

RESPONSE TO SGX QUERIES PERTAINING TO THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 ("AR2021") AND THE COMPANY RESPONSES TO QUERIES FROM SIAS AND SHAREHOLDERS.

The Board of Directors ("**Board**") of UnUsUaL Limited (the "**Company**" and together with its subsidiaries, the "**Group**") has received the following queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") pertaining to the Company's AR2021 and the Company's responses to queries from Securities Investors Association (Singapore) ("**SIAS**") and shareholders in respect of its announcement dated 29 July 2021.

The Company wishes to provide its response as follows: -

SGX-ST Query

- (a) The Group recorded approximately S\$10.95 million of trade receivables as at 31 March 2021, of which more than 80% are past due for more than 270 days.
- i) Please provide a further breakdown on the aging of these trade receivables that are past due more than 270 days;
 - ii) Please provide updates on the collectability of these trade receivables; the Company's actions taken and plans to recover the trade and other receivables;
 - iii) Any impairment made on the trade receivables; and
 - iv) The Board's assessment of the recoverability of these trade receivables.

The Company's Response

- i) A further breakdown on the aging of the trade receivables that are past due more than 270 days is as tabled below:

	Gross amount	Loss allowance	Net Amount
Aging categories	\$m	\$m	\$m
Past due 9 to 12 months	1.0	(0.1)	0.9
Past due over 12 months ^{(2) (3)}	8.3 ⁽¹⁾	(1.0)	7.3
Total	9.3	(1.1)	8.2

⁽¹⁾ The bulk of the past due trade receivables exceeding 12 months of about \$6.0 million arose from show rights sold to licensees in China and Korea before the outbreak of the pandemic. Upon the onset of the pandemic, the presentation of these shows was postponed, thereby impacting the payments. On a brighter note, China has started the resumption of concerts/events lately. We remain optimistic that our licensees can restart their business in the near future.

⁽²⁾ Under normal circumstances the collection and settlement cycle for completed shows will take 3 to 6 months. The COVID-19 situation, which started in China in December 2019, and, in Korea in Jan 2020, affects this cycle drastically. The Group have been in close touch with the affected business partners on these trade receivables and will continue to be vigilant and take appropriate measures for recovery as and when needed.

- ⁽³⁾ *Most of the affected debtors have been our partners in many of our shows. Prior to the outbreak of COVID-19 until to date, they have not defaulted on any payment. Given the good standing of these business partners in the industry, coupled with the fact that the Group have at least more than 5 years of business dealings, the Group remain confident on the eventual settlement as once normalcy returns to the entertainment industry,*
- ii) The Group continuously engage the affected partners to ensure the debts are acknowledged and assess the affected partners' viability to ensure that collectability is not compromised. Moving forward, the Group will continue with these efforts more intensely and will take appropriate recovery action if required.
 - iii) **As disclosed on Page 80, Page 85 & Page 102 of the AR2021** - The Group assesses the expected credit loss ("ECL") associated with its trade receivables by making debtor-specific assessment of expected impairment loss for long overdue customers and using a provision matrix for remaining receivables with the relevant historical information to determine the probability of default of the instruments and incorporated forward looking information, including assessing potential impact on the outbreak of COVID-19 pandemic. Thus, for the purpose of current year ECL assessment, the Group has taken into consideration the probability of default payment due to the potential impact of COVID-19 and recognized the ECL allowances accordingly.
 - iv) The Board reviews and concurs on the treatment of the accounts receivables. The Board has instructed management to monitor and take the necessary steps as in (ii).
- b) **The trade receivables of the Group comprise 3 debtors (31 March 2020: 3 debtors), which represented 74% (31 March 2020: 81%) of the trade receivables.**
- i) **Please provide a profile of these key debtors and whether the Company has made any assessment on the state of affairs of these debtors.**
 - ii) **Are these debtors' major customers of the Company and whether the Company continues to transact with these customers?**

The Company's Response

- i) The relevant key debtors are the Group's partners in the promotion of the Group's concerts/events in China and Korea. As explained in Question (a)(i), the collection and settlement cycle were largely delayed by the outbreak of COVID-19 in China and Korea. This resulted in concentration of the trade receivables relating to the few key partners as disclosed. As mentioned earlier, we have taken steps to ensure that collectability is not compromised and will continue to monitor closely.
- ii) As stated in our reply to Question (a)(i), these debtors are our key partners in our concerts/events business. The Group has taken steps to ensure that collectability is not compromised and will continue to monitor closely. On the operation aspect, the concert industry in much of Asia has been in a virtual standstill for more than 1.5 years. Since the outbreak of COVID-19, the Group has not transacted with these partners. However, the Group continue to engage these partners with a view to re-present the concerts/events that were postponed and for the satisfactory settlement of all outstanding debts.

By Order of the Board

Leslie Ong Chin Soon
Executive Director and CEO
6 August 2021

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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