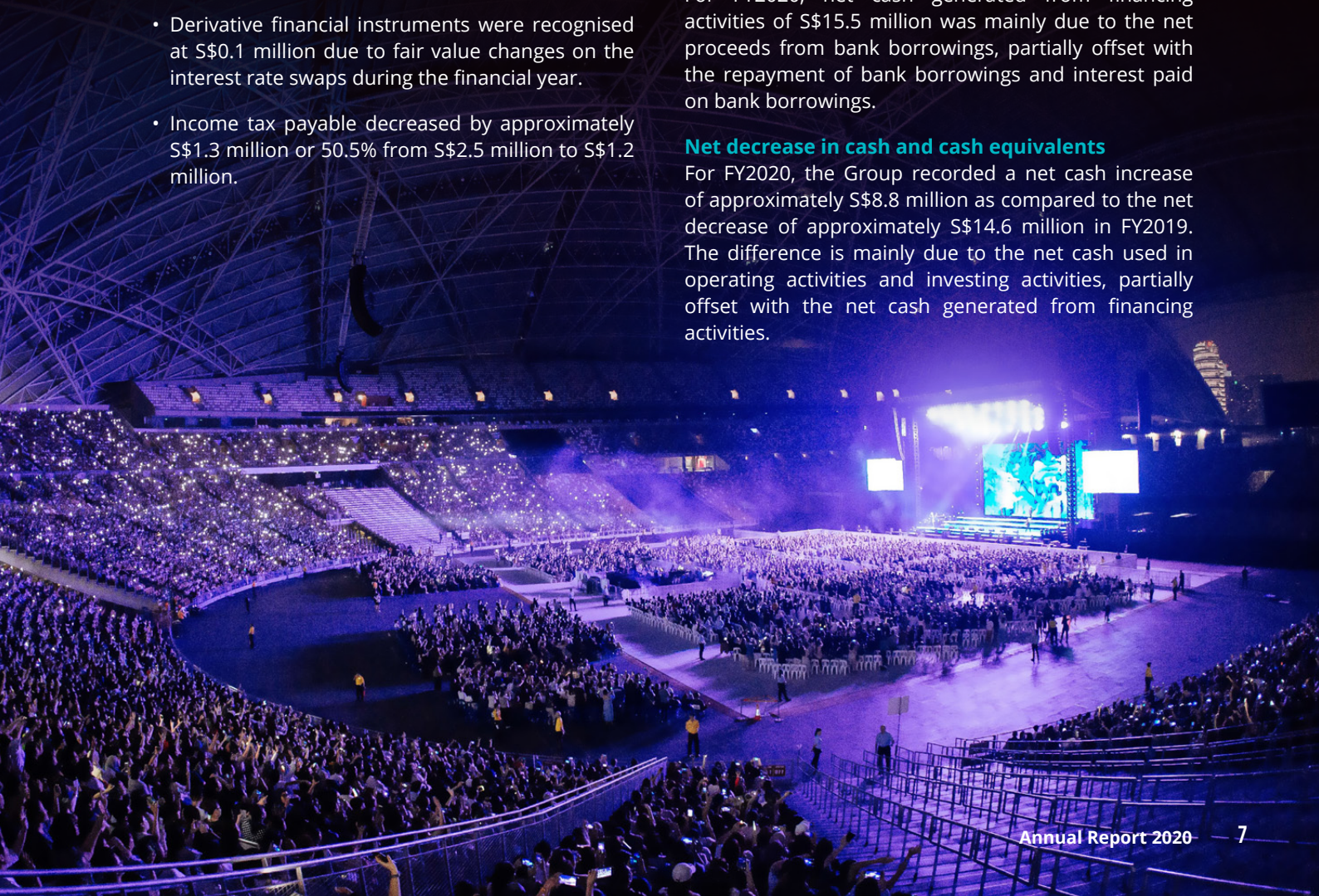
For FY2020, net cash used in investing activities amounted to S\$1.3 million mainly attributable from the purchase of plant and equipment and partially offset with the proceeds from disposal of motor vehicles.

Net cash provided by financing activities

For FY2020, net cash generated from financing activities of S\$15.5 million was mainly due to the net proceeds from bank borrowings, partially offset with the repayment of bank borrowings and interest paid on bank borrowings.

Net decrease in cash and cash equivalents

For FY2020, the Group recorded a net cash increase of approximately S\$8.8 million as compared to the net decrease of approximately S\$14.6 million in FY2019. The difference is mainly due to the net cash used in operating activities and investing activities, partially offset with the net cash generated from financing activities.



CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

FY2020 was a year of rapid change and global uncertainty, with political volatility and the COVID-19 pandemic affecting companies worldwide. Against this backdrop, UnUsUaL adapted effectively and made necessary adjustments expeditiously.

During FY2020, the Group entered new markets such as Australia and San Francisco. Over and above, UnUsUaL's foray into family entertainment shows and the ownership of live entertainment intellectual properties ("IP") had made commendable progress. The Group also hosted veritable artists during the fiscal year such as JJ Lin, Andy Lau, Eric Chou, additionally international entertainment IPs like Walking with Dinosaurs-The live Experience ("Walking with Dinosaurs") in Singapore and Disney on Ice Presents Frozen ("Disney on Ice") in South Korea with overwhelming response. These established IPs have helped to raise the Group's profile as well as provide potential earnings visibility and diversification of our target audience from the traditional concert goers.

The final quarter of FY2020 has brought with it a fresh set of challenges, led by the COVID-19 pandemic. The global economy is adversely impacted, and the severity of which will depend on the duration of the spread of the disease, which few Asia markets have started to reopen. Nevertheless, UnUsUaL will proactively manage the situation and take the necessary actions to ensure that our long-term business prospects remain robust.

As we entered into the new fiscal year 2021, we will continue to work with established artists to secure shows and target new geographical markets for a strong recovery of the Group's performance post COVID-19.

Our business sustainability would not have been possible without the confidence and support of all our shareholders. On behalf of the Board, we extend our thanks and appreciation to all of them and look forward to their continuing trust and support as we journey together. We would also like to thank all employees for their strong commitment, dedication, and contributions to the progress of the Group.

MELVIN ANG WEE CHYE

Non-Executive Chairman and Non-independent Director

CEO'S STATEMENT

DEAR SHAREHOLDERS,

The financial year commenced with a few significant achievements for us.

Our strong relationships with established artists and their managers, gave us the opportunities to host sold-out concerts for Westlife, Andy Lau, JJ Lin, and Eric Chou across the region. Family entertainment shows made a maiden contribution from Walking with Dinosaurs and Disney on Ice at Singapore Indoor Stadium and Seoul's Mokdong Ice Rink respectively.

UnUsUaL is an ever-evolving company, and we will continue this journey with the courage to go off the beaten track. The outlook for the live entertainment industry is facing a challenging situation amidst US-China trade tensions and the COVID-19 pandemic. The worldwide pandemic has prompted governments around the globe to impose travel restrictions and safe distancing measures in a bid to curb the spread of COVID-19. These measures include restricting the size of gatherings as well as the cancellation or postponement of ticketed events with a sizable number of participants. As a result, several of our concerts and events have been postponed in 4Q FY2020, which had traditionally been our strongest quarter of the year, affecting our profitability; the Group's net profit fell 54.0% year-on-year to S\$6.1 million.

Our investment in Apollo was launched successfully on time last year in the US market prior to the COVID-19 outbreak. We are now reformatting the show with our partner and remain optimistic of its viability post-COVID-19, including a tour in Asia.

To demonstrate that we stand united with our stakeholders in overcoming the challenges stemming from COVID-19, we have implemented cost reduction measures such as reduction of 10-20% of staff salary and immediate cuts in all discretionary expenses and renegotiation on payment terms of existing commitments.

Nonetheless, we believe UnUsUaL is well-positioned to weather the challenges ahead with our proven track record of more than twenty years and longstanding relationships with our partners, artists and their management companies. Our balance sheet remains strong with a low net gearing¹ of 13.8%.

As we go forward as one, we stand ready to face the challenges that come our way, and have the ability to capitalise on opportunities to further strategically grow our business. We continue to remain cautiously optimistic of our long-term business outlook and look forward to crystallizing our pipeline when the situation permits.

I would like to thank the Board for their guidance, and our partners and shareholders for their continued support. My appreciation also goes to the UnUsUaL team whose unstinting commitment to change has helped sustain our business.

LESLIE ONG CHIN SOON

Chief Executive Officer and Executive Director

¹ Net gearing = (Borrowings - cash and cash equivalents)/total equity

BOARD OF DIRECTORS



ANG WEE CHYE (“Melvin Ang”) is our Non-Executive Chairman and Non-Independent Director. He is also the Founder, Executive Chairman and Executive Director of mm2 Asia Ltd., responsible for supervising the overall business operations and management of the mm2 Group of Companies, as well as business planning and providing executive leadership and supervision to the Group’s senior management team.

In August 1997, he was employed by the Television Corporation of Singapore as Vice President, Business Development. He was subsequently employed by SPH MediaWorks Ltd as its Chief Operating Officer of its Media Business Group between November 2000 and April 2003.

Between July 2003 and March 2007, Melvin Ang was employed as Managing Director of MediaCorp Studios. Before setting up mm2 Malaysia and mm2 Singapore in January 2009, he served as Media Prima Berhad’s Executive Advisor between July 2007 and December 2008.

Melvin Ang graduated from Macquarie University with an MBA in 1997.



ONG CHIN SOON (“Leslie Ong”) is our Executive Director and Chief Executive Officer (“CEO”). He is responsible for the overall management operations, strategic planning and business development of our Group. Leslie Ong has been with our Group since its inception in 1997 and has nearly 20 years of experience in the production and promotion business. Leslie Ong obtained his diploma in Electronic Engineering in 1988 from Ngee Ann Polytechnic.



ONG CHIN LEONG (“Johnny Ong”) is our Executive Director and Chief Operating Officer (“COO”). He is responsible for the day-to-day operations of our Group, including managing our Group’s overall business development and operations. Together with Leslie Ong, Johnny Ong has been with our Group since its inception in 1997 and has nearly 20 years of experience in the production and promotion business. Johnny Ong completed his secondary education in 1984.



TAN WEE PENG KELVIN (“Kelvin Tan”) is our Lead Independent Director and Chairman of the Audit Committee. He has over 30 years of professional and management experience in the private and public sectors in Singapore. From 1996 to 2003, Kelvin Tan was with Temasek Holdings Pte Ltd, where his last held position was the Managing Director of its Private Equity Funds Investment Unit. From 2003 to 2004, he was the Global Head of Business Development of PSA International Pte. Ltd. and concurrently CEO of PSA India Pte Ltd. He later assumed the position of the President of AETOS Security Management Pte Ltd from 2004 to 2008. From 2008 to 2014, Kelvin Tan was the Managing Director of GBE Holdings Pte. Ltd. Kelvin Tan also advises private companies and private equity funds in the areas of corporate governance, finance and investments, business strategy and corporate development, and leadership development in addition to being an Adjunct Associate Professor with the NUS Business School.

Kelvin Tan graduated from the National University of Singapore with a Bachelor of Accountancy (First Class Honours) on a Police Scholarship and also obtained a Master of Business Administration from the National University of Singapore. He has also attended the Program for Management Development at the Harvard Business School. Kelvin Tan is a fellow of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.



TAN YEW CHEE WILLIAM (“William Tan”) is our Independent Director and Chairman of the Remuneration Committee. He has more than 20 years of experience in the accounting and finance industries. He started his career as an audit assistant at a local audit firm in 1990. From 1992 to 2001, he was Managing Director for a local small and medium enterprise before joining Nixvue Systems Pte Ltd as Financial Controller from 2001 to 2005.

From 2005 to 2007, William Tan was the Group Financial Controller of Unidux Electronics Ltd where he was responsible for the overall finance and accounting, human resource, business development and planning functions of the group. In July 2007, he joined SNF Corporation Ltd as Group Chief Financial Officer. In 2008, William Tan was engaged as a financial consultant by Sinocom Solar Group, a solar energy solutions provider in Beijing. From 2012 to 2015, William Tan was a non-executive independent director of China Sky Chemical Fibre Co Ltd, a company listed on the Mainboard of the SGX-ST. He has been the Chief Financial Officer of Sinostar PEC Holdings Limited, a company listed on the Mainboard of the SGX-ST, since 2008.

William Tan is a non-practicing member of the Institute of Singapore Chartered Accountants and a fellow of the Association of Certified Chartered Accountants (UK).

BOARD OF DIRECTORS



TANG TUNG KIN (“Michael Tang”) is our Independent Director and Chairman of the Nominating Committee. He has about 23 years of experience in the media industry, across areas such as broadcast engineering, channel programming, pay TV, satellite services business and subtitling and dubbing services. He started his career as a broadcast engineer with the Television Corporation of Singapore in 1992. He was a programming manager (Channel 5) from 1996 to 1998 and worked at Channel NewsAsia as a programming manager from 1998 to 2000, before joining Williams Vyvx Services as a Regional Director in 2000. He was the Director of Affiliate Sales, South East Asia, at Turner Broadcasting System Asia Pacific, Inc. from 2001 to 2004. Michael Tang joined SDI Media Hong Kong Limited as its Managing Director, Asia in 2004 where he is responsible for the management, overall business development and operations of the SDI Media Group across Asia. Michael Tang is also a director of SDI Media Hong Kong Limited, SDI Media Japan KK, SDI Media (Thailand) Ltd, SDI Media (Malaysia) Sdn Bhd, and Causeway Challenge Sdn. Bhd.

Michael Tang graduated from Imperial College London with a Bachelor in Electrical Engineering (First Class Honours) on a Singapore Broadcasting Corporation Scholarship in 1992 and was also conferred an Associateship of the City and Guilds of London Institute in the same year.



LOH WOON YEN is our Non-Executive Director appointed to the board on 28 June 2017. She heads the teams responsible for developing the adjacencies of SPH’s Chinese Media Group (CMG), including education, events and contract publishing. Prior to taking up this portfolio in December 2016, she was Deputy Digital Editor of CMG. She was the Business Editor of Lianhe Zaobao for two years till November 2015. Loh Woon Yen started her career as a business journalist with Lianhe Zaobao, after which she spent seven years spearheading investor relations and corporate communications at China Aviation Oil (Singapore) Ltd, a Singapore-listed company, after the restructuring of the company in 2005. She is a Chartered Financial Analyst.

SENIOR MANAGEMENT

LEONG PECK SEAN (“Annabelle Leong”) is our Group Financial Controller. She joined us in July 2017 and is responsible for managing and overseeing the financial related activities of our Group. She has more than nine years of financial and operational experience in media, content production, oil & gas, manufacturing and construction industries. In the early part of her career, she worked in one of the four largest professional services networks, PricewaterhouseCoopers in Malaysia as an auditor. From 2014 to 2016, she worked as a management accountant with Schlumberger Business Support HUB which provide the accounting support to the companies within Schlumberger group, the world’s biggest oilfield services company. Subsequently, she joined mm2 Entertainment Sdn Bhd in Malaysia, a subsidiary of mm2 Asia Ltd. as Assistant Finance Manager and managed the operation of the Finance Department. Prior to joining our Company, she held the position of the Financial Controller of mm2 Asia Ltd. and was involved in our Company initial public offering preparation.

Annabelle Leong graduated from the University Utara Malaysia with a Bachelor of Accounting (with Honours) in 2010.

MENG WHY YIN (“Alan Meng”) is the Director of Sales and Operations of our Group. He is primarily responsible for building our market position by locating, developing, negotiating and closing business relationships and opportunities. Alan Meng has been with us since 2004 and has over 20 years of experience in the production and venue management industries. From 1993 to 1999, Alan Meng worked at Pico Art International Pte. Ltd. as their Customer Service Manager. From 2000 to 2003, he joined Rendition Design and Communications Pte Ltd as a Senior Customer Service Manager.

Alan Meng attended a course moderated by the Informatics Computer School, Singapore and graduated with an International Diploma in Computer Studies awarded by the National Centre for Information Technology, United Kingdom in 1991.

GROUP STRUCTURE

UnUsUaL Productions
Pte. Ltd.
(Singapore)

100%

UnUsUaL Entertainment
Pte. Ltd.
(Singapore)

100%

UnUsUaL
Entertainment
International Limited
飛凡製作國際有限公司
(Hong Kong)

100%

UnUsUaL™
飛凡有限公司 LIMITED

a **mm2** entertainment company

Mercury Rights Pte. Ltd.
(Singapore)

60%

UnUsUaL Productions
(M) Sdn. Bhd.
(Malaysia)

100%

UnUsUaL Development
Pte. Ltd.
(Singapore)

100%



UnUsUaL Development
Pte. Ltd.

新加坡商飛凡娛樂有
限公司 台灣分公司
(Taiwan Branch)

UnUsUaL Culture
Development Co., Ltd.
三优文化发展(上海)有
限公司
(Shanghai, China)

100%

- Holding Corporation
- Subsidiary Corporation
- Branch



PHOTO: JFJ PRODUCTIONS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Melvin Ang
(Non-Executive Chairman and
Non-Independent Director)

Leslie Ong
(CEO and Executive Director)

Johnny Ong
(COO and Executive Director)

Loh Woon Yen
(Non-Executive Director)

Kelvin Tan
(Independent Director)

William Tan
(Independent Director)

Michael Tang
(Independent Director)

AUDIT COMMITTEE

Kelvin Tan (Chairman)

William Tan

Michael Tang

REMUNERATION COMMITTEE

William Tan (Chairman)

Kelvin Tan

Michael Tang

NOMINATING COMMITTEE

Michael Tang (Chairman)

Leslie Ong

Kelvin Tan

COMPANY SECRETARY

Siau Kuei Lian

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

45 Kallang Pudding Road
#01-01 Alpha Building
Singapore 349317

SHARE REGISTRAR

B.A.C.S. Private Limited
#03-00, ASO Building
Singapore 048544

AUDITORS

Nexia TS Public Accounting Corporation
80 Robinson Road, #25-00
Singapore 068898

Director-in-charge: Low See Lien
(Appointed since financial period ended 31 March 2017)

PRINCIPAL BANKERS

CIMB Bank Berhad
50 Raffles Place #09-01
Singapore Land Tower
Singapore 048623

Standard Chartered Bank (Singapore) Limited
8 Marina Boulevard #27-01
Marina Bay Financial Centre
Singapore 018981

United Overseas Bank Ltd
80 Raffles Place
UOB Plaza
Singapore 048624

Resona Merchant Bank Limited
8 Marina View
#32-03, Asia Square Tower 1
Singapore 018960

The Hongkong and Shanghai Banking Corporation
21 Collyer Quay
HSBC Building
Singapore 049320

CONTINUING SPONSOR

Hong Leong Finance Limited
16 Raffles Quay, #01-05
Hong Leong Building
Singapore 048581

COMPANY WEBSITE

<http://www.unusual.com.sg>

STOCK CODE

1D1

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CORPORATE GOVERNANCE REPORT

The board of directors (the “**Board**”) and the management (the “**Management**”) of UnUsUaL Limited (the “**Company**”) and together with its subsidiary corporations (the “**Group**”) are committed to achieving high standards of corporate governance to ensure investor confidence in the Group as a trusted business enterprise. The Board and the Management of the Company continues to uphold good corporate governance practices to enhance long-term sustainability of the Group’s business, performance, and shareholders’ interest.

This Report describes the Group’s corporate governance structures and practices adopted by the Group for financial year ended 31 March 2020 (“**FY2020**”), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) and accompanying Practice Guidance issued in August 2018, which forms part of the continuing obligations of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”)

The Board believes that it has substantially complied with the principles and guidelines as set out in the Code where appropriate. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.

- A. BOARD MATTERS**
- B. REMUNERATION MATTERS**
- C. ACCOUNTABILITY AND AUDIT**
- D. SHAREHOLDER RIGHTS AND ENGAGEMENT**
- E. MANAGING STAKEHOLDERS RELATIONSHIP**

A. BOARD MATTERS

The Board’s Conduct of its Affairs

Principle 1: *The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.*

Provision 1.1 – Principle Duties of the Board

The Board assumes responsibility for stewardship of the Company and the Group, and is primarily responsible for the protection and enhancement of long-term value and returns for the shareholders. It has oversight responsibility over the management of the business and affairs of the Group. The Board also sets the tone for the Group where ethics and values are concerned.

The Company is headed by an effective Board which comprises seven (7) Directors (the “**Directors**”) of whom the Chairman is a Non-Executive and Non-Independent Director, two (2) are Executive Directors, three (3) are Independent Directors and one (1) Non-Executive Director. Together, the Directors command a wide range of business, music entertainment, media, journalist and financial investments experience that collectively contribute to the success of the Group. The Board oversees the business activities, overall management, formulate strategic direction and performance of the Group and is primarily responsible for the protection and enhancement of long-term value and returns for shareholders.

Besides its statutory responsibilities, the Board also:

1. provides entrepreneurial leadership, and guidance on the overall strategic direction, oversees the proper conduct of the business, performance and affairs of the Group and ensures that the necessary financial, human and operational resources are in place for the Group to meet its objectives;
2. sets objective performance criteria to evaluate the Board, individual Directors and Board Committees’ performance and succession planning process;

CORPORATE GOVERNANCE REPORT

3. reviews the adequacy and effectiveness of the Group's risk management and internal controls framework including financial, operational, compliance and information technology controls and establishing risk appetite and parameters to safeguard shareholders' interests and the Group's assets;
4. reviews and approves key operational and business initiatives, major funding proposals and other corporate actions, significant investment and divestment proposals, including determining the Group's operating and financial performance, the Group's annual budgets and capital expenditure, release of the Group's half-year and full-year financial results and other strategic initiatives proposed by Management;
5. approves all Board appointments/re-appointments and appointment of Chief Executive Officer ("CEO") and other persons having authority and responsibility for planning, directing and controlling the activities of the Company ("Key Management Personnel" or "KMP"), evaluates their performance and reviews their remuneration packages;
6. establishes goals and priorities for Management and reviews Management's performance by monitoring the achievement of these goals;
7. approves the nominations for the Board by the Nominating Committee;
8. reviews recommendations made by the Audit Committee on the appointment, re-appointment or removal of Group Financial Controller, independent and internal auditors;
9. reviews recommendations made by the Remuneration Committee and approves the remuneration packages for the Board and KMP;
10. identifies the key stakeholder groups and recognises that their perceptions affect the Company's reputation;
11. sets the Company's values and standards (including ethical standards), and ensures that obligations to shareholders and other stakeholders are understood and met; and
12. considers sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

Independent Judgement

All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group. The Directors on the Board have the appropriate core competencies and diversity of experience that enable them to contribute effectively. They are able to objectively raise issues and seek clarification as and when necessary from the Board and the Management on matters pertaining to their area of responsibilities and actively help the Management in the development of strategic proposals and oversees the effective implementation by the Management to achieve the objectives set. The Board puts in place a code of conduct and ethics, set appropriate tone-from-the-top and desired organisation culture and ensure proper accountability within the Company.

Conflict of Interest

Every Director of the Company is required to disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as practicable after the relevant facts have come to his/her knowledge. On an annual basis, each Director is also required to submit details of his/her associates for the purpose of monitoring interested persons transactions. When there is an actual or potential conflict of interest, the concerned Directors shall, abstain from voting, and recuse themselves from discussion or decision making, on the conflict related matters.

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Provision 1.2 – Directors’ Orientation and Training

All newly-appointed Directors attend an orientation programme to familiarise themselves with the Group’s business, operations and governance practices. The Board of Directors have the opportunity to visit/participate concerts and/or events hosted by the Company and meet with the Management to gain a better understanding of the Group’s business operations. In addition, Directors are provided with the contact numbers and email addresses of key executives, the Company Secretary and Auditors to facilitate efficient and direct access. A formal letter of appointment would be furnished to every newly-appointed Director upon their appointment explaining, among other matters, their roles, obligations, duties and responsibilities as member of the Board. To keep pace with a fast-changing regulatory environment, the Board is kept informed of any relevant changes to legislation and regulatory requirements. New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority (“ACRA”) which are relevant to the Directors are also circulated to the Board.

Directors and Management also attend courses to keep abreast of changes in the law and governance matters that may affect the Group. The Board values ongoing professional development and recognises the importance that all Directors receive regular training so as to be able to serve effectively on, and contribute to the Board.

During FY2020, there was no new appointment of director and the Company has no on-going budget for the non-executive and independent directors to attend appropriate courses, conferences and seminars conducted by external professional.

The NC and Board are of the view that training is not required because the Non-Executive and Independent Directors have other relevant experiences and/or currently acting as non-executive director of several Singapore listed companies. The details of the directors experiences and qualifications are listed on pages 10 to 12 of this Report.

The Board as a whole is updated regularly on risk management, corporate governance, insider trading (if any) and key changes to the relevant regulatory requirements and financial standards, so as to enable them to properly discharge their duties as Board or Board Committee members. Our Independent Directors are also engaged full time in their respective profession, keeping them updated in their fields of knowledge.

In FY2020, the independent auditors, Nexia TS Public Accounting Corporation (“Nexia TS”) briefed the AC and Board on the developments in financial reporting standards.

Provision 1.3 – Board Approval

The Group has adopted internal guidelines governing matters that require the Board’s approval which has been clearly communicated to the Management.

The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those prescribed limits to Board Committees and specific members of the key management via a structured Delegation of Authority matrix, which is reviewed on a regular basis and accordingly revised when necessary.

The matters require Board’s approval include:

- annual budget, corporate strategies and business plans;
- material and/or significant acquisition and disposal of assets/investments;
- corporate/financial restructurings or corporate exercise;
- incorporation and dissolution of subsidiaries and/or associates entities;
- any non-ordinary business agreement, e.g. joint venture agreement, investment, guarantee; banking facilities, profit sharing agreement;
- financing activities;
- issuance of shares, declaration of dividend and other returns to shareholders;
- risk appetite and risk tolerance for the different categories of risk;

CORPORATE GOVERNANCE REPORT

- nomination of Directors and Key Management Personnel;
- matters as specified under the SGX-ST's interested person transaction policy;
- announcement of the Group's half year and full year results and the release of the Annual Reports; and
- any other matters as prescribed under the relevant legislations and regulations, as well as the provisions of the Company's Constitution.

Provision 1.4 – Delegation by the Board to Board Committees

To assist in the execution of its responsibilities, the Board had established three (3) Board Committees. The Committees are the Audit Committee (“**AC**”), Nominating Committee (“**NC**”), and Remuneration Committee (“**RC**”) (Collectively, “**the Board Committees**”) and delegates specific areas of responsibilities to these Committees. Each of these Board Committees functions within clearly written terms of reference (“**TOR**”), which have been approved by the Board. The composition of the Board Committees for FY2020 is tabulated below:

Directors	AC	NC	RC
Melvin Ang Wee Chye (“ Melvin Ang ”)	-	-	-
Leslie Ong Chin Soon (“ Leslie Ong ”)	-	Member	-
Johnny Ong Chin Leong (“ Johnny Ong ”)	-	-	-
Kelvin Tan Wee Peng (“ Kelvin Tan ”)	Chairman	Member	Member
Michael Tang Tung Kin (“ Michael Tang ”)	Member	Chairman	Member
William Tan Yew Chee (“ William Tan ”)	Member	-	Chairman
Loh Woon Yen	-	-	-

The Board Committees have the delegated power to deliberate any issue that arises in their specific areas of responsibilities within their respective TOR and report to the Board with their decisions and/or recommendations. The ultimate responsibility and authority for the decisions and actions on all matters rest with the Board. Each Board Committee's activities and roles are elaborated further in provisions 4.1, 6.1 and 10.1.

Provision 1.5 – Board Meetings and Attendance

Provision 1.6 – Access of Information

The Board and Board Committees meet regularly and whenever necessary to discharge their duties. When required, the Board also sets aside time at the scheduled meetings to meet without the presence of Management. An annual schedule of Board and Board Committee meeting dates is set by the Directors in advance.

Ad-hoc meetings are convened when required to address any significant issues that may arise in-between scheduled meetings. Where physical meetings are not possible, timely communication with members of the Board and Board Committees is achieved through electronic means and circulation of written resolutions for approval by the Board or relevant Board Committees. The Company's Constitution (“**Constitution**”) provides that the Directors may conduct meetings by means of telephone or video conference or other methods of simultaneous communication.

All draft agendas for meetings are reviewed by the Chairman of the Board and the Chairman of the respective Board Committees. Papers and/or other information are forwarded to the Directors before each meeting for their review and perusal. Members of Management are invited to attend the meetings to present information and/or render clarification when required. However, sensitive matters may be tabled or discussed at Board meetings without any board papers distributed. Board and Board Committees papers are provided electronically and can be accessed via tablet devices.

Presentations are also made by senior executives on performance of the Group's various businesses and business strategies at these meetings. This allows the Board to have a good understanding of the Group's operations and be actively engaged in robust discussions with the Group's senior executives.

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Directors are entitled to request for further explanation, briefings or discussions on any aspect of the Group's operations or business from Management. As and when required, Board members meet to exchange views outside the formal environment of Board meetings. The number of meetings held by the Board and Board Committees and attendance records taken during FY2020 are as follows:

Name of Director	Board Meeting		NC Meeting		RC Meeting		AC Meeting	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
Melvin Ang	4	4	NA	NA	NA	NA	NA	NA
Leslie Ong	4	4	1	1	NA	NA	NA	NA
Johnny Ong	4	4	NA	NA	NA	NA	NA	NA
Kelvin Tan	4	4	1	1	1	1	4	4
Michael Tang	4	4	1	1	1	1	4	4
William Tan	4	4	NA	NA	1	1	4	4
Loh Woon Yen	4	4	NA	NA	NA	NA	NA	NA

NA: Not applicable

Provision 1.7 – Independent Access to Management and Company Secretary

The Board has separate and independent access to Management and the Company Secretary and where required, can obtain additional information to facilitate informed decision-making. Information provided includes background or explanatory materials related to matters to be reviewed and matters under review by the Board, copies of disclosure documents, budgets, forecasts and internal financial statements. Any material variance between the projections and actual results in respect of budgets, is also disclosed and explained.

Minutes of all Board Committee meetings are circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during such meetings.

The Company Secretary attends Board and Board Committees meetings and is responsible for ensuring that Board procedures are observed and that applicable rules and regulations are complied with. The Company Secretary also periodically updates the Board on relevant regulatory changes affecting the Company. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

Access to independent professional advice at the Company's expense

The Company has in place the procedure to enable the Directors, whether as a group or individually, to obtain independent professional advice at the Company's expense as and when necessary in furtherance of their duties. Independent advisors include legal, financial, tax, board compensation and Merger & Acquisition functions. The appointment of such professional advisor is subject to approval by the Board.

Principle 2: The board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Board Composition and Guidance

Provision 2.1 – Board Independence

Provision 2.2 & 2.3 – Proportion of Non-Executive and Independent Directors

Provision 2.4 – Board Composition & Diversity

Provision 2.5 – Meetings of Non-Executive Directors and Independent Directors

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The Board comprises seven (7) Directors, three (3) of whom are independent and non-executive Directors (the “**Independent and Non-Executive Directors**”), two (2) are Non-Executive and Non-Independent Directors (including Chairman) and two (2) are Executive Directors. Majority of the Board is made up of Non-Executive Directors which is in compliance with provision 2.3 of the Code. The Chairman is not Independent and although the Independent Directors of the Company do not make up a majority of the Board, the Board and the NC are satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affair. Matters requiring the Board’s approval are discussed and deliberated with participation from each member of the Board and all major decisions are made collectively. The composition of the Board is as follows:

Melvin Ang	(Chairman, Non-Executive and Non-Independent Director)
Leslie Ong	(Chief Executive Officer and Executive Director)
Johnny Ong	(Chief Operating Officer and Executive Director)
Kelvin Tan	(Independent and Non-Executive Director)
Michael Tang	(Independent and Non-Executive Director)
William Tan	(Independent and Non-Executive Director)
Loh Woon Yen	(Non-Executive Director)

The NC reviews annually the independence of each Director taking into account the existence relationships or circumstances, including those provided in the Code. Every Independent and Non-Executive Director is required to complete a confirmation of independence form drawn up based on Principal 2 of the Code for the NC review and recommendation to the Board.

Taking into consideration the foregoing, the NC has determined that Kelvin Tan, Michael Tang and William Tan, to be independent. Each of these Directors has also confirmed their independence.

The Board concurred with the views of the NC. Each of the Directors abstained from the deliberation of his own independence.

The Company recognises that independent directors may over time develop significant insights in the Group’s business and operations, and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole. The independence of the independent directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form; such as the number of years which they have served on the Board.

The dates of initial appointment and last re-election of each Director are set out below:

Name of Director	Position	Date of Initial Appointment	Date of last re-election
Melvin Ang	Non-Executive Chairman and Non-Independent Director	11 August 2016	26 July 2018
Leslie Ong	Chief Executive Officer and Executive Director	3 May 2016	26 July 2018
Johnny Ong	Chief Operating Officer and Executive Director	3 May 2016	31 July 2019
Kelvin Tan	Lead Independent and Non-Executive Director	17 March 2017	31 July 2019
Michael Tang	Independent and Non-Executive Director	17 March 2017	26 July 2018
William Tan	Independent and Non-Executive Director	17 March 2017	31 July 2019
Loh Woon Yen	Non-Executive Director	27 June 2017	27 July 2017

The NC noted that none of the Independent and Non-Executive Directors, has served on the Board beyond nine (9) years from the date of his first appointment.

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The Board and Board Committees are made up of a team of high caliber leaders whose diverse expertise and experience in accounting & finance, strategic planning, human resource management, business and management, legal and regulatory, media and music entertainment industry knowledge combined provides core competencies necessary to lead and govern the Group effectively. The Directors' objective judgment, collective experience and knowledge are invaluable to the Group and this has allowed for the useful exchange of ideas and views.

The Company does not adopt the board diversity policy, whereas it has embraced all aspects of diversity in the current Board composition. There is one (1) female director and six (6) male directors appointed to the Board. The Board recognizes the importance and value of gender and age diversity; however, the Board collectively is of the view that it should not be considered as a requirement of selection of potential candidate. The right blend of skills, industry knowledge, relevant experiences, suitability, shall remain as priority.

The NC reviews the size and composition of the Board and Board Committees of the Company to ensure that the size of the Board and Board Committees are conducive for effective discussions and decision-making and that the Board and Board Committees have the appropriate mix of skills, knowledge and experience as well as an appropriate balance of Independent Directors. The NC, with the concurrence of the Board and Board Committees, consider their current board size appropriate for effective decision-making, taking into account the scope and nature of the Group's operations.

The Independent and Non-Executive Directors exercise objective judgment on the Group's affairs independently from Management. The Independent and Non-Executive Directors also contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternate perspectives to the Group's business. When challenging Management's proposals or decisions, they bring independent judgment to bear on business activities and transactions involving conflicts of interest and other complexities. The Independent and Non-Executive Directors also meet regularly without presence of Management to facilitate more open discussions.

Non-Executive and Non-Independent Chairman ("Chairman") and Chief Executive Officer ("CEO")

Principle 3: *There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

Provision 3.1 – Chairman and CEO should be separate persons

The roles of the Chairman and CEO are separate to ensure an appropriate balance of power, and accountability to achieve greater independent decision-making to the Board of Directors.

Melvin Ang, was appointed as the Non-Executive Chairman of the Board of Directors on 11 August 2016 and Leslie Ong was appointed as the CEO of the Company on 3 May 2016. Both the Chairman and the CEO are not related to each other and will act independently in their own capacity.

Provision 3.2 – Role of Chairman and CEO

The Chairman presides over the business of the Board and monitors the translation of the Board's decisions and directions into executive action. In addition, the Chairman provides close oversight, guidance, advice and leadership to the CEO and senior management. The Chairman also plays a crucial role in fostering constructive dialogue between shareholders, the Board and Management at the Company's General Meeting. The Chairman leads the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the Board, Management and Company Secretary.

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The Chairman leads the Board and ensures the effectiveness on all aspects of its role. His responsibilities include, inter alia:

1. constructively determining and approving, with the Board, the Company's strategy;
2. ensuring that the Board is properly organised, functioning effectively and meeting its obligations and responsibilities;
3. setting the agenda and ensuring adequate time is available for discussion of all agenda items, in particular, strategic issues;
4. ensuring that Directors receive complete, adequate and timely information;
5. fostering effective communication and constructive relations amongst the Directors, within Board Committees, between shareholders, between the Directors and Management;
6. encouraging the constructive exchange of views within the Board and between Board members and Management;
7. facilitating the effective contribution of Non-Executive and Independent Directors;
8. promoting a culture of openness and debate at the Board level and promoting high standards of corporate governance; and
9. establishing a relationship of trust with the CEO.

The role of CEO including the execution of strategic business directions as well as oversight of the operations and business development of the Group.

All major decisions made by the Board are subject to majority approval of the Board. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

Provision 3.3 – Lead Independent Director

As the Non-Executive Chairman is not Independent, to be in compliance with provisions 3.3 of the Code, the Board has appointed Kelvin Tan as the Lead Independent Director to lead the Independent Directors, to provide independent view and foster constructive discussion. He also acts as the main liaison on Board issues and is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Non-Executive Chairman or Management are inappropriate or inadequate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions 4.1 & 4.2 - Nominating Committee ("NC") Composition and Role

Nominating Committee ("NC")

The Board established the NC in 2017 which comprises two (2) Non-Executive and Independent Directors and one (1) Executive Director, a majority of whom including the Chairman of the NC are independent. The Lead Independent Director, Kelvin Tan is also a member of the NC. Please refer to Provision 1.4 above on the names of the members and the composition of the NC.

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The NC, which has written terms of reference, is responsible for making recommendations to the Board on all board appointments and re-appointments. The NC's responsibilities include the following:

- a) make recommendations to the Board on new appointments and re-appointment of directors (including alternate director, if any) to the Board;
- b) make recommendations to the Board on the re-nomination of retiring directors standing for re-election at the Company's Annual General Meeting, having regard to the directors' contribution and performance (e.g. attendance, preparedness, participation and candour);
- c) ensure that all Directors submit themselves for re-nomination and re-election at regular intervals and at least once every three (3) years;
- d) review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and KMPs;
- e) review the process and criteria for evaluation of the performance of the Board, its board committees and directors;
- f) review the size and composition of the Board with the objective of achieving a balanced board in terms of the mix of experience and expertise;
- g) determine annually whether or not a Director is independent;
- h) in respect of a Director who has multiple board representation on various companies, to decide whether or not such director is able to and has been adequately carrying out his/her duties as director, having regard to the competing time commitments that are faced when service on multiple boards;
- i) to review and approve any new employment of related persons and the proposed terms of their employment;
- j) ensure complete disclosure of key information of Directors in the Company's annual reports as required under the Code;
- k) decide on how the Board's performance may be evaluated and recommend objective performance criteria to the Board;
- l) report to the Board on its activities and proposals;
- m) review training and professional development programs for the Board, if necessary; and
- n) carry out such other duties as may be agreed to by the NC and the Board.

Provision 4.3 – Reviewing and recommending nomination for re-appointment of Directors

The NC is responsible for identifying and recommending new Directors to the Board, after considering the necessary and desirable competencies. In selecting potential new Directors, the NC will seek to identify the competencies required as well as evaluate the profession, knowledge and experience of the candidate to enable the Board to fulfil its responsibilities. The NC may engage consultants to undertake research on, or assess candidates applying for new positions on the Board, or to engage such other independent experts, as it considers necessary to carry out its duties and responsibilities. Recommendations for new Directors are put to the Board for its consideration and/or approval.

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Under the Catalist Rule 720(4) and the Company's Constitution, all Directors are required to submit themselves for re-nomination and re-election at least once every three (3) years; and at least one-third of the Directors for the time being to retire from office by rotation. New Directors appointed during the year are subject to retirement and re-election at the following AGM of the Company. The NC makes recommendation to the Board on re-appointment of Directors based on, among others, the Director's attendance, preparedness, participation at Board and Board Committees meetings, his qualification, experience and expertise and the time and effort dedicated to the activities of each Board Committees and contributions to the Group's business and affairs, including the Management's access to the Directors for guidance or exchange of views as and when necessary.

The Board and the NC have endeavoured to ensure that the Directors appointed to the Board possess the relevant experience, knowledge and expertise critical to the Group's business.

Leslie Ong, Michael Tang, and Loh Woon Yen are subject to retiring pursuant to Regulation 97 of the Company's Constitution at the forthcoming AGM of the Company. The Board has accepted the NC's nominations of the retiring Directors who have given their consents for re-election at the forthcoming AGM of the Company after taking into consideration the retiring Directors' attendance, participation and contribution to the business and operations of the Company as well as Board processes.

Each of these Directors, being interested in the matter, had abstained from all discussions and recommendations in respect of their own re-election. Michael Tang is considered independent for the purposes of Catalist Rule 704(7) of the SGX-ST.

Information regarding the Directors nominated for re-election/re-appointment, including the information required under Appendix 7F of the Catalist Rules is given in the "Board of Directors" section, pages 43 to 47 of this Annual Report.

Provision 4.4 – Continuous review of Director's Independence

The NC is guided by the definition and criteria of independence given in the Code in determining if a director is independent.

NC has annually, and as and when circumstances required, determined if a director is independent bearing in mind the circumstances set forth in Provision 2.1 and any other salient factors of the Code. Any Director who has served on the Board beyond nine (9) years from the date of his first appointment is subject to particularly rigorous review by the NC.

Each Independent Director is required to complete a Confirmation of Independence form drawn up based on Principle 2 of the Code for the NC's review and recommendation to the Board.

For the financial year under review, the Board concurred with the NC's view that the three (3) Independent Directors are independent (as defined in the Code) and in character, judgement and there were no circumstances which would likely affect or appear to affect their judgement.

During FY2020, there was no appointment of alternate directors on the Board.

Provision 4.5 – Directors' Commitments

Where a Director has multiple Board representations, the NC will determine if the Director has been able to devote sufficient time and attention to the Company's affairs and if he has been adequately carrying out his duties as a Director. The recommendation of the NC for the nomination of a Director for re-election is then made to the Board. The Board will review this recommendation.

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The NC is of the view that the number of directorships a Director can hold and his principal commitments should not be prescriptive as the time commitment for each board membership will vary. The NC will review the number of listed company board representations which each Director holds on an annual basis or from time to time when the need arises. In this respect, the NC believes that it would not be necessary to prescribe a maximum number of listed company board representations a Director may hold. The Board affirms and supports this view.

During the year, the NC had reviewed the directorships and principal commitments disclosed by each Director and was of the view that the existing directorships and principal commitments of the respective Directors have not impinged on their abilities to discharge their duties. The Board concurred with the NC.

The table below - Key Information of Directors, also shows the disclosure of directorships and chairmanships held over the preceding three (3) years in other listed companies as well as other principal commitments of each respective Director:

Key Information of Directors

Name of director	Academic & professional qualifications	Board Committee as chairman or member	Past Directorships in other listed companies and other major appointments over the preceding three years	Present Directorships in other listed companies and other major appointments
Melvin Ang	Master of Business Administration, from Macquarie University	Chairman of the Board	Nil	Executive Chairman of mm2 Asia Ltd.
Leslie Ong	Diploma in Electronic Engineering from Ngee Ann Polytechnic	Executive Director & CEO; and member of NC	Nil	<p><u>Director of the following Companies:</u></p> <p>UnUsUaL Entertainment Pte. Ltd. UnUsUaL Productions Pte. Ltd. UnUsUaL Development Pte. Ltd. UnUsUaL Productions (M) Sdn. Bhd. UnUsUaL Entertainment International Limited UnUsUaL Culture Development Co., Ltd. Mercury Rights Pte. Ltd. UnUsUaL Management Pte. Ltd. Axcel Properties Pte. Ltd. Axcel Investment & Trading Pte. Ltd. Fei-Fan (Shanghai) Culture Communication Co. Ltd.</p> <p>Shareholder of Bluefield Renewable Energy Pte Ltd</p>
Johnny Ong	Secondary Education	Executive Director & COO	Nil	<p><u>Director of:</u></p> <p>Axcel Properties Pte. Ltd. UnUsUaL Management Pte. Ltd.</p>

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Name of director	Academic & professional qualifications	Board Committee as chairman or member	Past Directorships in other listed companies and other major appointments over the preceding three years	Present Directorships in other listed companies and other major appointments
Kelvin Tan	Bachelor of Accountancy (First Class Honours), from National University of Singapore	Independent Director and Chairman of AC, members of RC and NC	<p>Director of Accrelist Ltd. Non-Executive Director of Transcorp Holdings Limited</p> <p><u>Non-Executive and Independent Director of:</u></p> <p>Shanghai Turbo Enterprise Limited Sabana Real Estate Investment Management Pte. Ltd</p> <p><u>Non-Executive Director of:</u></p> <p>Aperio Technology Pte. Ltd. DBE Consulting Pte. Ltd. GBE Holdings Pte. Ltd. GBE Investment Pte. Ltd. Golden Equator Capital Pte. Ltd. NL Consulting Pte. Ltd.</p>	<p><u>Non-Executive & Independent Director of:</u></p> <p>Eagle Hospitality Business Trust Management Pte. Ltd. Eagle Hospitality REIT Management Pte. Ltd. Global Investments Limited IREIT Global Group Pte. Ltd. USP Group Limited Viking Offshore and Marine Ltd</p> <p><u>Non-Executive Director of:</u></p> <p>YK Management Pte. Ltd. Orient Straits Fund 11-D ISCA Pte. Ltd. ATT(S) Ltd. Cloud.com Pte. Ltd.</p>
Michael Tang	Bachelor in Electrical Engineering (First Class Honours), from Imperial College London	Independent Director, Chairman of NC, member of RC and AC	<p><u>Director of:</u></p> <p>SDI Media Japan KK Causeway Challenge Sdn. Bhd.</p>	<p><u>Director of:</u></p> <p>SDI Media Hong Kong Limited SDI Media (Thailand) Ltd SDI Media (Malaysia) Sdn Bhd</p>
William Tan	Accountant, Non-Practicing member of Institute of Singapore Chartered Accounts and a fellow member of Association of Certified Chartered Accountants (UK)	Independent Director, Chairman of RC, member of AC	Director of Pacific Shipping Pte. Ltd.	Chief Financial Officer of Sinostar PEC Holdings Limited; Company Secretary of Pacific Commerce Holdings Pte Ltd and Pacific Commerce Shipping Pte. Ltd.
Loh Woon Yen	Bachelor of Accountancy and Finance (First Class Honours) from Lancaster University	Non-Executive Director	Nil	Director of Han Language Centre Pte Ltd

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Board Performance

Principle 5: *The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

Provision 5.1 – Performance Criteria and Evaluation

Provision 5.2 – Assessment of the Board, Board Committees and Individual Directors

Based on the recommendations by the NC, the Board has established processes and objective performance criteria for evaluating the effectiveness of the Board as a whole and each of its Board Committees and individual Directors. Such processes are aimed to assess whether each Director continues to contribute effectively and demonstrate commitment to the role.

In evaluating the Board's performance, the NC considers a set of quantitative and qualitative performance criteria. The performance criteria for the Board evaluation are in respect of board size and composition, board process, board information and accountability, board performance in relation to discharging its principal functions and responsibilities and financial targets. The individual Directors' performance criteria were in relation to their industry knowledge and/or functional expertise, contribution and workload requirements, sense of independence and attendance at the board and committee meetings.

The NC evaluated the performance of the Board as a whole, each of its Board Committees and individual directors taking into consideration the Board's discharge of its principal responsibilities and Board's deliberation of Company's long-term strategy. The NC considered the Board's performance to be satisfactory and met its performance objectives. In addition, the NC is also satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representation. The Board concurred with the NC's recommendation.

No external facilitator was used in the evaluation process.

B. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: *The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

Provision 6.1 and 6.2 – Remuneration Committee ("RC") Composition and Role

Provision 6.3 – Reviewing of Remuneration Terms

Provision 6.4 – Remuneration Consultants

Remuneration Committee ("RC")

The Board established the RC in 2017 which comprises three (3) Non-Executive and Independent Directors, all of whom including the Chairman of the RC are independent. Please refer to Provision 1.4 above on the names of the members and the composition of the RC.

The members of the RC carried out their duties in accordance with the term of references, which include the following:

- a) make recommendations to the Board on the framework of remuneration for the Directors and Executive Officers;

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- b) make recommendations to the Board on the specific remuneration packages for each Executive Director, Chief Executive Officer, Chief Operating Officer (or executive of equivalent rank) and KMP of the Company. If such KMP is not an Executive Director, such recommendations must be submitted for endorsement by the Board and should cover all aspects of remuneration, including but not limited to Director's fee, salaries, allowances, bonuses, options, benefits in kind;
- c) review all benefits (including share schemes) and compensation packages for Directors, Executive Directors and KMP of the Company;
- d) report to the Board on its activities and proposals; and
- e) carry out such other duties as may be agreed to by the RC and the Board.

The Company adopts a formal procedure for the fixing of the remuneration packages of individual directors, CEO and KMPs. No Director is involved in deciding his own remuneration.

The RC may, from time to time and where necessary, seek advice from external remuneration consultant in framing the remuneration policy and determining the level and mix of remuneration for Directors and KMPs. The Board has not engaged any external remuneration consultant to advise on remuneration matters for FY2020.

The RC reviews the Company's obligations arising in the event of termination of Executive Directors and KMP's contracts of service to ensure such contracts of service contain fair and reasonable termination clauses.

Level and Mix of Remuneration

Principle 7: *The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to sustained performance and value creation of the Company, taking into account the strategic objectives of the company.*

Provision 7.1 – Remuneration of Executive Directors and Key Management Personnel

Provision 7.2 – Remuneration of Non-Executive Directors

Provision 7.3 – Appropriateness of Remuneration

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors. The RC also ensures that the remuneration policies support the Company's objectives and strategies.

As part of its review, the RC ensures that the performance-related elements of remuneration form an appropriate part of the total remuneration package of the KMP and that each package is designed to align their interests with those of shareholders and link rewards to corporate and individual performance. The RC will review the key performance indicators ("**KPIs**") of the KMP and such KPIs will be tied to the profitability of the specific business which the individuals are managing.

Executive Directors do not receive directors' fees. The remuneration policy for Executive Directors and KMP consists of two key components, that is, fixed cash and annual variable components. The fixed components include salary and other allowances. The variable component comprises a performance-based bonus which forms a significant proportion of the total remuneration package of Executive Directors and KMP and is payable on the achievement of individual and corporate performance targets. The Executive Directors' performance bonus would be calculated based on a percentage of the UnUsUaL's Group's profit before tax ("**PBT**"), for each financial year, provided that our Group's PBT is not less than S\$3.5 million for that financial year.

The service contracts for the two Executive Directors have fixed appointment period of three (3) years and clauses relating to early termination. The Executive Directors' contract is renewable and would be subject to RC and Board approval. None of the service contracts has any onerous removal clauses.

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Non-Executive and Independent Directors, including the Non-executive Chairman, have no service contract with the Company and their terms are specified in the Constitution of the Company. The Independent Directors are paid a basic fee for serving as director and any of the Board Committees roles. The Non-Executive Chairman and Non-Executive Director does not collect fee for their positions. In determining the quantum of such fees, factors such as time spent and responsibilities of directors are taken into account. Such fees are subject to the approval of the shareholders as lump sum payment at the Annual General Meeting of the Company.

The Company has adopted the UnUsUaL Employee Share Option Scheme (“UnUsUaL ESOS”) and UnUsUaL Performance Share Plan (“UnUsUaL PSP”). The Group’s Executive Directors and Non-Executive Directors (including Independent Directors), controlling shareholders or associates of a controlling shareholder are eligible to participate in the UnUsUaL ESOS and UnUsUaL PSP in accordance with the Rules of the UnUsUaL ESOS and UnUsUaL PSP. The UnUsUaL ESOS and UnUsUaL PSP are administered by the RC which consists of William Tan, Kelvin Tan and Michael Tang. There have been no options granted under the UnUsUaL ESOS and UnUsUaL PSP in FY2020.

There are, at present, no contractual provisions allowing the Company to reclaim incentive components of remuneration from Executive Directors and KMPs in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

Disclosure on Remuneration

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 – Remuneration of Directors and Top 5 Key Management Personnel

Directors

A breakdown of compensation table of Directors’ remuneration from the Company for the FY2020 is set out below:

Name of director	Salary	Bonus/Profit sharing	Other benefits ⁽¹⁾	Fees	Total
	%	%	%	%	\$ ('000)
Melvin Ang	-	-	-	-	-
Leslie Ong	49	51	-	-	519
Johnny Ong	49	51	-	-	519
Kelvin Tan	-	-	-	100	40
Michael Tang	-	-	-	100	29
William Tan	-	-	-	100	29
Loh Woon Yen	-	-	-	-	-

Note:

⁽¹⁾ Other benefits refer to benefits-in-kind such as car etc made available to directors as appropriate.

CORPORATE GOVERNANCE REPORT

Top 5 Key Management Personnel (“KMP”)

A summary compensation table of the KMP receiving remuneration from the Company for FY2020 appended below:

Remuneration Band ⁽¹⁾ & Name of Key Management Personnel	Salary	Bonus	Other Benefits ⁽²⁾	Total
Below S\$250,000				
Alan Meng	81%	19%	–	100%
Annabelle Leong (appointed on 01.01.2020)	85%	15%	–	100%
Tay Joo Heng (resigned on 31.12.2019)	84%	16%	–	100%

Notes:

⁽¹⁾ Remuneration amounts are inclusive of salary, bonus, incentives, allowances and Central Provident Fund contributions.

⁽²⁾ Other benefits refer to allowance.

The disclosure of the KMP’s remuneration in bands of S\$250,000 (based on gross remuneration received and inclusive of employer’s contributions to the Central Provident Fund) is as set out in the above table. Due to sensitivities and confidentiality reasons, the Company believes that disclosure of their remuneration in bands of S\$250,000 should be sufficient to provide an insight into the link between their compensation and performance. Further details are deemed to be not in the interest of the Company due to the competitiveness of the industry for key talents. The aggregate remuneration paid to the aforesaid KMP (who are not Directors or CEO of the Company) in FY2020 amounted to S\$477,145.

Provision 8.2 – Employees who are substantial shareholders of the Company, or are Immediate Family Member of Directors, CEO or Substantial Shareholder of the Company whose remuneration amounts exceed S\$100,000 per annum

Leslie Ong, the Executive Director and CEO and Johnny Ong, the Executive Director and COO, of the Company are siblings, whose remuneration exceeds S\$100,000 for FY2020.

The basis of determining the remuneration of the related employees is the same as the basis of determining the remuneration of other unrelated employees.

Save from the above disclosure, there were no employees who are substantial shareholders of the Company, or are immediate family members of a Director, CEO or Substantial Shareholder whose remuneration amounts exceed S\$100,000 per annum.

Provision 8.3 – All forms of remuneration, and other payments and benefits paid by the Company and its subsidiaries to directors and KMP

The Company has adopted the UnUsUaL Employee Share Option Scheme (“UnUsUaL ESOS”) and UnUsUaL Performance Share Plan (“UnUsUaL PSP”). The Group’s Executive Directors and Non-Executive Directors (including Independent Directors), controlling shareholders or associates of a controlling shareholder are eligible to participate in the UnUsUaL ESOS and UnUsUaL PSP in accordance with the Rules of the UnUsUaL ESOS and UnUsUaL PSP. The UnUsUaL ESOS and UnUsUaL PSP are administered by the RC which consists of William Tan, Kelvin Tan and Michael Tang. There have been no options granted under the UnUsUaL ESOS and UnUsUaL PSP in FY2020.

The Company is of the view that the current disclosure provides sufficient overview of the remuneration of the Group while maintaining confidentiality of staff remuneration matters. Annual variable bonuses would be linked to achievement of financial and non-financial KPIs such as core values, competencies, key result areas, performance rating, and potential of the employees (including key management). Long-term incentive plans are conditional upon pre-determined performance targets being met and the long-term incentive plans serve to motivate and reward employees and align their interests to maximise long term shareholders’ value. The RC will continue to review the shares grants option when appropriate.

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The RC ensures that there is a strong correlation between bonuses payable, and the achievement and performance of the Group and individual staff. The RC also ensures that there is a good balance of short-term and long-term incentive schemes to motivate continuous and sustainable performance.

C. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: *The Board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

Provision 9.1 – Nature and Extent of Significant Risks

The Board has overall responsibilities for the governance of risk and exercises oversight of the significant risks in the Group's business. The Board ensures that the Management maintains a sound system of internal controls and effective risk management policies to safeguard shareholders' interests and the Group's assets and in this regard, is assisted by the AC which reviews the adequacy and effectiveness of the Group's internal controls and risk management systems.

The Board did not establish a separate board risk committee to review and assess the internal controls systems and risk management framework. The Board is currently assisted by the AC, internal auditors and independent auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies.

The Company's Internal Auditor ("IA"), BDO LLP reports to the AC on the Group's risks profile on a yearly basis, evaluates results and proposes counter measures to mitigate identified potential risks. The head of the internal audit team, Mr. Willy Leow, has more than seventeen (17) years of relevant internal audit experience.

To further enhance the risk management procedures in place, the Group has established a structured Enterprise Risk Management ("ERM") framework which provide documented guidance on the process for identifying and assessing risks, adequacy of countermeasures and the manner in which risks matters are reported to the Board and AC. This risk framework has five (5) principal risk categories, namely strategic, financial, operational, information technology control and compliance risks.

The pilot ERM programme covers the following areas:

(1) ERM policies and procedures

An overall framework for risk management has been documented in a manual to be disseminated to personnel responsible for oversight of risk and operations of risk countermeasures. This ERM manual includes the various personnel responsible for monitoring and managing risks in the Group. The ERM process will also require ongoing identification of key risks to the company and reporting these risks to the Board to better determine whether appropriate measures have been taken to address relevant risks. Risk workshops attended by key management personnel will be conducted to provide a structured approach of identification and assessment of risks.

(2) Risk Appetite of the Company

The risk appetite of the Group in managing risks was discussed during the ERM project. Generally, the Group will rely on the Management to monitor day to day operations while subjecting key corporate decisions, such as investments or acquisitions of businesses to the approval of the Board. The Company's performance is monitored closely by the Board periodically and any significant matters that might have an impact on the operating results are required to be brought to the immediate attention of the Board.

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The Company has also taken a strict stance towards avoiding any risks that might result in breaching relevant laws and regulations and risks that could adversely affect the reputation of the Group. Active efforts are also in place to manage risks within impact such as transferring them to third party insurer or having internal control procedures to better mitigate the likelihood of their occurrence. Internal audits will be regularly conducted to assess the ongoing compliance with the established controls to address key risk areas where applicable.

(3) Risk assessment and monitoring

Based on the ERM framework, the nature and extent of risks to the Company will be assessed regularly and risk reports covering top risks to the Group will be submitted periodically to the Board. A set of risk registers to document risks arising from this ERM exercise has also been established to document key risks and the corresponding countermeasures.

The risk framework is reviewed regularly taking into account changes in the Group's business and operating environment as well as evolving corporate governance requirements.

The identification and management of risks are delegated to the Management, who assume ownership and day-to-day management of these risks. The Management is responsible for the effective implementation of risk management strategy, policies and processes to facilitate the achievement of business plans and goals within the risk tolerance established by the Board. Key business risks are proactively identified, addressed and reviewed on an ongoing basis. Identified risks that affect the achievement of the Group's business objectives are compiled in the Group Risks Register and are being ranked according to the likelihood and consequential impact to the Group as a whole.

The main risks arising from the Group's financial operations are liquidity risk, foreign currency risk, credit risk, equity price risk and interest rate risk. Details on the foregoing are more particularly set out in the Notes to the Financial Statements. These risks are monitored by AC and the Board on a yearly basis.

The IA has reviewed key internal controls as part of the internal audit plan and have independently reported their assessment to the AC and the Board on the adequacy, effectiveness and integrity of the Group's internal controls and risk management systems.

The IA presents their findings to the AC on a yearly basis. The internal audit report, comprising the details of any non-compliance or internal control weaknesses are noted during the audit, the corresponding recommendations and the Management's responses were submitted and presented to the AC. The AC also follows up on the actions taken by the Management on the recommendations made by the internal auditors and independent auditors arising from their work performed. Based on the reports submitted by the internal and independent auditors received by the AC and the Board, nothing material has come to the attention of the AC and the Board to cause the AC and the Board to believe that the internal controls are not satisfactory based on the current size and nature of the Company's business.

As part of the annual internal audits, the IA also reports any significant deficiencies of such internal controls to the AC, who then reviews the adequacy and effectiveness of the risk management and internal controls system.

Provision 9.2 – Assurance from the CEO and Group Financial Controller

For the financial year under review: -

- (a) Written assurance was received from the CEO and the Group Financial Controller that the Group financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) Written assurance was received from the CEO, the Group Financial Controller and other key management personnel that the Group's risk management and internal controls systems in place were adequate and effective to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations.

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Based on the Group's framework of management controls in place, the internal policies and procedures established and maintained by the Group, as well as the review performed by the independent and internal auditors, the Board, with the concurrence of the AC, is of the opinion that risk management and internal controls systems of the Group, addressing the financial, operational, compliance and information technology risks are adequate and effective as at 31 March 2020 to address the risks that the Group considers relevant and material to its operations, while noting that no system of internal control could provide absolute assurance against the occurrence of errors, fraud, or other irregularities.

The AC, Executive Directors and Group Financial Controller will continue to review and strengthen the Group's internal controls environment and allocate more resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

Audit Committee

Principle 10: *The Board has an Audit Committee ("AC") which discharges its duties objectively.*

Provisions 10.1 & 10.2 – Audit Committee ("AC") Composition and Role

Provision 10.4 – Internal Audit Function

The Board established the AC in 2017 which comprises three (3) Non-Executive and Independent Directors, all of whom including the Chairman of the AC are independent. At least two members, including the AC Chairman, have the recent and relevant accounting or related financial management expertise or experience. Please refer to Provision 1.4 above on the names of the members and the composition of the AC.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of the Management and full discretion to invite any Executive Director and/or KMP to attend its meetings. The AC has adequate resources, including access to the external consultants and independent auditors, to enable it to discharge its responsibilities properly.

The AC met four (4) times in FY2020 and all the Executive Directors were invited to attend the meetings.

The Board is of the view that the members of the AC have sufficient financial management expertise and experience to discharge the AC's functions. The AC which has written terms of reference, performs delegated functions: -

- (a) review quarterly and annual financial statements and auditors' report of the Group before submitting to the Board;
- (b) review the audit plans of independent auditors of the Company and ensure the adequacy of the Group's system of accounting and co-operation given by the Company's Management to the independent auditors;
- (c) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;
- (d) review all non-audit services provided by the independent auditors to the Group to ensure that the nature and extent of such services would not affect the independence of the independent auditors;
- (e) review the adequacy and effectiveness of the Company's internal controls and risk management systems;
- (f) review the assurance from the CEO and Group Finance Controller on the financial records and financial statements;
- (g) review the adequacy, effectiveness, independence, scope and results of the independent audit and the Company's internal audit function;

CORPORATE GOVERNANCE REPORT

- (h) reviewing the policy and arrangements for concern about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed upon.
- (i) to review and discuss with the independent and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;
- (j) make recommendation to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the independent auditor, and approve the remuneration and terms of engagement of the independent auditor;
- (k) review interested person transactions in accordance with the requirements of the Catalist Rules;
- (l) review potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflicts of interest;
- (m) to review the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;
- (n) to review the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNet;
- (o) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- (p) generally, to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time;
- (q) to review arrangements by which the staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and
- (r) to review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time.

Independent Audit

The AC reviews the scope and results of the audit carried out by the independent auditors, the cost effectiveness of the audit and the independence and objectivity of the independent auditors. It always seeks to balance the maintenance of objectivity of the independent auditors and their ability to provide professional advices and solutions. The AC undertook the review of the independence and objectivity of the independent auditors, Nexia TS Public Accounting Corporation ("**Nexia TS**"), through discussions with the independent auditors as well as reviewing the non-audit services provided and the fees paid to them. Based on the review, the AC is of the opinion that Nexia TS is, and is perceived to be, independent for the purpose of the Group's statutory audit. The fees payable to auditors is set out below:

	S\$'000	%
Audit fees	84	85
Non-audit fees	15	15
Total	99	100

The AC recommends to the Board the appointment, re-appointment and removal of independent auditors, and approves the remuneration and terms of engagement of the independent auditors. The re-appointment of the independent auditors is always subject to shareholders' approval at the AGM of the Company.

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In reviewing the nomination of Nexia TS for re-appointment for the financial year ending 31 March 2021, the AC has considered the adequacy of the resources, experience and competence of Nexia TS, and has taken into account the Audit Quality Indicators relating to Nexia TS at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement director and key team members in handling the audit. The AC also considered the audit team's ability to work in a co-operative manner with Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines.

On the basis of the above, the AC is satisfied with the standard and quality of work performed by Nexia TS. It has recommended to the Board the nomination of Nexia TS for re-appointment as independent auditors at the forthcoming AGM of the Company.

For FY2020, the Company has complied with Catalist Rules 712, 715 and 716 of the SGX-ST in relation to the appointments of its independent auditors. The AC and the Board are satisfied with the standards and the effectiveness of the audits performed by the independent auditors, other than those of the Company.

For FY2020, the AC agreed with the independent auditors that revenue recognition and impairment assessment on trade and other receivables were the key audit matters and is pleased to report that the AC is satisfied with the audit process undertaken by the independent auditors and their findings therefrom.

Internal Audit

The primary role of internal audit is to assist the Board to evaluate the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Group, reviewing the internal controls of the Group to ensure prompt and accurate recording of transactions and proper safeguarding of assets and reviewing that the Group complies with the relevant laws, regulations and policies established.

The internal audit function plans its internal audit schedule in consultation with, but independent of the Management. The AC examines the internal audit plan, determines the scope of audit examination and approves the internal audit budget.

It also oversees the implementation of the improvements required on internal control weaknesses identified and ensures that Management provides the necessary co-operation to enable the internal auditors to perform its function.

The internal auditors report primarily to the Chairman of the AC and has unrestricted access to the documents, records, properties and personnel of the Company and of the Group.

The AC annually reviews the adequacy and effectiveness of the internal audit function to ensure that resources are adequate and that the internal audits are performed effectively. It approves the appointment, termination, evaluation and the remuneration of the internal auditors.

The AC is satisfied that the internal audit function is staffed by suitably qualified and experienced professionals with the relevant experience to perform its function effectively.

Fraud and Whistle blowing Policy

The Group has implemented a whistle blowing policy whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware and to ensure that:

- (i) independent investigations are carried out in an appropriate and timely manner;
- (ii) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and

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- (iii) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistle-blowing in good faith and without malice.

The policy is aimed at encouraging the reporting of such matters in good faith, with the confidence that staff of the Company and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal. There was no whistle blowing report received during FY2020.

Provision 10.3 – Former Partners or Directors of the Company’s existing Audit Firm in AC

No former partner or director of the Company’s existing auditing firm or auditing corporation is a member of the AC.

Provision 10.5 – Meeting Auditors without the Management

The AC meets with the independent auditors and the internal auditors, at least once a year, without the presence of the Management, to review any matter that might be raised. These meetings enable the auditors to raise any issues in the course of their work directly to the AC.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: *The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders’ rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

Provision 11.1 – Participating and Voting at General Meetings

Provision 11.2 – Tabling of Resolutions

Conduct of General Meetings

In view of the circuit breaker measures applicable and pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended from time to time), the forthcoming AGM will be held by electronic means and members of the Company will NOT be allowed to attend the forthcoming AGM in person. As such, a temporary AGM proceedings for the conduct of virtual General Meeting (“**eAGM**”) of the Company for FY2020, including (i) Interaction with Shareholders; (ii) Shareholders’ Participations and (iii) Timeline on delivery minutes of AGM are set out in the Notice of AGM and announcement on the details of eAGM proceedings (“**eAGM Proceedings**”) which will be released on 7 July 2020 via SGXNet for shareholders information.

Notwithstanding the proceedings and/or regulations of the conduct of general meetings disclosed below, pursuant to the Constitution of the Company, shareholders shall refer to the eAGM Proceedings of the Company for FY2020 as prescribed in the Notice of AGM and the announcement mentioned above.

Notices for general meetings are announced via SGXNet and advertised in newspapers within the prescribed timeframe prior to the meeting (or as otherwise disseminated in accordance with such laws and regulations as may be applicable). The notices, together with relevant documents (such as annual report, letter to shareholders or circular) will be published on SGXNet and the Company’s corporate website at <http://www.unusual.com.sg>.

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In order to provide ample time for the shareholders to review, the notice of general meeting, together with the relevant documents, is distributed to all shareholders at least 14 days before the scheduled general meeting date for ordinary resolutions, 21 days for special resolutions (or as otherwise disseminated in accordance with such laws and regulations as may be applicable). Shareholders are invited to attend the general meetings, to put forth questions they may have on the motions to be debated and decided upon.

All shareholders are entitled to vote in accordance with the established voting rules and procedures at the general meeting. Each share is entitled to one vote.

An external firm is appointed as scrutineers for the general meeting voting process, which is independent of the firm appointed to undertake the poll voting process.

The Chairman of the meeting will read out the total number of votes cast for, against and/or abstained and the respective percentages on each resolution are tallied after each poll conducted during the general meeting.

The resolutions tabled at the general meetings are on each substantially separate issue, including treating the election or re-election of each director as a separate subject matter.

Detailed information on each item in the general meeting agenda is provided in the explanatory notes to the notice of general meeting in the annual report.

Provision 11.3 – Interaction with Shareholders

At general meetings of the Company, shareholders are given the opportunity to communicate their views and are encouraged to ask the directors and the Management questions regarding matters affecting the Company. The Executive Chairman and the Chairpersons of the AC, NC and RC were present at the last AGM. All directors will endeavour to be present at the Company's annual general meetings to address shareholders' questions relating to the work of these Committees.

The Company's independent auditors, Nexia TS, are also present at the annual general meetings and are available to assist the directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

Provision 11.4 – Shareholders' Participation

The Company supports active shareholder participation at general meetings. All shareholders are encouraged to attend the general meetings to ensure high level of accountability and to stay informed of the Group's strategies and visions.

If shareholders are unable to attend the meetings, the Constitution of the Company allows for shareholders who are not relevant intermediaries to appoint not more than two (2) proxies to attend, speak and vote at general meetings in their absence, and shareholders who are relevant intermediaries to appoint more than two (2) proxies to attend, speak and vote at general meetings. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as specified in the notice of the general meetings at least 72 hours before the time set for the general meetings.

The Company is not implementing absentia voting methods such as voting via mail, email or fax until security, integrity and other pertinent issues are satisfactorily resolved.

Provision 11.5 – Minutes of General Meetings

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the resolutions tabled for approval and/or ask the directors or the Management questions regarding the Company and its operations. The Company prepares minutes of general meetings, which are made available to shareholders upon their request.

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Provision 11.6 – Dividend Policy

The Company does not have a formal dividend policy. The form, frequency and amount of any proposed dividends will take into consideration the Group's profit growth, cash position, positive cash generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. The Company endeavours to pay dividends and where dividends are not paid, the Company will disclose its reason(s) accordingly.

The Company did not declare any dividends for FY2020 as the Group intends to conserve cash for upcoming business opportunity.

Engagement with Shareholders

Principle 12: *The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

Provision 12.1 – Communication between the Board and Shareholders

Provision 12.2 & 12.3 – Investor Relations Policy

Disclosure of information on timely basis

The Group is firmly committed to corporate governance and transparency by disclosing to its stakeholders, including its shareholders, as much relevant information as is possible, in a timely, fair and transparent manner as well as to hearing its shareholders' views and addressing their concerns.

By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility.

All the information relevant to shareholders will be disclosed in a timely and fair manner via SGXNet, its corporate website at <http://www.unusual.com.sg> and the media. Where there is inadvertent disclosure made to a selected Group, the Company will make the same disclosure publicly to all others as soon as possible.

The Board acknowledges its obligation to furnish timely information to shareholders and ensures that full disclosure of material information in its Annual Report to comply with statutory requirements and the Listing Manual of the SGX-ST. The Company focuses on facilitating the communications with all stakeholders, shareholders, analysts and media on a regular basis, attending to their queries or concerns as well as keeping the investors publicly apprised of the Group's corporate developments and financial performance.

In view of the above, the Company did not implement a formal investor relation policy because there are existing channels to actively engage and promote regular, effective and fair communication with shareholder.

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E. MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: *The board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

Provision 13.1 – Arrangements to Identify and Engage with Stakeholders

Provision 13.2 – Management of Stakeholder Relationships

Stakeholders' Engagement

The Group has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long term growth.

The stakeholders have been identified as those who impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations.

Eight (8) key stakeholders groups have been identified through an assessment of their significance to the business operations. They are namely, consumers and customers; third party contractors; employees; artistes and agents; mainstream media; venue managers; investors and shareholders; and government and regulators.

The Company has undertaken a process to determine the environmental, social and governance (ESG) issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually.

Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships.

Please refer to the Sustainability Report on the Company's website for further details.

Provision 13.3 – Corporate Website

All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNet, press releases and the Company's website. The Company does not practice selective disclosure of material information. All materials on the half-yearly and full year financial results are available on the Company's website – www.unusual.com.sg. The comprehensive website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders.

DEALING IN SECURITIES

- Rule 1204(19) of the Catalist Rules

In compliance with Rule 1204(19) of Catalist Rules on best practices in respect of dealing in securities, the Group has in place an internal compliance policy which prohibits the Directors, KMPs and employees of the Group and their connected persons from dealing in the Company's shares during the "black-out" period – being one (1) month immediately preceding the announcement of the Company's half-yearly and full year results respectively, or if they are in possession of unpublished price-sensitive information of the Group. In addition, Directors, KMPs, employees and connected persons are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

They are also expected to observe insider-trading laws at all time even when dealing with securities with the permitted trading period or while they are in possession of unpublished price-sensitive information of the Group. They are refrained from dealing in the Company's shares on short term considerations.

CORPORATE GOVERNANCE REPORT

All directors are required to seek Board's approval before trading in the Company's shares and are also required to notify the Company Secretary of any change in his interest in the Company's shares within two (2) business days of the change.

MATERIAL CONTRACTS

- Rule 1204(8) of the Catalyst Rules

Pursuant to Rule 1204(8) of the Catalyst Rules, there was no material contract involving the interests of any director or controlling shareholder entered into by the Company or any of its subsidiaries since the end of the previous financial year ended 31 March 2019. There was no such contract subsisted at the end of the financial year under review.

INTERESTED PERSON TRANSACTIONS

- Rule 907 of the Catalyst Rules

To ensure compliance with Chapter 9 of the Catalyst Rules, in FY2020, the AC, as well as the Board, met quarterly to review if the Company will be entering into any interested person transactions. If the Company is intending to enter into an interested person transaction, the AC and the Board will ensure that the transaction is carried out fairly and at arm's length based on normal commercial terms and will not be prejudicial to the interest of the Company and its non-controlling shareholders.

The Group does not have a general mandate from shareholders for interested person transactions ("IPT") pursuant to Rule 920 of the Catalyst Rules.

The aggregate value of IPTs for FY2020, disclosed in accordance with Rule 907 of the Catalyst Rules, was as follows: -

Name of interested person	Aggregate value of all interested person transactions during the financial year under view (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalyst Rules)	Aggregate value of all interested person transactions conducted during shareholders' mandate pursuant to Rule 920 of the Catalyst Rules (excluding transactions less than S\$100,000)
Axcel Properties Pte Ltd ⁽¹⁾	432,000	-
mm2 Entertainment Pte. Ltd. ⁽²⁾	523,634	-

Notes:

⁽¹⁾ Each of the CEO and COO of UnUsUaL Limited is a Director of and has a 50% shareholding interest in Axcel Properties Pte Ltd.

⁽²⁾ mm2 Entertainment Pte. Ltd. is a related company of UnUsUaL Limited.

NON-SPONSOR FEES

The Company is currently under the SGX-ST Catalyst sponsor-supervised regime and the continuing sponsor of the Company is Hong Leong Finance Limited. ("Sponsor"). In compliance with Rule 1204(21) of the Catalyst Rules, there were no non-sponsor fees paid to the Company's Sponsor, during the financial year under review.

CORPORATE GOVERNANCE REPORT

APPENDIX – INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION

Table A		Leslie Ong	Michael Tang	Loh Woon Yen
Name of Director				
Date of first appointment	3 May 2016	17 March 2017	27 June 2017	
Date of last election	26 July 2018	26 July 2018	27 July 2017	
Age	52	53	43	
Country of Principal residence	Singapore	Singapore	Singapore	
The Board's comments on this re-election (including rationale, selection criteria, and the search and nomination process)	The Board has accepted the NC's recommendation, which has reviewed and considered Leslie Ong's performance as an Executive Director	The Board has accepted the NC's recommendation, which has reviewed and considered Michael Tang's performance as a Non-Executive and Independent Director. The Board considers Michael Tang's to be independent for the purpose of Rule 704(7) of the Catalist Rules of the SGX-ST	The Board has accepted the NC's recommendation, which has reviewed and considered Loh Woon Yen's performance as a Non-Executive Director.	
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for execution of strategic business directions, oversight operations and business development of the Group	Non-Executive	Non-Executive	
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and CEO; and member of Nominating Committee	Non-Executive and Independent Director, Nominating Committee Chairman, member of Remuneration and Audit Committees	Non-Executive Director	
Professional Qualification	Diploma in Electronic Engineering from Ngee Ann Polytechnic	Bachelor in Electrical Engineering (First Class Honours), from Imperial College London	Bachelor of Accountancy and Finance (First Class Honours) from Lancaster University	

CORPORATE GOVERNANCE REPORT

Table A				
Name of Director	Leslie Ong	Michael Tang	Loh Woon Yen	
Working experience and occupation(s) during the past 10 years	Event organizer business for 17 years, besides this, prior to join Unusual Limited, Leslie Ong was also a businessman in rental & related services relating to sounds, light, audio and video equipment	SDI Media Hong Kong Ltd, from 1 December 2004 till present	Dec 2017 till present, Managing Editor, Chinese Media Group; Dec 2016 to Dec 2017, Vice President of Culture, Education & New Growth, Chinese Media Group of Singapore Press Holdings Limited Nov 2013 to Nov 2015, Business Editor, Lianhe Zhaobao; Prior to 2013 – Nov 2015, Head of Investor and relations, China Aviation Oil (Singapore) Corporation	
Shareholding interest in the listed issuer and its subsidiaries	27,845,664 ordinary shares of the Company; Pursuant to Section 7 of the Companies Act. Cap. 50 Singapore Leslie Ong is deemed to be interested to, 791,203,041 ordinary shares in the Company held through UnUsUaL Management Pte. Ltd. as he owns a 24.5% direct interest in UnUsUaL Management Pte. Ltd.; all of the shares in the subsidiaries and 240,000 ordinary shares of the Company held by the spouse.	80,000 ordinary shares	Nil	
Any relationship (including immediate family relationships) with any existing director, executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Leslie Ong is brother of Johnny Ong, who is the Executive Director and Chief Operating Officer of the Company	Nil	Nil	
Conflict of interest (including any competing business)	Nil	Nil	Nil	
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	

CORPORATE GOVERNANCE REPORT

Table A	Name of Director	Leslie Ong	Michael Tang	Loh Woon Yen
	Other Principal Commitments* Including Directorships* * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)			
	Past (for the last 5 years)	<p><u>Struck-Off Companies:</u></p> <p>Unusual Exhibition Services Pte. Ltd.</p>	<p><u>Director of:</u></p> <p>SDI Media Japan KK Causeway Challenge Sdn. Bhd.</p>	<p>Nil</p>
	Present	<p><u>Director of the following Companies:</u></p> <p>UnUsUal Entertainment Pte. Ltd. UnUsUal Productions Pte. Ltd. UnUsUal Development Pte. Ltd. UnUsUal Productions (M) Sdn. Bhd. UnUsUal Entertainment International Limited UnUsUal Culture Development Co., Ltd. Mercury Rights Pte. Ltd. UnUsUal Management Pte. Ltd. Axcel Properties Pte. Ltd. Axcel Investment & Trading Pte. Ltd. Fei-Fan (Shanghai) Culture Communication Co. Ltd. Shareholder of Bluefield Renewable Energy Pte Ltd</p>	<p><u>Director of:</u></p> <p>SDI Media Hong Kong Limited SDI Media (Thailand) Ltd SDI Media (Malaysia) Sdn Bhd</p>	<p>Director, Han Language Centre Pte Ltd</p>

CORPORATE GOVERNANCE REPORT

The general statutory disclosures of the Retiring Directors are as follows:				
	Question	Leslie Ong	Michael Tang	Loh Woon Yen
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

CORPORATE GOVERNANCE REPORT

The general statutory disclosures of the Retiring Directors are as follows:				
	Question	Leslie Ong	Michael Tang	Loh Woon Yen
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No No No No	No No No No	No No No No
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
	Any prior experience as a director of an issuer listed on the Exchange?	No	No	No
	If yes, please provide details of prior experience.	-	-	-
	If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Attended Singapore Institute of Director Course	Attended Singapore Institute of Director Course	Attended Singapore Institute of Director Course

DIRECTORS' STATEMENT

For the financial year ended 31 March 2020

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2020 and the statement of financial position of the Company as at 31 March 2020.

In the opinion of the directors,

- (i) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 57 to 104 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on 31 March 2020 covered by the consolidated financial statements; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Leslie Ong
Johnny Ong
Melvin Ang
Kelvin Tan
William Tan
Michael Tang
Loh Woon Yen

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Holdings registered in the name of director			Holdings in which director is deemed to have an interest		
At 21.04.2020	At 31.03.2020	At 01.04.2019	At 21.04.2020	At 31.03.2020	At 01.04.2019

UnUsUaL Limited

(No. of ordinary shares)

Melvin Ang ⁽¹⁾	-	-	-	791,203,041	791,203,041	791,203,041
Johnny Ong ⁽²⁾⁽³⁾⁽⁴⁾	-	-	-	792,560,741	792,560,741	791,840,741
Leslie Ong ⁽²⁾⁽³⁾	27,845,664	27,845,664	21,408,164	791,443,041	791,443,041	791,443,041
Kelvin Tan	80,000	80,000	80,000	-	-	-
William Tan	80,000	80,000	80,000	-	-	-
Michael Tang	80,000	80,000	80,000	-	-	-

DIRECTORS' STATEMENT

For the financial year ended 31 March 2020

Directors' interests in shares or debentures (continued)

	Holdings registered in the name of director			Holdings in which director is deemed to have an interest		
	At 21.04.2020	At 31.03.2020	At 01.04.2019	At 21.04.2020	At 31.03.2020	At 01.04.2019
Immediate Holding Corporation						
- UnUsUaL Management Pte. Ltd.						
(No. of ordinary shares)						
Melvin Ang ⁽¹⁾	-	-	-	102	102	102
Johnny Ong ⁽²⁾	49	49	49	-	-	-
Leslie Ong ⁽²⁾	49	49	49	-	-	-
Ultimate Holding Corporation						
- mm2 Asia Ltd.						
(No. of ordinary shares)						
Melvin Ang ⁽¹⁾	14,335,400	34,335,400	21,425,400	421,170,000	408,800,000	428,800,000
Johnny Ong	-	-	-	9,000,000	9,000,000	9,000,000
Leslie Ong	5,909,300	5,909,300	5,909,300	3,300,000	3,300,000	-
Kelvin Tan	600,000	600,000	600,000	-	-	-
Michael Tang	800,000	800,000	800,000	-	-	-

⁽¹⁾ Melvin Ang, who by virtue of his interest of not less than 20% of the issued capital of the ultimate holding corporation, is deemed to have interests in the shares of the Company and all the subsidiary corporations.

⁽²⁾ Leslie Ong and Johnny Ong, who by virtue of their interests of not less than 20% of the issued capital of the immediate holding corporation, are deemed to have interests in the shares of the Company and all the subsidiary corporations.

⁽³⁾ As at 21 April 2020, Leslie Ong and Johnny Ong's deemed interests of 240,000 shares respectively, are held by their spouses.

⁽⁴⁾ Johnny Ong is deemed to be interested in 1,117,700 ordinary shares held under the nominee account with the Maybank Kim Eng Securities Pte. Ltd.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares or debentures of the Company or its related corporations, either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year.

Share Options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2020

Employee Share Option Scheme Performance Share Plan

The Company has adopted the UnUsUaL Employee Share Option Scheme (“**UnUsUaL ESOS**”) and UnUsUaL Performance Share Plan (“**UnUsUaL PSP**”). The Group’s Executive Directors and Non-Executive Directors (including Independent Directors), controlling shareholders or associates of a controlling shareholder are eligible to participate in the UnUsUaL ESOS and UnUsUaL PSP in accordance with the Rules of the UnUsUaL ESOS and UnUsUaL PSP. The UnUsUaL ESOS and UnUsUaL PSP are administered by the RC which consists of William Tan, Kelvin Tan and Michael Tang. There have been no options granted under the UnUsUaL ESOS and UnUsUaL PSP in FY2020.

Audit Committee

The members of the Audit Committee (the “**AC**”) at the end of the financial year and at the date of this statement are as follows:

Kelvin Tan	Lead Independent director, Chairman
William Tan	Independent director
Michael Tang	Independent director

The AC carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, (the “**Act**”), the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual and the Code of Corporate Governance. In performing those functions, the AC:

- Review with the independent auditor the audit plans and the audit report;
- Review with the internal auditor the internal audit plans and their evaluation of the adequacy of internal control and accounting system before submission of the results of such review to the Board for approval prior to the incorporation of such results in the annual report (where necessary);
- Review the effectiveness and adequacy of the internal control and procedures and ensure coordination between the independent auditor and the management, and review the assistance given by the management to the independent auditor, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the independent auditor may wish to discuss (in the absence of the management where necessary);
- Review the co-operation given by the Company’s officers to independent auditor;
- Review the quarterly results and financial report announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- Review any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group’s operating results or financial position, and the management’s response;
- Consider the appointment or re-appointment of the independent auditor and matters relating to resignation or dismissal of the independent auditor;
- Review transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);
- Review potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflicts of interest;

DIRECTORS' STATEMENT

For the financial year ended 31 March 2020

Audit Committee (continued)

The AC carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, (the "Act"), the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the Code of Corporate Governance. In performing those functions, the AC: (continued)

- Review the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;
- Review the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNet;
- Undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- Generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time; and
- Review arrangements by which the staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up.

The AC confirmed that they have undertaken a review of all non-audit services provided by the independent auditor to the Group and is satisfied that the nature and the extent of such services would not affect the independences of the independent auditor.

The AC has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent Auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Johnny Ong
Director

Leslie Ong
Director

28 June 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of UnUsUaL Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of UnUsUaL Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated financial position of the Group and the statement of financial position of the Company as at 31 March 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 57 to 104.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

How our audit addressed the matters

Revenue recognition

(Refer to note 2.2 and note 4 to the financial statements)

For the financial year ended 31 March 2020, the revenue are mainly derived from promotion and production revenue which amounted to \$55,660,364 and \$6,055,444 respectively.

Under the accounting framework SFRS(I) 15 *Revenue from Contracts with Customers*, revenue is recognised at an amount that reflects the consideration in the contracts to which the Group expects to be entitled in exchange for promised goods or services to the customers as and when the Group satisfies its performance obligation (which is when the customers obtain control of the goods or services) at a point in time.

In obtaining sufficient audit evidence, the following procedures were carried out:

- Discussed with management on the processes involved in the revenue cycles and performed walkthroughs to confirm our understanding.
- Evaluated management's assessment of the application of SFRS(I) 15 *Revenue from Contracts with Customers*, in particular, the five-step model for each revenue stream.
- Reviewed significant contracts during the financial year to assess whether revenue is recognised in accordance with the Group's accounting policies as disclosed in note 2.2.

INDEPENDENT AUDITOR'S REPORT

To the Members of UnUsUaL Limited

Key Audit Matters (continued)

Key Audit Matters

How our audit addressed the matters

Revenue recognition (continued)

(Refer to note 2.2 and note 4 to the financial statements)

We determined revenue recognition as a key audit matter as this is a significant risk.

In obtaining sufficient audit evidence, the following procedures were carried out: (continued)

- Tested the key controls to ascertain reliability of the internal controls that were in place over the revenue cycle.
- Performed tests of details, including cut-off procedures, to ascertain that revenue was recognised in the correct financial year.
- Reviewed significant credit notes issued during the year and post-year end.
- Comparing the current financial year performance to the prior financial year to identify if there are any unusual or irregular items.

Impairment assessment on trade and other receivables

(Refer to note 14 and note 29(b) to the financial statements)

As at 31 March 2020, the Group had trade and other receivables of \$43,248,532 representing 46% of the Group's total assets.

With reference to SFRS(I) 9 *Financial Instruments*, the Group applies the simplified approach (lifetime expected credit losses) for its trade receivables and general approach (12-month expected credit losses) for its other receivables.

Given the rapidly developing COVID-19 pandemic and its uncertainty as to the economic impact, significant judgement was required for assessing the impact of COVID-19 on the impairment of trade and other receivables.

The Group assesses periodically and at the financial year end the expected credit loss ("ECL") associated with its trade and other receivables. In determining the ECL, the Group uses the relevant historical information to determine the probability of default of the instruments and incorporated forward-looking information.

In obtaining sufficient audit evidence, the following procedures were carried out:

- Evaluated management's assessment and determination of the expected credit loss of the Group's trade and other receivables.
- Reviewed the reasonableness of management estimation of expected credit loss rates which are based on the historical loss rates for each category of customers and adjusted to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.
- For other receivables, discussed with management on their assessment if there were any significant increase in credit risk.
- Reviewed the aging of trade receivables as at year end on a sampling basis.

INDEPENDENT AUDITOR'S REPORT

To the Members of UnUsUaL Limited

Key Audit Matters (continued)

Key Audit Matters

How our audit addressed the matters

Impairment assessment on trade and other receivables (continued)

(Refer to note 14 and note 29(b) to the financial statements)

As the impairment assessment on the trade and other receivables required significant management judgement in estimating the ECL and in consideration of the significance of trade and other receivables in the Group, we determined this area to be a key audit matter.

- Assessed the recoverability of long outstanding trade receivables by comparing management's assumptions used to estimate both the amount and timing of the recoverability of outstanding debts to historical patterns of receipts, including the consideration of impacts from COVID-19.
- Determined the recoverability of long outstanding trade and other receivables by checking to subsequent receipts and to any other alternative evidence.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of UnUsUaL Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

To the Members of UnUsUaL Limited

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Mr. Low See Lien.

**Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants**

**Singapore
28 June 2020**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2020

	Note	Group	
		2020 \$	2019 \$
Revenue	4	61,942,676	56,931,661
Cost of sales		(48,836,997)	(33,979,495)
Gross profit		13,105,679	22,952,166
Other income			
- Interest	7	26,432	63,187
- Others	7	38,740	43,626
Other gains/(losses) - net			
- Impairment loss on financial assets		-	(94,090)
- Reversal of impairment loss on financial assets		93,334	-
- Others	8	334,945	120,348
Expenses			
- Administrative expenses		(5,554,315)	(6,937,623)
- Finance expenses	9	(752,709)	(15,534)
Profit before income tax		7,292,106	16,132,080
Income tax expense	10	(1,226,898)	(2,937,651)
Net profit for the financial year		6,065,208	13,194,429
Other comprehensive gains, net of tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation – gains	25(b)	20,522	8,710
Total comprehensive income		6,085,730	13,203,139
Net profit/(loss) attributable to:			
Equity holders of the Company		6,067,054	13,194,429
Non-controlling interest		(1,846)	-
		6,065,208	13,194,429
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		6,087,576	13,203,139
Non-controlling interest		(1,846)	-
		6,085,730	13,203,139
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
Basic and diluted	11	0.59	1.28

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Note	Group	
		2020	2019
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	12	12,574,211	3,748,628
Inventories	13	6,065	14,097
Trade and other receivables	14	25,145,952	35,275,507
Other current assets	15	26,157,966	38,559,060
Income tax recoverable		171,652	18,205
		<u>64,055,846</u>	<u>77,615,497</u>
Non-current assets			
Property, plant and equipment	16	9,825,038	10,046,023
Other receivable	14	18,102,580	-
Intangible asset	19	2,070,000	2,340,000
		<u>29,997,618</u>	<u>12,386,023</u>
Total assets		<u>94,053,464</u>	<u>90,001,520</u>
LIABILITIES			
Current liabilities			
Trade and other payables	20	11,390,779	29,619,741
Borrowings	21	11,357,678	3,987,280
Derivative financial instruments	22	162,654	-
Income tax payable		1,250,614	2,526,470
		<u>24,161,725</u>	<u>36,133,491</u>
Non-current liabilities			
Borrowings	21	9,342,991	-
Derivative financial instruments	22	112,826	-
Deferred income tax liabilities	23	1,433,694	951,571
		<u>10,889,511</u>	<u>951,571</u>
Total liabilities		<u>35,051,236</u>	<u>37,085,062</u>
NET ASSETS		<u>59,002,228</u>	<u>52,916,458</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	24	20,542,223	20,542,223
Other reserves	25(a)	546,231	525,709
Retained profits		37,915,580	31,848,526
		<u>59,004,034</u>	<u>52,916,458</u>
Non-controlling interest		(1,806)	-
Total equity		<u>59,002,228</u>	<u>52,916,458</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Note	Company 2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	12	6,632,983	558,323
Trade and other receivables	14	19,126,992	25,116,733
Income tax recoverable		–	17,367
		<u>25,759,975</u>	<u>25,692,423</u>
Non-current assets			
Property, plant and equipment	16	16,318	23,633
Investments in subsidiary corporations	18	242,296	242,296
		<u>258,614</u>	<u>265,929</u>
Total assets		<u>26,018,589</u>	<u>25,958,352</u>
LIABILITIES			
Current liabilities			
Trade and other payables	20	877,257	2,388,396
Borrowings	21	3,987,280	3,987,280
Income tax payable		248,480	–
		<u>5,113,017</u>	<u>6,375,676</u>
Non-current liabilities			
Deferred income tax liabilities	23	1,350	1,350
		<u>1,350</u>	<u>1,350</u>
Total liabilities		<u>5,114,367</u>	<u>6,377,026</u>
NET ASSETS		<u>20,904,222</u>	<u>19,581,326</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	24	20,542,223	20,542,223
Retained profits/(accumulated losses)		361,999	(960,897)
Total equity		<u>20,904,222</u>	<u>19,581,326</u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2020

	← Attributable to the equity holders of the Company →					Non- controlling interest	Total equity
	Share capital	Retained profits	Other reserves	Total	Total		
	\$	\$	\$	\$	\$	\$	\$
2020							
Beginning of financial year	20,542,223	31,848,526	525,709	52,916,458	-	-	52,916,458
Profit/(loss) for the year	-	6,067,054	-	6,067,054	(1,846)	-	6,065,208
Other comprehensive income for the year	-	-	20,522	20,522	-	-	20,522
Total comprehensive income/ (loss) for the financial year	-	6,067,054	20,522	6,087,576	(1,846)	-	6,085,730
Non-controlling interest arising from incorporation of a subsidiary	-	-	-	-	40	-	40
End of financial year	20,542,223	37,915,580	546,231	59,004,034	(1,806)	-	59,002,228
2019							
Beginning of financial year	20,542,223	18,654,097	516,999	39,713,319	-	-	39,713,319
Profit for the year	-	13,194,429	-	13,194,429	-	-	13,194,429
Other comprehensive income for the year	-	-	8,710	8,710	-	-	8,710
Total comprehensive income for the financial year	-	13,194,429	8,710	13,203,139	-	-	13,203,139
End of financial year	20,542,223	31,848,526	525,709	52,916,458	-	-	52,916,458

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2020

	Note	Group 2020 \$	2019 \$
Cash flows from operating activities			
Net profit		6,065,208	13,194,429
Adjustments for:			
- Reversal of impairment loss on financial asset		(93,334)	-
- Impairment loss on financial asset		-	94,090
- Depreciation of property, plant and equipment	5	1,631,760	1,602,734
- Amortisation of intangible asset	5	270,000	270,000
- Bad debts written off	5	49,416	-
- Interest income	7	(26,432)	(63,187)
- Gain on disposal of property, plant and equipment	8	(20,233)	(6,172)
- Fair value loss on derivative financial instruments	8	275,480	-
- Interest expense	9	752,709	15,534
- Income tax expense	10	1,226,898	2,937,651
- Unrealised currency translation losses		490,451	12,462
Operating cash flow before working capital changes		<u>10,621,923</u>	<u>18,057,541</u>
Change in working capital:			
- Trade and other receivables		(7,929,066)	(11,772,487)
- Other current asset		12,401,094	(31,227,346)
- Trade and other payables		(18,380,129)	20,479,403
- Inventories		8,032	38,685
Cash used in operations		<u>(3,278,146)</u>	<u>(4,424,204)</u>
Interest received		26,432	63,187
Income tax paid		(2,755,074)	(1,983,382)
Income tax refund		581,571	180,190
Net cash used in operating activities		<u>(5,425,217)</u>	<u>(6,164,209)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,408,360)	(2,137,738)
Proceeds from disposal of property, plant and equipment		120,000	90,500
Deposit paid for acquisition of intangible asset		-	(10,347,930)
Net cash used in investing activities		<u>(1,288,360)</u>	<u>(12,395,168)</u>
Cash flows from financing activities			
Proceeds from bank borrowings		21,649,535	3,987,280
Repayment of bank borrowings		(5,500,000)	-
Repayment of lease liability		(7,910)	(4,413)
Interest paid		(601,542)	-
Net cash generated from financing activities		<u>15,540,083</u>	<u>3,982,867</u>
Net increase/(decrease) in cash and cash equivalents		8,826,506	(14,576,510)
Cash and cash equivalents			
Beginning of financial year		3,748,628	18,327,544
Effect on currency translation on cash and cash equivalents		(923)	(2,406)
End of financial year	12	<u><u>12,574,211</u></u>	<u><u>3,748,628</u></u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2020

Reconciliation of liabilities arising from financing activities:

	1 April 2019	Proceeds from borrowings	Principal and interest payments	Non-cash changes:		Accrued in trade and other payables	Currency translation differences	31 March 2020
				Addition during the year	Interest expense			
	\$	\$	\$	\$	\$	\$	\$	\$
Bank borrowings	3,987,280	21,649,535	(6,099,668)	-	750,835	(151,167)	466,364	20,603,179
Lease liability	-	-	(9,784)	105,400	1,874	-	-	97,490

	1 April 2018	Proceeds from borrowings	Principal and interest payments	Non-cash changes:		Accrued in trade and other payables	Currency translation differences	31 March 2019
				Addition during the year	Interest expense			
	\$	\$	\$	\$	\$	\$	\$	\$
Bank borrowings	-	3,987,280	-	-	15,534	(15,534)	-	3,987,280
Lease liability	4,413	-	(4,413)	-	-	-	-	-

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

The Company

UnUsUaL Limited (the “**Company**”) is listed on Catalist, the sponsor-supervised listing platform of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and incorporated and domiciled in Singapore. The address of its registered and principal place of business is located at 45 Kallang Pudding Road, #01-01 Alpha Building, Singapore 349317.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary corporations are described in Note 18 to the financial statements.

The Company’s immediate holding corporation is UnUsUaL Management Pte. Ltd. incorporated in Singapore. The ultimate holding corporation is mm2 Asia Ltd., also incorporated in Singapore.

Coronavirus (COVID-19) Impact

COVID-19, which is a respiratory illness caused by a new virus, was declared a world-wide pandemic by the World Health Organisation in March 2020. Measures to slow the spread of COVID-19, have had a significant impact on global economies and equity, debt and commodity markets.

On 3 April 2020, the government issued a press release on “Additional Measures to Minimise Further Spread of COVID-19 Cases” which outlined enhanced safe distancing measures to reduce the risk of further local transmission of COVID-19.

Subsequently, the further announcement made on 21 April 2020 by the government outlined the enhanced measures to deal with COVID-19 (the “Enhanced Measures”). As part of the Enhanced Measures, all non-essential workplaces are to close from 7 April 2020 to 1 June 2020 (“**Effective Period**”).

During the Effective Period, the Group’s projects have been postponed as the entertainment and production industry falls under non-essential services based on the guidelines from the Ministry of Trade & Industry of Singapore. Accordingly, the Group’s operations have been temporarily suspended during the Effective Period in compliance with the Enhanced Measures.

The Group has considered the impact of COVID-19 and the related market volatility in preparing its financial statements. In general, COVID-19 has a negative impact on the group’s future financial results. While the extent of the impact cannot be determined at this stage, the financial impacts on near-term financial results which are based on available information such as preliminary review of the management accounts (unaudited) of the group and financial assessments and estimates are as follows:

- Reduction in revenue. The group’s operations cease entirely during the Effective Period.
- Certain fixed costs such as wages and overheads are paid during this closure. The said costs will be partially offset by various support measures from the government such as Job Support Scheme and waiver of foreign worker’s levy.
- The Group is expecting longer collection period of account receivables. Till date, there is no indication of any major default of accounts receivables.

An assessment was made for the reporting year whether there is any indication that the above-mentioned assets and liabilities may be impacted adversely. If any such indication of uncertainties exists, a write-down/allowance would be done accordingly.

Given the dynamic and evolving nature of COVID-19, limited recent experience of the economic and financial impacts of such a pandemic, and the short duration between the declaration of the pandemic and the preparation of these financial statements, changes to the estimates and outcomes that have been applied in the measurement of the Group’s and Company’s assets and liabilities may arise in the future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The consolidated financial statements are presented in Singapore Dollar except otherwise indicated.

Interpretations and amendments to published standards effective in 2019

On 1 April 2019, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years including the adoption of SFRS(I) 16 Leases.

2.2 Revenue recognition

Revenue is recognised when the Group satisfied a performance obligation by transferring a promised good and service to the customer, which is when the customer obtains control of the good and service. A performance obligation is satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Production*

(i) *Supply of equipment*

Revenue from provision of stage sound system and equipment is recognised upon completion of the events.

(ii) *Rendering of services*

Revenue from the rendering of technical services is recognised when the services are rendered upon completion of the events.

(b) *Promotion*

(i) *Admission fees and sponsorship*

Revenue from artistic performances and other special events, including the related sponsorship received is recognised when the events have taken place. When subscriptions to a number of events are sold, the fee is allocated to each event on a basis which reflects the extent to which services are performed at each event.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2 Summary of significant accounting policies (continued)

2.2 Revenue recognition (continued)

(b) *Promotion (continued)*

(ii) *Other promotion*

Revenue from trading of performance rights is recognised when the customer obtains control of the rights.

(c) *Others*

(i) Revenue from co-management of exhibition/concert halls is recognised upon completion of the events.

(ii) Revenue from provision of exhibition/concert halls and related equipment is recognised upon completion of the events.

(d) *Interest income*

Interest income is recognised using the effective interest method.

Revenue and related cost of production, promotion and other activities is deferred until the completion of the events. These are included under "contract liabilities" (Note 20) and "other current assets" (Note 15) in the notes to the financial statements.

2.3 Government grants

Grants from the government are recognised as receivables at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.4 Group accounting

(a) *Subsidiary corporations*

(i) *Consolidation*

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2 Summary of significant accounting policies (continued)

2.4 Group accounting (continued)

(a) *Subsidiary corporations (continued)*

(i) *Consolidation (continued)*

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and consolidated statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisition*

The acquisition method of accounting is used to account for business combinations entered into by the Group, other than those entities which are under common control.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporations measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired, is recorded as goodwill.

Acquisitions of entities under common control have been accounted for using the pooling-of-interest method. Under this method:

- The consolidated financial statements of the Group have been prepared as if the Group structure immediately after the transaction has been in existence since the earliest date the entities are under common control;
- The assets and liabilities are brought into the consolidated financial statements at their existing carrying amounts from the perspective of the controlling party;
- The consolidated statement of comprehensive income includes the results of the acquired entities since the earliest date the entities are under common control;

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2 Summary of significant accounting policies (continued)

2.4 Group accounting (continued)

(a) *Subsidiary corporations (continued)*

(ii) *Acquisition (continued)*

Acquisitions of entities under common control have been accounted for using the pooling-of-interest method. Under this method: (continued)

- The cost of investment is recorded at the aggregate of the nominal value of the equity shares issued, cash and cash equivalents and fair values of other consideration; and
- On consolidation, the difference between the cost of investment and the nominal value of the share capital of the merged subsidiary corporation is taken to merger reserve.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investment in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2.5 Property, plant and equipment

(a) *Measurement*

(i) *Property, plant and equipment*

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2 Summary of significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Computers and office equipment	3 to 5 years
Furniture, fittings and renovation	5 years
Lighting equipment	5 to 10 years
Machinery	5 years
Motor vehicles	5 years
Rental equipment	5 to 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment still in use are retained in the financial statements.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains/(losses) – net".

2.6 Intangible asset

Intangible asset is stated at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation of intangible asset is calculated using the straight-line method to allocate their depreciable amount over its estimated useful lives of 10 years.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.8 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2 Summary of significant accounting policies (continued)

2.9 Impairment of non-financial assets

Property, plant and equipment

Intangible asset

Investments in subsidiary corporations

Property, plant and equipment, intangible asset and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.10 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets as amortised costs.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition, the Group measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset.

At subsequent measurement, debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2 Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of debt instrument, the difference between the carrying amount and the sales proceed is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.11 Other current assets

Other current assets, comprise costs incurred in fulfilling a contract with a customer, are recognise only if (a) these costs relate directly to a contract or to an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and (c) the costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

An impairment loss is recognised in the profit or loss to the extent that the carrying amount of these other current assets exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2 Summary of significant accounting policies (continued)

2.13 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.15 Derivative financial instruments

A derivative financial instrument for which no hedge accounting is applied is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. Changes in its fair value are recognised in profit or loss. The Group does not apply hedge accounting for its derivative financial instruments.

Interest rate swaps

The Group has entered into interest rate swaps to manage the Group's exposure of interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts. The fair value changes on the interest rate swaps are recognised immediately in profit or loss.

2.16 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2 Summary of significant accounting policies (continued)

2.17 Leases

- (a) The accounting policy for leases before 1 April 2019 are as follows:

When the Group is the lessee:

The Group leases motor vehicles under finance leases from non-related parties, office premises and office equipment under operating leases from related party and non-related parties.

- *Lessee – Finance leases*

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

- *Lessee – Operating leases*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

When the Group is the lessor:

The Group leases stage sound system and equipment under operating leases to related parties and non-related parties.

- *Lessor – Operating leases*

Leases of equipment where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

- (b) The accounting policy for leases after 1 April 2019 are as follows:

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2 Summary of significant accounting policies (continued)

2.17 Leases (continued)

(b) The accounting policy for leases after 1 April 2019 are as follows: (continued)

When the Group is the lessee: (continued)

- Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within "Property, plant and equipment".

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. Lease liability is measured at amortised cost using the effective interest method.

- Short term and low value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

When the Group is the lessor:

The accounting policy applicable to the Group as a lessor in the comparative period were the same under SFRS(I) 16 except when the Group is an intermediate lessor.

2.18 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method.

Inventories comprise materials and supplies to be consumed in the rendering of production services for rental of stage lighting, sound system, audio equipment and light system installation and its related services. Net realisable value is the estimated selling price of production services less the applicable costs of conversion to complete the services and variable selling expenses.

2.19 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2 Summary of significant accounting policies (continued)

2.19 Income taxes (continued)

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss.

2.20 Provisions

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.21 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2 Summary of significant accounting policies (continued)

2.21 Employee compensation (continued)

(b) *Employees leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

(c) *Bonus plan*

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration of profit attributable to the Group's shareholders after certain adjustments. The Group recognises a provision when contractual obliged to pay or when there is a past practice that has created a constructive obligation to pay.

2.22 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within "Finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the statement of comprehensive income within "Other gains/(losses) – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2 Summary of significant accounting policies (continued)

2.22 Currency translation (continued)

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision-maker whose members are responsible for allocating resources and assessing performance of the operating segments.

2.24 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value and bank overdrafts. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.25 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.26 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

(a) *Impairment of trade and other receivables*

Expected credit losses (“**ECL**”) on trade and other receivables are probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group measured the loss allowance of trade receivables at an amount equal to lifetime ECL using a provision matrix. A considerable amount of judgement is required in assessing the ECL which are determined by referencing to the Group’s historical observed default rates, customers’ ability to pay and adjusted with forward-looking information. At every reporting date the historical observed default rates will be updated and changes in the forward-looking estimates will be analysed.

In determining the ECL for other receivables, the Group has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to these receivables in estimating the probability of default of each of these other financial assets.

Notwithstanding the above, the Group evaluates the ECL on customers and other receivables in financial difficulties separately, including the consideration of impacts from COVID-19.

The carrying amounts of trade and other receivables are disclosed in Note 14.

(b) *Property, plant and equipment*

Property, plant and equipment is depreciated on a straight-line basis over their estimated useful lives which management estimates to be within 3 to 10 years.

The Group reviews the residual values and useful lives of property, plant and equipment at each reporting date in accordance with the accounting policies in Note 2.5. The estimation of the residual values and useful lives involves significant judgements. The carrying amount of the Group’s property, plant and equipment as at 31 March 2020 and 31 March 2019 is disclosed in Note 16.

Changes in the expected level of usage and technological development could impact the economic useful lives of these assets. Therefore, future depreciation charges could be revised.

If the actual lives of these property, plant and equipment differ by 1 year from management’s estimates, the carrying amount of the property, plant and equipment for the financial year ended 31 March 2020 and 31 March 2019 will increase by \$271,067 and \$270,771 respectively or decrease by \$187,580 and \$210,504 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

4 Revenue

	Group	
	2020	2019
	\$	\$
Production	6,055,444	11,708,149
Promotion	55,660,364	44,161,949
Others	226,868	1,061,563
	<u>61,942,676</u>	<u>56,931,661</u>

All the revenue are recognised at a point in time.

5 Expenses by nature

	Group	
	2020	2019
	\$	\$
Amortisation of intangible asset (Note 19)	270,000	270,000
Artistes fees	22,373,740	14,436,242
Bad debts written off	49,416	-
Concert and event hosting	17,283,848	9,297,539
Depreciation of property, plant and equipment (Note 16)	1,631,760	1,602,734
Employee compensation (Note 6)	3,313,921	4,824,854
Equipment rental	279,739	324,509
Manpower/subcontractor	5,279,515	6,246,569
Material cost	191,753	381,878
Office rental	709,457	703,225
Transportation and freight cost	1,997,369	1,951,670
Other expenses	1,010,794	877,898
Total cost of sales and administrative expenses	<u>54,391,312</u>	<u>40,917,118</u>

6 Employee compensation

	Group	
	2020	2019
	\$	\$
Salaries and bonuses	2,829,320	4,328,410
Employer's contribution to defined contributions plans including Central Provident Fund	279,426	269,840
Other short-term benefits	205,175	226,604
	<u>3,313,921</u>	<u>4,824,854</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

7 Other income

	Group	
	2020	2019
	\$	\$
Interest income – Bank deposits	26,432	63,187
Government grants:		
- Capability development grant	10,080	-
- Wage credit scheme	14,428	15,507
- Temporary employment credit	-	2,740
- NSmen	-	5,430
Miscellaneous income	14,232	19,949
	<u>38,740</u>	<u>43,626</u>
	<u>65,172</u>	<u>106,813</u>

8 Other gains - net

	Group	
	2020	2019
	\$	\$
Gain on foreign exchange – net	590,192	114,176
Gain on disposal of property, plant and equipment	20,233	6,172
Fair value loss of derivative financial instruments	(275,480)	-
	<u>334,945</u>	<u>120,348</u>

9 Finance expenses

	Group	
	2020	2019
	\$	\$
Interest expenses		
- Bank borrowings	750,835	15,534
- Lease liability	1,874	-
	<u>752,709</u>	<u>15,534</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

10 Income tax expense

	Group	
	2020	2019
	\$	\$
Tax expense attributable to profit is made up of:		
- Profit for the financial year		
- Current income tax		
- Singapore	1,248,060	2,127,117
- Foreign	2,461	408,670
	<u>1,250,521</u>	<u>2,535,787</u>
- Deferred income tax	215,333	482,640
	<u>1,465,854</u>	<u>3,018,427</u>
- (Over)/under provision in prior financial years		
- Current income tax	(505,998)	(65,937)
- Deferred income tax	267,042	(14,839)
	<u>(238,956)</u>	<u>(80,776)</u>
	<u>1,226,898</u>	<u>2,937,651</u>

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax is as follows:

	Group	
	2020	2019
	\$	\$
Profit before income tax	<u>7,292,106</u>	<u>16,132,080</u>
Tax calculated at tax rate 17% (2019: 17%)	1,239,658	2,742,454
Effects of:		
- different tax rates in other countries	(2,113)	139,709
- tax incentives and rebates	(1,272)	(20,018)
- expenses not deductible for tax purposes	236,740	174,087
- statutory income tax exemption	(34,850)	(17,805)
- deferred tax assets not recognised	27,691	-
- over provision of income tax in prior financial years	(238,956)	(80,776)
	<u>1,226,898</u>	<u>2,937,651</u>

The Group has unrecognised tax losses of \$75,979 (2019: Nil) and capital allowances of \$86,908 (2019: Nil) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by the company with unrecognised tax losses and capital allowances in their country of incorporation. The tax losses and capital allowances will expire in 2027.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

11 Earnings per share

The calculation of the basic earnings per share is based on the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

There were no diluted earnings per share for the financial year ended 31 March 2020 and 31 March 2019 as there were no dilutive potential ordinary shares outstanding.

	Group	
	2020	2019
Net profit attributable to equity holders of the Company (\$)	<u>6,067,054</u>	<u>13,194,429</u>
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	<u>1,029,179,292</u>	<u>1,029,179,292</u>
Basic and diluted per share (cents per share)	<u>0.59</u>	<u>1.28</u>

12 Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cash at bank and on hand	8,074,211	3,748,628	2,132,983	558,323
Short-term bank deposits	<u>4,500,000</u>	<u>-</u>	<u>4,500,000</u>	<u>-</u>
	<u>12,574,211</u>	<u>3,748,628</u>	<u>6,632,983</u>	<u>558,323</u>

13 Inventories

	Group	
	2020	2019
	\$	\$
Consumables	<u>6,065</u>	<u>14,097</u>

The cost of inventories recognised as an expense and included in "cost of sales" amounted to \$28,231 (2019: \$95,098).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

14 Trade and other receivables

	Group	
	2020	2019
	\$	\$
Current		
Trade receivables		
- Ultimate holding corporation	-	13,344
- Related parties	326,596	-
- Non-related parties	13,339,893	18,909,469
	<u>13,666,489</u>	<u>18,922,813</u>
Less: Loss allowance (Note 29(b))		
- Non-related parties	-	(94,090)
Trade receivables - net	<u>13,666,489</u>	<u>18,828,723</u>
Other receivables		
- Non-related parties	4,947,381	253,803
Deposits	395,105	16,000,398
Prepayments ^(a)	6,136,977	130,161
Accrued income	-	62,422
	<u>25,145,952</u>	<u>35,275,507</u>
Non-current		
Other receivable ^(b)		
- Non-related party	18,102,580	-
	<u>18,102,580</u>	<u>-</u>
Total trade and other receivables	<u>43,248,532</u>	<u>35,275,507</u>
	Company	
	2020	2019
	\$	\$
Trade receivables		
- Subsidiary corporations	2,521,348	2,941,430
Loan to subsidiary corporations ^(c)	16,542,588	22,063,967
Deposits	38,770	38,770
Prepayments	24,286	72,566
	<u>19,126,992</u>	<u>25,116,733</u>

^(a) Prepayment consists of deposit for capital expenditure.

^(b) Other receivable from non-related party is interest free, unsecured and not expect to be repaid within 12 months from the end of the financial year.

The other receivable from non-related party has been reclassified from current assets to non-current assets as management expects the repayment will not be within the normal operating cycle due to delay in the project as a result of the impact of COVID-19.

^(c) Loan to subsidiary corporations are interest-bearing at 1% or 3.62% (2019: 1% or 3.62%) per annum, unsecured and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

15 Other current assets

	Group 2020 \$	2019 \$
Assets recognised from costs incurred to fulfil a contract		
- Future events relating to production, promotion and other activities	<u>26,157,966</u>	<u>38,559,060</u>

16 Property, plant and equipment

	Computers and office equipment \$	Furniture, fittings and renovation \$	Lighting equipment \$	Motor vehicles \$	Rental equipment \$	Total \$
Group						
As at 31 March 2020						
<i>Cost</i>						
Beginning of financial year	282,511	206,414	6,153,242	943,987	6,396,111	13,982,265
Currency translation differences	(71)	(388)	(1,252)	(75)	(2,919)	(4,705)
Additions	18,854	-	651,292	204,093	639,521	1,513,760
Disposal	-	-	-	(165,000)	-	(165,000)
End of financial year	<u>301,294</u>	<u>206,026</u>	<u>6,803,282</u>	<u>983,005</u>	<u>7,032,713</u>	<u>15,326,320</u>
<i>Accumulated depreciation</i>						
Beginning of financial year	209,156	68,849	1,756,918	668,310	1,233,009	3,936,242
Currency translation differences	(4)	(33)	(164)	(7)	(1,279)	(1,487)
Depreciation charge (Note 5)	38,068	38,260	755,772	124,399	675,261	1,631,760
Disposal	-	-	-	(65,233)	-	(65,233)
End of financial year	<u>247,220</u>	<u>107,076</u>	<u>2,512,526</u>	<u>727,469</u>	<u>1,906,991</u>	<u>5,501,282</u>
Net book value						
End of financial year	<u>54,074</u>	<u>98,950</u>	<u>4,290,756</u>	<u>255,536</u>	<u>5,125,722</u>	<u>9,825,038</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

16 Property, plant and equipment (continued)

	Computers and office equipment \$	Furniture, fittings and renovation \$	Lighting equipment \$	Machinery \$	Motor vehicles \$	Rental equipment \$	Total \$
Group							
As at 31 March 2019							
<i>Cost</i>							
Beginning of financial year	219,039	141,964	5,412,578	8,000	921,071	5,341,728	12,044,380
Currency translation differences	-	-	(607)	-	-	(4,758)	(5,365)
Additions	63,472	64,450	741,271	-	209,404	1,059,141	2,137,738
Reclassification	-	-	-	(8,000)	8,000	-	-
Disposal	-	-	-	-	(194,488)	-	(194,488)
End of financial year	282,511	206,414	6,153,242	-	943,987	6,396,111	13,982,265
<i>Accumulated depreciation</i>							
Beginning of financial year	175,229	33,275	1,005,376	2,800	583,548	648,848	2,449,076
Currency translation differences	(3)	(16)	(613)	-	(3)	(4,773)	(5,408)
Depreciation charge (Note 5)	33,930	35,590	752,155	667	191,458	588,934	1,602,734
Reclassification	-	-	-	(3,467)	3,467	-	-
Disposal	-	-	-	-	(110,160)	-	(110,160)
End of financial year	209,156	68,849	1,756,918	-	668,310	1,233,009	3,936,242
Net book value							
End of financial year	73,355	137,565	4,396,324	-	275,677	5,163,102	10,046,023

	Computers and office equipment \$	Furniture, fittings and renovation \$	Total \$
Company			
As at 31 March 2020			
<i>Cost</i>			
Beginning and end of financial year	6,900	25,077	31,977
<i>Accumulated depreciation</i>			
Beginning of financial year	2,492	5,852	8,344
Depreciation charge	2,300	5,015	7,315
End of financial year	4,792	10,867	15,659
Net book value			
End of financial year	2,108	14,210	16,318

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

16 Property, plant and equipment (continued)

	Computers and office equipment \$	Furniture, fittings and renovation \$	Total \$
Company			
As at 31 March 2019			
<i>Cost</i>			
Beginning and end of financial year	6,900	25,077	31,977
<i>Accumulated depreciation</i>			
Beginning of financial year	191	836	1,027
Depreciation charge	2,301	5,016	7,317
End of financial year	2,492	5,852	8,344
Net book value			
End of financial year	4,408	19,225	23,633

17 Leases – The Group as a lessee

The Group leases office premises, office equipment and motor vehicle for back office operations.

(a) Included within additions of property, plant and equipment are motor vehicle acquired under leasing arrangement amounting to \$105,400. The carrying amount of motor vehicle held under leasing arrangement is \$196,085 (2019: \$Nil) as at the reporting date.

(b) The depreciation charge of the motor vehicle during the financial year is \$8,008.

(c) Interest expense on lease liability is \$1,874.

	2020 \$
(d) <i>Lease expenses not capitalised in lease liability</i>	
Lease expenses – short-term leases	467,564
Lease expenses – low-value lease	1,893
	<u>469,457</u>

(e) Total cash outflow for all leases in 2020 was \$263,241.

18 Investments in subsidiary corporations

	Company	
	2020 \$	2019 \$
<i>Equity investments at cost</i>		
Beginning of financial year	242,296	33,496
Additions	–	208,800
End of financial year	<u>242,296</u>	<u>242,296</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

18 Investments in subsidiary corporations (continued)

The Group had the following subsidiary corporations as follows:

Name of Companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Group		Proportion of ordinary shares directly held by the Company	
			2020	2019	2020	2019
			%	%	%	%
UnUsUaL Entertainment Pte. Ltd. ^(a)	Organising and promoting all kinds of shows, entertainment acts and other related services	Singapore	100	100	100	100
UnUsUaL Productions Pte. Ltd. ^(a)	Provision of stage, lighting, sound systems, audio equipment and light system installation and its related services	Singapore	100	100	100	100
UnUsUaL Development Pte. Ltd. ^(a)	Provision of stage, lighting, sound systems, audio equipment and light system installation and its related services	Singapore	100	100	100	100
UnUsUaL Entertainment International Limited ^{(b)(d)}	Provision of concert production services, promotion of artiste services, lease of stage equipment and investment in concert production	Hong Kong	100	100	100	100
UnUsUaL Productions (M) Sdn. Bhd. ^{(c)(d)}	Organising and management of events	Malaysia	100	100	100	100
UnUsUaL Culture Development Co., Ltd. ^{(d)(e)}	Organising and management of events	China	100	100	100	100
Subsidiary corporation of UnUsUaL Entertainment Pte. Ltd.						
Mercury Rights Pte. Ltd. ^(a)	Organising and promoting all kinds of shows, entertainment acts and other related services	Singapore	60	100	60	100

^(a) Audited by Nexia TS Public Accounting Corporation.

^(b) Audited by Fan, Chan & Co. (Hong Kong), an independent member firm of Nexia International.

^(c) Audited by STH & Co, Chartered Accountant, Malaysia for local statutory purpose.

^(d) Reviewed by Nexia TS Public Accounting Corporation for consolidation purpose.

^(e) Not required to be audited under local law of country.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

19 Intangible asset

	Group	
	2020	2019
	\$	\$
<i>Cost</i>		
Beginning and end of financial year	2,700,000	2,700,000
<i>Accumulated amortisation</i>		
Beginning of financial year	360,000	90,000
Amortisation charge (Note 5)	270,000	270,000
End of financial year	630,000	360,000
Net book value		
End of financial year	<u>2,070,000</u>	<u>2,340,000</u>

20 Trade and other payables

	Group	
	2020	2019
	\$	\$
Trade payables		
- Non-related parties	5,671,660	17,830,773
Other payables		
- Related parties	231,120	38,520
- Director	235	220
- Non-related parties	915,751	159,009
	1,147,106	197,749
Contract liabilities ^(a)	578,291	1,464,723
Deposit received	7,834	3,924,070
Accruals for operating expenses	3,985,888	6,202,426
	<u>11,390,779</u>	<u>29,619,741</u>

	Company	
	2020	2019
	\$	\$
Other payables		
- Related parties	231,120	38,520
- Non-related parties	44,781	154,794
	275,901	193,314
Accruals for operating expenses	601,356	2,195,082
	<u>877,257</u>	<u>2,388,396</u>

Other payable due to related parties and director are interest-free, unsecured and repayable on demand.

^(a) Revenue recognised in current period that was included in the contract liability at the beginning of financial year 2020 was \$1,464,723 (2019: \$12,250)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

21 Borrowings

	Group	
	2020	2019
	\$	\$
<i>Current</i>		
Bank borrowings	11,338,079	3,987,280
Lease liability	19,599	-
	<u>11,357,678</u>	<u>3,987,280</u>
<i>Non-current</i>		
Bank borrowings	9,265,100	-
Lease liability	77,891	-
	<u>9,342,991</u>	<u>-</u>
Total borrowings	<u>20,700,669</u>	<u>3,987,280</u>

	Company	
	2020	2019
	\$	\$
<i>Current</i>		
Bank borrowings	<u>3,987,280</u>	<u>3,987,280</u>

The exposure of the borrowings of the Group to interest rate changes and the contractual re-pricing dates at the reporting date are as follows:

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
6 – 12 months	11,338,079	3,987,280	3,987,280	3,987,280
1 – 5 years	9,265,100	-	-	-
	<u>20,603,179</u>	<u>3,987,280</u>	<u>3,987,280</u>	<u>3,987,280</u>

(a) Security granted

As at reporting date, total borrowings include secured liabilities of \$14,213,389 (2019: \$Nil).

Bank borrowings of the subsidiary corporation is secured by corporate guarantee from the Company.

Bank borrowings of the Group is secured by an assignment of all of a subsidiary corporation's rights, title, benefits and interests in connection with the agreement executed relating to a project.

Lease liability of the Group were effectively secured over the motor vehicle (Note 16), as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the lease liability.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

21 Borrowings (continued)

(b) Fair value of non-current borrowings

The fair values of non-current borrowings approximate their carrying amounts.

The fair values are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the reporting date which the directors expect to be available to the Group as follows:

	Group	
	2020	2019
	%	%
Lease liability	4.87%	-

The fair values are within Level 2 of the fair value hierarchy.

22 Derivative financial instruments

2020	Group	
	Contract notional amount	Fair value Liability
	\$	\$
<i>Derivative not held for hedging:</i>		
Interest rate swap	12,115,900	275,480
- Current		162,654
- Non-current		112,826
Total		275,480

In 2020, the Group entered into interest rate swap transactions to manage its exposure of interest rate risk on the borrowing. The Group receives interest floating rate and pays interest at fixed rate on the notional amount on quarterly basis. The swap transactions will mature on April 2022. The fair value is within level 2 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

23 Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Deferred income tax liabilities				
- To be settled after one year	<u>1,433,694</u>	<u>951,571</u>	<u>1,350</u>	<u>1,350</u>

Deferred income tax assets are recognised for tax losses, capital allowances and donations carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same jurisdiction) is as follows:

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Deferred income tax liabilities</i>				
<i>Accelerated tax depreciation</i>				
Beginning of financial year	951,571	483,770	1,350	1,350
Currency translation differences	(252)	(58)	-	-
Tax charged to profit or loss	482,375	467,859	-	-
End of financial year	<u>1,433,694</u>	<u>951,571</u>	<u>1,350</u>	<u>1,350</u>

24 Share capital

2020 and 2019	Group and Company	
	No. of ordinary shares	Amount \$
Beginning and end of financial year	<u>1,029,179,292</u>	<u>20,542,223</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

25 Other reserves

	Group	
	2020	2019
	\$	\$
(a) Composition:		
Foreign currency translation reserve	(59,825)	(80,347)
Merger reserve ⁽¹⁾	606,056	606,056
	<u>546,231</u>	<u>525,709</u>

⁽¹⁾ Merger reserve represents the difference between the cost of investment and the nominal value of share capital of the subsidiary corporations acquired under common control.

(b) Movement

Foreign currency translation reserve

	Group	
	2020	2019
	\$	\$
Beginning of financial year	(80,347)	(89,057)
Net currency translation differences of financial statements of foreign subsidiary corporations	20,522	8,710
End of financial year	<u>(59,825)</u>	<u>(80,347)</u>

Other reserves are non-distributable.

26 Retained profits/(accumulated losses)

(a) Retained profits of the Group and the Company are distributable.

(b) Movement in retained profits/(accumulated losses) of the Company is as follows:

	Company	
	2020	2019
	\$	\$
Beginning of financial year	(960,897)	(964,176)
Net profit	1,322,896	3,279
End of financial year	<u>361,999</u>	<u>(960,897)</u>

27 Contingent liabilities

The Company provided financial support to its subsidiary corporation to enable this subsidiary corporation to operate as going concern and to meet its liabilities as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

28 Commitments

Operating lease commitments – where Group is a lessee

The Group leases office premises and office equipment from related party and non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

As at 31 March 2019, the future minimum lease payables under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	Group 2019 \$
Not later than one year	421,760
Between one and five years	32,130
	<u>453,890</u>

As disclosed in Note 2.17, the Company and the Group have adopted SFRS(I) 16 on 1 April 2019.

The portfolio of committed short-term leases as at 31 March 2020 remains similar to the portfolio of short-term leases for the financial year 2020 and no additional disclosure is required.

29 Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits.

Financial risk management is carried out by the finance department in accordance with the policies set by the Board of Directors. The finance personnel identifies, evaluates and monitors financial risks in close co-operation with the Group's operating units. The finance personnel measures actual exposures against the limits set and prepares periodic reports for review by the Executive Directors. Regular reports are also submitted to the Board of Directors.

(a) Market risk

(i) Currency risk

The Group operates in Asia dominant operations in Singapore, Malaysia and Hong Kong. Entities in the Group regularly transacts in currencies other than their respective functional currencies ("**foreign currencies**").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the United States Dollar ("**USD**"), Hong Kong Dollar ("**HKD**"), Malaysia Ringgit ("**MYR**"), Australian Dollar ("**AUD**"), Chinese Yuan ("**CNY**"). To manage the currency risk, individual Group entities manage as far as possible by natural hedges of matching assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

29 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on information provided to key management is as follows:

	SGD	USD	HKD	MYR	CNY	Others	Total
	\$	\$	\$	\$	\$	\$	\$
At 31 March 2020							
Financial assets							
Cash and cash equivalents	9,350,237	1,720,556	25,013	779,969	560,836	137,600	12,574,211
Trade and other receivables	3,765,388	25,782,363	5,329,337	308,197	1,289,485	636,785	37,111,555
	13,115,625	27,502,919	5,354,350	1,088,166	1,850,321	774,385	49,685,766
Financial liabilities							
Trade and other payables	(3,746,609)	(6,083,497)	(18,554)	(187,069)	(776,524)	(235)	(10,812,488)
Borrowings	(8,487,279)	(12,115,900)	-	-	-	-	(20,603,179)
Lease liability	(97,490)	-	-	-	-	-	(97,490)
Derivative financial instruments	-	(275,480)	-	-	-	-	(275,480)
	(12,331,378)	(18,474,877)	(18,554)	(187,069)	(776,524)	(235)	(31,788,637)
Net financial assets/(liabilities)	784,247	9,028,042	5,335,796	901,097	1,073,797	774,150	17,897,129
Add: Net non-financial assets/(liabilities)	40,192,494	-	-	652,111	263,048	(2,554)	41,105,099
Currency profile including non-financial assets and liabilities	40,976,741	9,028,042	5,335,796	1,553,208	1,336,845	771,596	59,002,228
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	-	9,028,042	-	(217,693)	962,315	771,596	10,544,260

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

29 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on information provided to key management is as follows: (continued)

	SGD	USD	HKD	MYR	AUD	CNY	Others	Total
	\$	\$	\$	\$	\$	\$	\$	\$
At 31 March 2019								
Financial assets								
Cash and cash equivalents	1,543,333	512,612	167,371	853,277	-	432,749	239,286	3,748,628
Trade and other receivables	13,675,991	8,803,138	4,738,044	1,880,492	2,591,650	3,455,987	44	35,145,346
	15,219,324	9,315,750	4,905,415	2,733,769	2,591,650	3,888,736	239,330	38,893,974
Financial liabilities								
Trade and other payables	(5,624,519)	(16,695,170)	(4,394,232)	(1,209,595)	-	(231,282)	(220)	(28,155,018)
Borrowings	(3,987,280)	-	-	-	-	-	-	(3,987,280)
	(9,611,799)	(16,695,170)	(4,394,232)	(1,209,595)	-	(231,282)	(220)	(32,142,298)
Net financial assets/ (liabilities)	5,607,525	(7,379,420)	511,183	1,524,174	2,591,650	3,657,454	239,110	6,751,676
Add: Net non-financial assets/(liabilities)	45,749,621	-	838	414,686	-	-	(363)	46,164,782
Currency profile including non-financial assets and liabilities	51,357,146	(7,379,420)	512,021	1,938,860	2,591,650	3,657,454	238,747	52,916,458
Currency exposure of financial liabilities net of those denominated in the respective entities' functional currencies	-	(7,379,420)	-	20,668	2,591,650	3,459,694	238,747	(1,068,661)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

29 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company is not exposed to significant currency risk as most of its financial assets and liabilities as at 31 March 2020 are denominated in SGD. The currency risk exposure has been determined by the management as not material to the Company's profit for the financial year ended 31 March 2020.

If the USD, MYR, AUD and CNY change against the SGD respectively with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	Group	
	2020	2019
	%	%
USD against SGD	5	3
MYR against SGD	1	2
AUD against SGD	-	5
CNY against SGD	1	3

	Group	
	Increase/(decrease)	
	Profit after tax	
	2020	2019
	\$	\$
USD against SGD		
- strengthen	374,664	(183,748)
- weakened	(374,664)	183,748
MYR against SGD		
- strengthen	(1,807)	343
- weakened	1,807	(343)
AUD against SGD		
- strengthen	-	107,553
- weakened	-	(107,553)
CNY against SGD		
- strengthen	7,987	86,146
- weakened	(7,987)	(86,146)

(ii) Price risk

The Group does not have exposure to equity price risk as it does not hold equity financial assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

29 Financial risk management (continued)

(a) Market risk (continued)

(iii) *Cash flow and fair value interest rate risks*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest bearing assets, the Group's income is substantially independent of changes in market interest rates. The Group's interest rate risk mainly arises from bank borrowings and leases at fixed interest rate. The Group manages its interest rate risks by keeping bank loans to the minimum required to sustain the operations of the Group.

The Group's exposure to cash flow interest rate risks arises mainly from non-current variable-rate borrowings. The Group manages these cash flow interest rate risks using floating-to-fixed interest rate swap.

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in USD. If the USD interest rates had been higher/lower by 1% (2019: Nil) with all other variables including tax rate being held constant, the profit after tax would have been higher/lower by \$134,400 (2019: \$Nil) as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company.

(i) *Risk management*

The Group adopts the following policy to mitigate the credit risk.

For banks and financial institutions, the Group mitigates its credit risks by transacting only with counterparties who are rated "A" and above by independent rating agencies.

For customers, the Group performs credit reviews on new customers before acceptance and an annual review for existing customers. Credit reviews take into account customers' financial strength, the Group's past experiences with the customers and other relevant factors.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The trade receivables of the Group comprise 3 debtors (2019: 5 debtors), which represented 81% (2019: 67%) of the trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

29 Financial risk management (continued)

(b) Credit risk (continued)

(i) Risk management (continued)

The credit risk for trade receivables based on the information provided to key management are as follows:

	Group	
	2020	2019
	\$	\$
<u>By geographical areas</u>		
Singapore	635,386	1,095,852
Malaysia	88,485	1,082,107
Hong Kong	7,535,140	6,453,834
Others	5,407,478	10,196,930
	<u>13,666,489</u>	<u>18,828,723</u>
<u>By types of customers</u>		
Ultimate holding corporation	-	13,344
Related parties	326,596	-
Non-related parties	13,339,893	18,815,379
	<u>13,666,489</u>	<u>18,828,723</u>

(ii) Impairment of financial assets

The Group and the Company have applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses ("ECL") for all trade receivables and the general approach for its other receivables, i.e., amount owing by non-related parties, loans due from subsidiary corporations and deposits. These other financial assets are subject to immaterial credit loss.

To measure the ECL, these receivables have been grouped based on individual characteristics of its customers and days past due by reference to the Group's historical observed default rates, customers' ability to pay and adjusted with forward-looking information.

For the purpose of impairment assessment on other receivables, loss allowance is generally measured at an amount equal to 12-month ECL as there is low risk of default and strong capability to meet contractual cash flows. When the credit quality deteriorates and the resulting credit risk of other financial assets increase significantly since its initial recognition, the 12-month ECL would be replaced by lifetime ECL.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

29 Financial risk management (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

As at reporting date, trade and other receivables were not subject to any material credit losses except as disclosed below.

Group	2020	2019
	\$	\$
Beginning of financial year	94,090	-
Loss allowance recognised in profit or loss	-	94,090
Currency translation differences	(756)	-
Reversal of loss allowance recognised in profit or loss	(93,334)	-
End of financial year	<u>-</u>	<u>94,090</u>

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the reporting date, assets held by the Group and the Company for managing liquidity risk included cash and cash equivalents as disclosed in Note 12.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
	\$	\$	\$
Group			
At 31 March 2020			
Trade and other payables	10,812,488	-	-
Borrowings	<u>11,357,678</u>	<u>3,842,249</u>	<u>5,781,553</u>
At 31 March 2019			
Trade and other payables	28,155,018	-	-
Borrowings	<u>3,987,280</u>	<u>-</u>	<u>-</u>
Company			
At 31 March 2020			
Trade and other payables	877,257	-	-
Borrowings	<u>3,987,280</u>	<u>-</u>	<u>-</u>
At 31 March 2019			
Trade and other payables	2,388,396	-	-
Borrowings	<u>3,987,280</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

29 Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses the derivative financial instruments of the Group for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the reporting date.

	Less than 1 year \$	Between 1 and 2 years \$	Between 2 and 5 years \$
Group			
At 31 March 2020			
Interest rate swap	162,654	105,938	6,888
At 31 March 2019			
Interest rate swap	-	-	-

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on the financial position of the Group and the Company. The Group has positive net assets and maintain low bank borrowings. Future decisions to raise capital and funds will be made with the objective to maintain positive working capital structure.

The liabilities-equity ratio is calculated as total liabilities divided by total equity.

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Total liabilities	35,051,236	37,085,062	5,114,367	6,377,026
Total equity	59,002,228	52,916,458	20,904,222	19,581,326
Liabilities-equity ratio	59%	70%	24%	33%

The Group is in compliance with the externally imposed capital requirement for the financial year ended 31 March 2020 and 31 March 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

29 Financial risk management (continued)

(e) Fair value measurements

The level of fair value measurement hierarchy are as follow:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) Input for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Fair value measurement disclosure of other liabilities that are recognised or measured at fair value, can be found at Note 21 and 22.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Financial assets, at amortised cost	49,685,766	38,893,974	25,735,689	25,602,490
Financial liabilities, at amortised cost	31,513,157	32,142,298	4,864,537	6,375,676
Derivative financial instruments	275,480	-	-	-

30 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2020	2019
	\$	\$
Revenue from		
- ultimate holding corporation	-	130,295
- other related parties	598,021	599,328
Purchase from		
- other related parties	83,119	-
Payment of office rental to other related party	432,000	432,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

30 Related party transactions (continued)

(a) Sales and purchases of goods and services (continued)

Other related parties comprise mainly companies which are controlled by the Group's key management personnel.

Outstanding balances as at 31 March 2020 and 31 March 2019, arising from sale/purchases of goods and services, are unsecured and payable within 12 months from reporting date and are disclosed in Notes 14 and 20 respectively.

(b) Key management personnel compensation

	Group	
	2020	2019
	\$	\$
Salaries and bonus	1,438,770	2,973,123
Employer's contribution to defined contributions plans including Central Provident Fund	64,545	58,334
Directors' fee	98,500	100,000
Other short-term benefits	11,580	6,960
	<u>1,613,395</u>	<u>3,138,417</u>

31 Segment information

The Group's chief operating decision-maker ("CODM") comprises of Chief Executive Officer, Chief Operating Officer and Chief Financial Officer. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources, and assess performance.

The Group was organised into three operating segments, which are relating to production, promotion and other activities. This is based on the Group's internal organisation and management structure and the primary way in which the CODM is provided with the financial information.

The three operating segments are mainly:

1. Production
Provision of stage sound system and equipment and rendering of technical services.
2. Promotion
Admission fees and sponsorship income and trading of performance rights.
3. Others
Provision of exhibition/concert halls and related equipment and co-management of exhibitions/concert halls.

There are no operating segments that have been aggregated to form the above reportable operating segments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

31 Segment information (continued)

The segment information provided to the CODM for the reportable segments are as follows:

For the financial year from 1 April 2019 to 31 March 2020:

	Production \$	Promotion \$	Others \$	Total \$
Revenue				
Sales to external parties	6,055,444	55,660,364	226,868	61,942,676
Adjusted earnings before interest, tax, depreciation and amortisation, ("EBITDA")	223,558	9,553,087	169,930	9,946,575
Depreciation	(1,567,716)	(64,044)	-	(1,631,760)
Amortisation	-	(270,000)	-	(270,000)
Finance expenses	(1,874)	(750,835)	-	(752,709)
Profit before income tax	(1,346,032)	8,468,208	169,930	7,292,106

For the financial year from 1 April 2018 to 31 March 2019:

	Production \$	Promotion \$	Others \$	Total \$
Revenue				
Sales to external parties	11,708,149	44,161,949	1,061,563	56,931,661
Adjusted earnings before interest, tax, depreciation and amortisation, ("EBITDA")	1,160,573	16,199,559	660,216	18,020,348
Depreciation	(1,541,855)	(53,563)	(7,316)	(1,602,734)
Amortisation	-	(270,000)	-	(270,000)
Finance expenses	-	-	(15,534)	(15,534)
Profit before income tax	(381,282)	15,875,996	637,366	16,132,080

Disclosure on the measures of total assets and total liabilities for each reportable segment was not presented as the CODM is of the opinion that it is not meaningful and impracticable as they do not use them for operating decision-making on allocation of resources and performance assessment.

Information of major customer

Revenue of approximately \$34,694,448 and \$12,271,060 is derived from a single external customer at the respective financial year ended 31 March 2020 and 31 March 2019. These revenues are attributable to promotion segment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

31 Segment information (continued)

Geographical information

In presenting the geographical location, revenue is based on the geographical locations of the customers which the revenue is derived from:

	2020	2019
	\$	\$
Singapore	40,499,790	27,770,340
Malaysia	6,172,310	8,145,723
Hong Kong	3,173,152	8,887,994
Others	12,097,424	12,127,604
	<u>61,942,676</u>	<u>56,931,661</u>

The following is an analysis of the Group's carrying amount of non-current assets by the geographical areas:

	2020	2019
	\$	\$
Singapore	11,401,110	11,875,226
Malaysia	493,928	510,797
United Kingdom	18,102,580	-
	<u>29,997,618</u>	<u>12,386,023</u>

32 Events occurring after balance sheet date

Other than the COVID-19 outbreak as disclosed in Note 1 to the financial statements, there are no subsequent significant developments which would materially affect the Group's and the Company's operating and financial performance or any adjusting events that provide evidence of conditions that existed at the end of the reporting period, as of the date of this report.

As the situation continues to evolve with a significant level of uncertainty, the Group will continue to monitor the financial impact on the Group's and the Company's financial and operation closely.

33 New or revised accounting standards and interpretations

Amendments to SFRS(I) 3 *Business Combination* (effective for annual periods beginning on or after 1 January 2020).

The amendments provide new guidance on the assessment of whether an acquisition meets the definition of a business under SFRS(I) 3. To be considered a business, an acquisition would have to include an output and a substantive process that together significantly contribute to the ability to create outputs. A framework is introduced to evaluate when an input and substantive process are present. To be a business without outputs, there will now need to be an organised workforce.

The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

33 New or revised accounting standards and interpretations (continued)

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

Entities can apply a concentration test' that, if met, eliminates the need for further assessment. Under this optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business.

These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 January 2020. Early application is permitted. The Group does not expect any significant impact arising from applying these amendments.

34 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 28 June 2020.

STATISTICS OF SHAREHOLDINGS

As at 15 June 2020

Class of Shares	:	Ordinary shares
Number of shares (excluding treasury shares)	:	1,029,179,292
Voting Rights	:	One vote per share
No. of treasury shares and percentage	:	Nil
No. of subsidiary holdings held and percentage	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of Shares	%
1 - 99	11	1.00	664	0.00
100 - 1,000	45	4.07	31,600	0.00
1,001 - 10,000	354	32.04	2,108,520	0.21
10,001 - 1,000,000	672	60.81	56,096,120	5.45
1,000,001 and above	23	2.08	970,942,388	94.34
Total	<u>1,105</u>	<u>100.00</u>	<u>1,029,179,292</u>	<u>100.00</u>

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	%
1	United Overseas Bank Nominees Pte Ltd	623,793,540	60.61
2	KGI Securities (Singapore) Pte Ltd	81,700,000	7.94
3	Phillip Securities Pte Ltd	74,190,800	7.21
4	SPH Invest Ltd	50,429,684	4.90
5	Maybank Kim Eng Securities Pte Ltd	28,074,859	2.73
6	Yeo Khee Seng Benny	24,057,600	2.34
7	UnUsUaL Management Pte Ltd	18,162,261	1.76
8	Raffles Nominees (Pte) Limited	12,227,840	1.19
9	Apex Capital Group Pte Ltd	9,411,764	0.91
10	CGS-CIMB Securities (Singapore) Pte Ltd	7,873,960	0.76
11	DBS Vickers Securities (S) Pte Ltd	6,532,000	0.64
12	OCBC Securities Private Ltd	6,475,140	0.63
13	Ong Chin Soon	6,437,500	0.62
14	DBS Nominees Pte Ltd	6,005,220	0.58
15	William Lau Ghee Kai	3,014,520	0.29
16	Ong Soon Foo	2,460,300	0.24
17	UOB Kay Hian Pte Ltd	2,134,200	0.21
18	Heah Tien Huat	1,860,000	0.18
19	Sebastian Yeo Boon Kiat	1,392,320	0.14
20	Lim Ah Kaw @ Lim Lan Ching	1,242,100	0.12
	Total:	<u>967,475,608</u>	<u>94.00</u>

STATISTICS OF SHAREHOLDINGS

As at 15 June 2020

SUBSTANTIAL SHAREHOLDERS AS AT 15 JUNE 2020

as recorded in the Register of Substantial Shareholders

No.	Name	Direct Interest		Deemed Interest	
		No. of shares held	%	No. of shares held	%
1	UnUsUaL Management Pte. Ltd.	791,203,041	76.88	-	-
2	mm2 Asia Ltd. ^(a)	-	-	791,203,041	76.88
3	Melvin Ang ^(b)	-	-	791,203,041	76.88
4	Leslie Ong ^(c)	27,845,664	2.71	791,443,041	76.90
5	Johnny Ong ^{(c)(d)}	-	-	792,560,741	77.01

Notes:

- ^(a) mm2 Asia Ltd. ("**mm2**") is deemed to be interested in the shares held by UnUsUaL Management Pte. Ltd. ("**UnUsUaL Management**") by virtue of Section 7 of the Companies Act, Chapter 50 as it holds 51% of the shareholdings in UnUsUaL Management.
- ^(b) Melvin Ang is deemed to be interested in the shares held by mm2 by virtue of Section 7 of the Companies Act, Chapter 50, as he holds 38.11% of the shareholdings in mm2.
- ^(c) Leslie Ong and Johnny Ong are deemed to be interested in the 791,203,041 shares held by UnUsUaL Management by virtue of Section 7 of the Companies Act, Chapter 50, as they hold 24.5% of the shareholdings in UnUsUaL Management, and 240,000 shares held by their respective spouses.
- ^(d) Johnny Ong is deemed to be interested in 1,117,700 ordinary shares held under the nominee account with Maybank Kim Eng Securities Ptd. Ltd.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 15 June 2020, 20.24% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual - Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**” or “**Meeting**”) of UnUsUaL Limited (“**Company**”) will be held by way of electronic means on Thursday, 23 July 2020 at 11.00 a.m. (Singapore Time) for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolutions as set out below:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements and Directors’ Statement of the Company and the Group for the financial year ended 31 March 2020 together with the Independent Auditors’ Report thereon. **Resolution 1**
2. To approve the payment of Directors’ fees of S\$100,000 for the financial year ending 31 March 2021, to be paid quarterly in arrears. **Resolution 2**
3. To re-elect the following Directors retiring pursuant to Regulation 97 of the Constitution of the Company:

Leslie Ong **Resolution 3**
Michael Tang **Resolution 4**
Loh Woon Yen **Resolution 5**

[See Explanatory Note (i)]
4. To re-appoint Messrs Nexia TS Public Accounting Corporation, as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**
5. To transact any other ordinary business which may properly transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as ordinary resolutions, with or without modifications:

6. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Chapter 50 (“Companies Act”) and Rule 806 of the Listing Manual – Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Catalist Rules”)**

That, pursuant to Section 161 of the Companies Act and Rule 806 of the Catalist Rules of the SGX-ST, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“**Shares**”) whether by way of rights, bonus or other bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors while this Resolution was in force,

(“**Share Issue Mandate**”)

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of shares (including shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustment in accordance with 6(2)(a) or 6(2)(b) above are only to be made in respect of new share arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of the Share Issue Mandate.

- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Constitution; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (ii)]

Resolution 7

7. Authority to issue shares under the UnUsUaL Employee Share Option Scheme ("UnUsUaL ESOS")

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant options under the prevailing UnUsUaL ESOS and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the UnUsUaL ESOS, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the UnUsUaL ESOS and UnUsUaL Performance Share Plan shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

Resolution 8

NOTICE OF ANNUAL GENERAL MEETING

8. Authority to issue shares under the UnUsUaL Performance Share Plan (“UnUsUaL PSP”)

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant share awards under the UnUsUaL PSP and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of share awards under the UnUsUaL PSP, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the UnUsUaL PSP and UnUsUaL ESOS shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

Resolution 9

9. Proposed Renewal of Share Buyback Mandate

That:

a. for the purposes of Section 76C and 76E of the Companies Act, Chapter 50, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the issued and fully-paid ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Maximum percentage (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:-

- (i) on-market purchases, transacted through the SGX-ST trading system, through one or more duly licensed stock brokers appointed by the Company for that purpose (“**Market Purchase**”); and/or
- (ii) off-market purchases pursuant to an equal access scheme in accordance with Section 76C of the Companies Act, Chapter 50 (“**Off-Market Purchase**”),

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);

b. unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:-

- a. the date on which the next AGM of the Company is held or required by law to be held;
- b. the date on which the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;
- c. the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by shareholders of the Company in a general meeting;

NOTICE OF ANNUAL GENERAL MEETING

c. in this Resolution:-

"Average Closing Price" means the average of the closing market prices of a Share over the last five Market Days ("**Market Day**" being a day on which the SGX-ST is open for trading in securities) on which the Shares are transacted on the SGX-ST, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period;

"date of the making of the offer" means the date on which the Company makes an offer for the purchase or acquisition of Shares from holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"Maximum Percentage" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares or Subsidiary Holdings as at that date);

"Maximum Price" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed: -

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares;

d. the Directors and/or any one of them be and are hereby authorised to deal with the Shares purchased or acquired by the Company pursuant to the Share Buyback Mandate in any manner as they think fit, which is permissible under the Companies Act, Chapter 50; and

e. the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

[See Explanatory Note (v)]

Resolution 10

By Order of the Board

Siau Kuei Lian
Company Secretary
Singapore, 7 July 2020

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Leslie Ong will, upon re-election as a Director of the Company, remain as the Executive Director and Chief Executive Officer of the Company. Please refer to Table A of the Corporate Governance Report on page 43 to page 47 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Catalist Rules of the SGX-ST.

Michael Tang will, upon re-election as a Director of the Company, remain as the Independent Director, the Chairman of the Nominating Committee, member of Audit Committee and Remuneration Committee and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. Please refer to Table A of the Corporate Governance Report on page 43 to page 47 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Catalist Rules of the SGX-ST.

Loh Woon Yen will, upon re-election as a Director of the Company, remain as the Non-Executive Director. Please refer to Table A of the Corporate Governance Report on page 43 to page 47 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Catalist Rules of the SGX-ST.

- (ii) **Resolution 7** above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a pro rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

- (iii) **Resolution 8** above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares in the Company pursuant to the exercise of options granted or to be granted under the UnUsUaL ESOS provided that the aggregate additional shares to be allotted and issued pursuant to the UnUsUaL ESOS and UnUsUaL PSP do not exceeding in total (for the entire duration of the UnUsUaL ESOS) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.
- (iv) **Resolution 9** above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares in the Company pursuant to the vesting of share awards under the UnUsUaL PSP provided that the aggregate additional shares to be allotted and issued pursuant to the UnUsUaL PSP and UnUsUaL ESOS do not exceeding in total (for the entire duration of the UnUsUaL PSP) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.
- (v) **Resolution 10** above, if passed, will empower the Directors of the Company from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and Subsidiary Holdings) in the capital of the Company at the Maximum Price as defined in the Appendix. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase and acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 March 2020 are set out in greater detail in the Appendix.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

General

1. In view of the circuit breaker measures applicable and pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended from time to time), the AGM will be held by electronic means and members of the Company will NOT be allowed to attend the AGM in person.
2. Alternative arrangements are instead put in place to allow shareholders to participate in the AGM by:
 - (a) watching or listening to the AGM proceedings via a Live Webcast (as defined below). Shareholders who wish to participate as such will have to pre-register in the manner outlined in Notes 3 to 6 below;
 - (b) submitting questions ahead of the AGM. Please refer to Notes 7 to 9 below for further details; and
 - (c) voting by proxy at the AGM. Please refer to Notes 10 to 19 below for further details.

Participation in AGM proceedings via “live webcast”

3. A member of the Company or their corporate representative(s) (in the case of a member which is a legal entity) will be able to watch or listen to the proceedings of the AGM through a “live” webcast, either, via mobile phone, tablet or computer (“**Live Webcast**”). In order to do so, member must pre-register with the Company by **11.00 a.m. on 20 July 2020** (“**Registration Deadline**”), at the URL: <http://agm.conveneagm.com/unusuallimited> (the “**UnUsUaL AGM Website**”), to create an account.
4. Following the authentication of his/her/its status as a member of the Company, such member will receive an email on their authentication status and will be able to access the Live Webcast using the account created.
5. Members who have pre-registered by the Registration Deadline but do not receive the aforementioned email by **11.00 a.m. on 21 July 2020** should contact the Company at the following email address: **ir@unusual.com.sg**, with the following details included:
 - (a) the member’s full name; and
 - (b) his/her/its identification/registration number.
6. Non-CPF/SRS holders whose shares are registered under Depository Agents (“**DAs**”) must **also** contact their respective DAs to indicate their interest in order for their respective DAs to make the necessary arrangements for them to participate in the Live Webcast.

Submission of questions prior to the AGM

7. A member of the Company may also submit questions relating to the resolutions to be tabled for approval at the AGM or the Company’s businesses and operations. The Company will endeavour to address questions which are substantial and relevant.
8. To do so, all questions must be submitted no later than the Registration Deadline through any one of the following means: (a) via the **UnUsUaL AGM Website**; or (b) in physical copy by depositing the same at the registered office of the Company at **45 Kallang Pudding Road #01-01 Alpha Building Singapore 349317**; or (c) by email to **ir@unusual.com.sg**.
9. If the questions are deposited in physical copy at the Company’s registered office or sent via email, and in either case not accompanied by the completed and executed Proxy Form (as defined below), the following details must be included with the submitted questions: (i) the member’s full name; and (ii) his/her/its identification/registration number for verification purposes, failing which the submission will be treated as invalid.

Voting by proxy

10. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, such member (whether individual or corporate) is/are advised to specify his/her/its votes for the respective resolutions in the instrument appointing the Chairman of the Meeting as proxy (“**Proxy Form**”), failing which the Chairman of the Meeting will vote or abstain from voting at his discretion.
11. The Chairman of the Meeting, as proxy, need not be a member of the Company.

NOTICE OF ANNUAL GENERAL MEETING

12. The Proxy Form must be submitted through any one of the following means: (a) via the **UnUsUaL AGM Website** in the electronic format accessible on the UnUsUaL AGM Website; (b) by depositing a physical copy at the registered office of the Company at **45 Kallang Pudding Road #01-01 Alpha Building Singapore 349317**; or (c) by sending a scanned PDF copy by email to ir@unusual.com.sg, in each case, no later than **11.00 a.m. on 20 July 2020**, and failing which, the Proxy Form will not be treated as valid.
13. In the case of submission of the Proxy Form other than via the UnUsUaL AGM Website, a member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
14. **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically.**
15. In the case of submission of the Proxy Form other than via the UnUsUaL AGM Website, the Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
16. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative with respect to the AGM, in accordance with Section 179 of the Companies Act (Chapter 50 of Singapore) and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
17. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form.
18. In the case of a member of the Company whose shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
19. A member of the Company who holds his/her shares through a Relevant Intermediary* (including CPFIS Members or SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the Meeting as proxy should approach his/ her Relevant Intermediary (including his/her CPF Agent Bank or SRS Operators) to submit his/her voting instructions at least seven (7) working days prior to the date of the AGM.

*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act, Chapter 289 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal data privacy:

By pre-registering for the Live Webcast, submitting a Proxy Form appointing the Chairman of the Meeting as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations, a member of the Company consents to the collection, use and disclosure of such member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration, analysis and facilitation by the Company (or its agents or service providers) of his/her/its participation in the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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IMPORTANT:

- Alternative arrangements relating to, amongst others, attendance, submission of questions in advance and voting by proxy at the AGM are set out in the Company's announcement which, together with the Notice of Annual General Meeting dated 7 July 2020, have been uploaded on SGXNET. The announcement and the Notice of Annual General Meeting can also be accessed via the SGX website at the URL: <https://www.sgx.com/securities/company-announcements>.
- An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and SRS Operators to appoint the Chairman of the Meeting to act as their proxy, at least 7 working days before the Meeting, in which case, SRS Investors shall be precluded from attending the Meeting.
- This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We _____ (Name), _____ (NRIC/Passport/Co. reg. No)

Of _____ (Address)

being a member/members of UnUsUaL Limited (the "**Company**") hereby appoint the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held by way of electronic means on Thursday, 23 July 2020 at 11.00 a.m. ("**AGM**" or the "**Meeting**"), and at any adjournment thereof.

I/We direct the Chairman of the Meeting to vote for, against and/or abstain from voting at the resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the Chairman of the Meeting will vote or abstain from voting at his discretion.

* Voting will be conducted by poll. If you wish the Chairman of the Meeting, as your proxy, to exercise all your votes "For" or "Against" or to "Abstain" from voting on the relevant resolution, please indicate with an "X" within the relevant box provided below. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing the Chairman of the Meeting not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll. In the absence of specific directions for that resolution, the Chairman of the Meeting will vote or abstain from voting at his discretion.

No.	Ordinary Resolutions	No. of Votes For	No. of Votes Against	No. of Votes Abstain
Ordinary Business:				
1.	Audited Financial Statements for the financial period ended 31 March 2020			
2.	Approval of Directors' fees amounting to S\$ 100,000 for the financial year ending 31 March 2021, to be paid quarterly in arrears			
3.	Re-election of Leslie Ong as a Director			
4.	Re-election of Michael Tang as a Director			
5.	Re-election of Loh Woon Yen as a Director			
6.	Re-appointment of Nexia TS Public Accounting Corporation as the Independent Auditor and to authorise the Directors to fix their remuneration			
Special Business:				
7.	Authority to allot and issue new shares			
8.	Authority to allot and issue shares under the UnUsUaL Employee Share Option Scheme			
9.	Authority to allot and issue shares under the UnUsUaL Performance Share Plan			
10.	Proposed Renewal of Share Buyback Mandate			

Dated this _____ day of _____ 2020

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

.....
 Signature of Member
 and/or, Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: Please read notes overleaf



NOTES TO PROXY FORM

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. In view of the circuit breaker measures applicable and pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended from time to time), the AGM will be held by way of electronic means and members of the Company will NOT be allowed to attend the AGM in person.
3. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, such member (whether individual or corporate) is/are advised to specify his/her/its votes for the respective resolutions in this Proxy Form.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. This Proxy Form must be submitted through any one of the following means: (a) via the following URL: <http://agm.conveneagm.com/unusuallimited> (the "UsUsUaL AGM Website") in the electronic format accessible on the UnUsUaL AGM Website; or (b) by depositing a physical copy at the registered office of the Company at **45 Kallang Pudding Road #01-01 Alpha Building Singapore 349317**; or (c) by sending a scanned PDF copy via email to ir@unusual.com.sg, in either case, no later than 11.00 a.m. on 20 July 2020, and failing which, this Proxy Form will not be treated as valid.
6. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
7. **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**
8. In the case of submission of this Proxy Form other than via the UnUsUaL AGM Website, this Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where this Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where this Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative with respect to the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
10. A member of the Company who holds his/her shares through a Relevant Intermediary* (including CPFIS Members or SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the Meeting as proxy should approach his/her Relevant Intermediary (including his/her CPF Agent Bank or SRS Operators) to submit his/her voting instructions at least seven (7) working days prior to the date of the AGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated **7 July 2020**.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as a proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



UnUsUaL Limited

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