



(Incorporated in the Republic of Singapore)

(Company Registration No. 201611835H)

RESPONSES TO QUERIES FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE) ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

The Board of Directors (the “**Board**”) of UnUsUaL Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) has received the following queries from the Securities Investors Association (Singapore) (“**SIAS**”) regarding the Annual Report for the financial year ended 31 March 2023 (“**AR FY2023**”).

The Company’s response to the questions are set out below:

QUESTIONS FROM SIAS

Question 1

- (i) **Could the management provide additional details on the group’s promotion activities, particularly in terms of how they collaborate with artistes (and/or their management companies) to acquire the promotion rights to concerts? How much influence and leverage does the group have in increasing the promotion activities considering that there are many external factors?**

The Company’s Response

In the past 25 years, we have worked closely with various artistes, and their management companies (where applicable), from Greater China, as well as, from the US and Europe. Our relationship and experience with most of these artistes have been built over time as we have been their promoter repeatedly in various locations over the years. We can say that we must be doing things right for them (the artistes) to collaborate with us again and again.

In addition to working with artistes whom we have presented before, we are constantly on the lookout for up-and-coming stars to work with in the future. We have had successes on this front, and good example would be Mr. Eric Chou from Taiwan, and some other K-Pop artistes/groups.

- (ii) **Are there any opportunities for the group in the production segment for concerts that are promoted by other groups, such as Taylor Swift’s The Eras Tour (promoted by AEG Presents) and Coldplay: Music Of The Spheres World Tour (promoted by Live Nation)?**

The Company’s Response

Definitely. When presented with such opportunities, we will submit our bids for production work, even in projects not promoted by us.

- (iii) **Would management be able to provide insight into the profile(s) of the debtor(s) with long outstanding trade receivables? What are the reasons that the trade receivables have not been paid in the past three years?**

The Company’s Response

The debtors concerned have been our partners in many of our shows in the region. The track record of this group of partners is relatively good with no prior defaults. Given this backdrop, the Group continues with our effort to engage with them on collection. On balance, we remain positive on the eventual settlement with the pandemic out of the way.

(iv) What are the strategies and actions undertaken by the group to collect on the outstanding (gross) trade receivables amounting to \$11.7 million?

The Company's Response

The Company would like to highlight that in all our projects' consideration, the timing of presentation has to be right, especially with respect to the genre of the show. As we have returned to normalcy, we believe that these shows will be presented at the opportune time and the Company remains confident on the eventual collection on the outstanding trade receivables.

(v) Can the audit committee (AC) provide an assessment of the collectability of the trade receivables? Specifically, it would be helpful to understand how the expected loss rate of 15.77% was determined. Given that the trade receivables have been past due for three years, could the AC provide an evaluation of the reasonableness of the expected loss rate?

The Company's Response

With regards to the assessment of the collectability of the trade receivables, the process starts with the management reporting to the audit committee ("AC") on the outstanding balances. The AC reviews the report and assess the position taken by the management on the trade receivables.

The management's measure of the expected credit loss ("ECL") of trade receivables is based on debtor-specific characteristics of its customers and days past due by reference to the Group's historical observed default rates, customers' ability to pay and adjusted to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. In calculating the ECL rates, the management has identified the unemployment rate of the countries in which it generates revenue to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

In conclusion, the AC concurs with the management on the status of the trade receivables and deems the ECL assessment process reasonable.

Question 2

Could the nominating committee (NC) provide further clarification regarding its assessment of the independence of Ms. Loh Woon Yen? What are the reasons that Ms Loh Woon Yen has been deemed non-independent?

The Company's Response

Ms Loh Woon Yen ("**Ms Loh**"), currently Managing Editor, Chinese Media Group, SPH Media, was appointed as Director of our Company by virtue of the investment by her employer, the then SPH AsiaOne Limited, in our Company during our IPO back in 2017. She was deemed non-independent as she represented a shareholder.

With the restructuring of the SPH Group, the NC will review and reassess Ms Loh's status as a Non-Independent Director. Until the completion of such a review and reassessment, for good order and governance, the NC deemed it is appropriate that her status remains unchanged for now.

Question 3

- (i) **Can the AC confirm that all the foreign operating subsidiaries in China, Hong Kong and Malaysia were included in the internal audit? How was the internal audit carried out for these foreign subsidiaries?**

The Company's Response

All subsidiaries of the Company are included in the internal audit except for the subsidiaries in China and Hong Kong. Both are deemed insignificant as each of them contribute less than 5% of the Group's total revenue.

Our Malaysia subsidiary will be audited in the upcoming audit cycle as part of our rotational audit plan.

- (ii) **Were the associated companies included in the internal audit?**

The Company's Response

As the Group does not have management control over the associated companies, we do not include these companies in our internal audit review.

- (iii) **What were the scope, key findings and recommendations by the internal auditor for FY2023?**

The Company's Response

The areas reviewed by the internal audit for FY2023 were based on the planned audit cycle that included General Controls & Period-End Closing, Procurement and Payments, Compliance Monitoring, and IT General Controls. The key observations and recommendations were raised with the AC, and the management has accepted the recommendations and has started to implement the changes required.

- (iv) **What is the level of oversight by the AC on the actions taken by management to follow up on the recommendations?**

The Company's Response

The AC maintains a high level of oversight on the actions taken by the management to follow up on the recommendations proposed by the internal auditor. The management has implemented various recommendations to address the identified issues and has reported the progress of implementation to the AC. The AC will continue to work closely with the management and internal auditor to ensure that all necessary actions will be taken to mitigate any risks to the business.

By Order of the Board

Leslie Ong Chin Soon
Executive Director and Chief Executive Officer
21 July 2023

This announcement has been prepared by the Company and its contents have been reviewed by the 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 announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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