Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: UnUsUaL Limited

Stock code: 1D1

Meeting details:
Date: 30 July 2021
Time: 11.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. Would the board/management provide shareholders with greater clarity on the following operational and financial matters? Specifically:

(i) **JJ Lin "Sanctuary" World Tour: What was the group's role (and the performance obligation) in the highly anticipated live broadcast of the JJ Lin「SANCTUARY FINALE」Virtual Concert? Given that the virtual concert was reportedly marred by serious technical issues, what is the potential financial impact on the group?**

(ii) **La Clique:** The group also has plans to bring in a cabaret circus entertainment show, La Clique, at the Marina Bay Sands, from 22 September 2021 to 7 November 2021. This will be the group's first large-scale live show in Singapore since the onset of COVID-19. **Similarly, what is the group's role in La Clique? How much has been invested in the show? Should the event be postponed or cancelled, what will be the financial impact on the group? Using the assumptions/budget applied for La Clique, what would the impact to the operations and profitability/margins arising from the need for safe management measures (e.g. reduced seat capacity, pre-event testing)?**

(iii) **Live shows: What are the other major live shows planned for the next 18-24 months? How costly would it be should a planned live show be cancelled due to the resurgence of COVID-19 in the host country/city? How is the group mitigating that risk while planning for live shows?**

(iv) **Exhibitions: How is the group positioning itself to capture more interactive and immersive exhibitions?**

(v) **Long term prospects: Has the board evaluated the pace of recovery/re-opening and hence the long-term prospects of the group, especially with regard to the group's promotion segment?**

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Q2. For FY2021, net loss was $(9.3) million (page 65 – Consolidated statement of cash flow). The group generated a net cash outflow of $(4.4) million from operating activities before working capital changes. Net cash used in operating activities was higher at $(6.5) million in FY2021, compared to $(5.4) million in FY2020.

Cash and cash equivalents at the end of the year amounted to $3.3 million, down from $12.6 million.

Total borrowings (Note 22 – Borrowings; page 93) decreased to $ 18.3 million from $20.7 million. As shown Note 30 (page 104 – Financial risk management), $11.9 million of the group's bank borrowings have contractual maturity date of less than 1 year.

(i) **What are the salient terms (including interest rate, maturity, covenants) of the group's bank borrowings?**

The group had no bank borrowings at the end of FY2018. Bank borrowings increased to $4.0 million in FY2019, and then to $20.6 million in FY2020. At the end of FY2021, bank borrowings decreased slightly to $18.2 million.

(ii) **Can management elaborate further on the group's ability to generate cash from its operations?**

(iii) **Has the board set a limit to its gearing?**

As at 31 March 2021, "other current assets" of the group amounted to $25,751,774 representing 34% of the group's total assets. As noted in the key audit matter, "Other current assets" of the group represents the assets recognised for costs incurred to fulfil a contract, which are future events relating to production, promotion and other activities.

(iv) **Can management provide a breakdown of "Other current assets" by the nature of spending, by the events, by counterparties etc?**

(v) **With the resurgence of COVID-19, what are the risks that these other current assets may be impaired or written off as events are cancelled?**

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Q3. At the annual general meeting scheduled to be held on 30 July 2021, three directors, namely Mr Melvin Ang, Mr Johnny Ong and Mr Kelvin Tan, would be retiring pursuant to Regulation 97 of the company's constitution and would be seeking their re-election.

The biographies of the directors can be found on pages 10 to 12 of the annual report. Additional information on directors seeking their re-election can be found on pages 42 to 50.

In particular, should he be re-appointed as a director, Mr Kelvin Tan will remain as an independent director, the chairman of audit committee, member of Nominating Committee and remuneration committee.

(i) **How did the nominating committee (NC) carry out its assessment on the re-nomination of retiring directors standing for re-election?**

(ii) **Has the NC and the board deliberated on the suitability of Mr Kelvin Tan who is an independent director and the chairman of the audit committee?** In the additional disclosure by directors seeking their re-election, the director has disclosed the following:

> *I am currently one of 6 Defendants in a suit commenced on 26 April 2021 in the General Division of the High Court of Singapore viz HC/S 384 / 2021. The 6 Defendants comprise 5 independent directors (including myself) and 1 executive director of Eagle Hospitality REIT Management Pte Ltd ("REIT Manager"). The Plaintiffs in this suit (who are unitholders) have raised allegations against all 6 Defendants that we have breached sections 199(a), 199(b) and 201(d) read with section 234(1A) of the Securities and Futures Act (Cap. 289) ("SFA"), for allegedly making false or misleading statements and/or allegedly omitting to state a material fact necessary in order to make the statements made, not misleading, which is likely to induce, or is in connection with the subscription, sale or purchase of securities or any capital market products.*

Local media has reported that the six defendants, including Mr Kelvin Tan, were arrested last October on "reasonable suspicion" that disclosure requirements may have been breached[1].

(iii) **Given the lawsuit and his other commitments, including his directorship in another listed company, Viking Offshore and Marine Ltd, which is undergoing a restructuring, can the director help shareholders know how he is able to afford sufficient time, energy and attention to matters of the group?**

[1] https://www.singaporelawwatch.sg/Headlines/eht-unitholders-file-lawsuit-against-manager-s-board-claiming-shortfalls-in-disclosure

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^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)