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**FURTHER RESPONSE TO SGX FURTHER QUERIES PERTAINING TO THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 ("FURTHER RESPONSES")**

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The Board of Directors ("**Board**") of UnUsUaL Limited (the "**Company**" and together with its subsidiaries, the "**Group**") has received further queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") pertaining to the Company's further responses on its AR2021 in respect of its announcement dated 20 Aug 2021.

The Company wishes to provide its further response as follows: -

**SGX-ST Query**

1. **Based on the Company's policy, revenue from trading of performance rights is recognised at the point in time when the customer obtains control of the rights.**
  - (a) **In this regard, for shows which have been postponed due to not obtaining the relevant permits from the authority or as a result of the pandemic, please explain if business partners can be said to have obtained control of the rights and thus would still be required to make payments. If so, what are the credit terms extended by the Company?**
  - (b) **For shows which have been postponed, did the Board assess the likelihood of them being rescheduled in determining if impairment is required.**

**The Company's Response**

- (a) Yes, our business partners obtained control of the rights and thus would still be required to make payments. For information, the time from the sale of rights to show execution can be up to a year or more. We normally would extend credit until the show is completed. As explained in our earlier announcements, the current situation is unprecedented in terms of the challenges faced by our industry. Therefore, we have to balance our credit extensions on a case-by-case basis against the backdrop of changing outlook and make the necessary provisions as and when necessary.
- (b) Yes, the Board assessed the likelihood of them being rescheduled in determining if impairment is required. In this effort, the Board independently assesses periodically and at the financial year end the expected credit loss ("ECL") associated with our trade receivables. The Board also reviewed and concurred with the management determination on ECL based on 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 forwardlooking information, including assessing potential impact on the outbreak of COVID-19 pandemic.

2. **On the Board's assessment of collectability of the trade receivables, the Company responded that the "Board has instructed management to monitor and continuously engage the affected partners to ensure the debts are acknowledged and assess the affected partners' viability to ensure that collectability is not compromised". Please explain the details**

- (i) **Why there are no issues with collectability; and**
- (ii) **What the Board assessed in deciding that no further impairment is necessary.**

**The Company's Response**

- (I) We assess the recoverability of receivables on a regular basis with reference to SFRS(I)9. The Group has a policy to regularly review debt collection with customers to verify their credit history. Thus, receivable balances are monitored on an ongoing basis to ensure the Group's exposure to bad debts is not significant. In monitoring the credit risk, the Group considers the customers' trade history with the Group, the aging profile, maturity and the existence of any previous financial difficulties.
- (II) As of 31 March 2021, the Group has assessed and recognised expected credit losses for trade and other receivables taking into consideration historical loss rate, assessment of credit risk characteristic of customers and forward looking macro-economic factors which includes the average unemployment rate over different geographical areas, inflation rate and time value of money.

As disclosed on Page 102 of the AR2021, the Group do not have any trade receivables as at 31 March 2020 subject to any material credit losses / loss allowances. For this year 31 March 2021, in the current year's ECL assessment, the Group took into consideration the probability of default payment due to the potential impact of COVID-19 and recognized the ECL allowances accordingly under SFRS(I) 9 Financial Instruments.

Based on our assessment, no further impairment is required as there are no disputes between the parties and all the contractual parties are in mutual agreements to postpone the events/shows.

Accordingly, the Board reviewed the assessment as explained and opined with the conclusion that no further impairment is required.

3. **It was announced that "there is no material movement in trade receivables since 31 March 2021 to-date as the next collection period is in month of September 2021". Please explain why is collection performed during specific period instead of on an ongoing basis?**

**The Company's Response**

As at 31 March 2021, there is a group of specific trade receivables which we have secured regular repayment plans. For this group of receivables, we have received some payments accordingly to repayment plans but is not material as explained in our earlier announcement. For the rest of other receivables, we monitor and follow up on collection on an ongoing basis.

**By Order of the Board**

Leslie Ong Chin Soon  
Executive Director and CEO  
25 August 2021

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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.

The contact person for the Sponsor is Mr Kaeson Chui, Vice President, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.