

UnUsUaL™

飛凡有限公司 LIMITED

a mm2 company



THE FUTURE IS AHEAD OF US

ANNUAL REPORT 2017

A large stage event, likely a concert or awards ceremony, featuring a band performing on stage. The stage is illuminated with warm, golden lights, and the ceiling is a complex structure of metal trusses with numerous spotlights. A large screen in the background displays text. The band consists of several members, including a keyboardist, a guitarist, and a singer. The overall atmosphere is vibrant and professional.

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Hong Leong Finance Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST and the SGX-ST 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 contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, Hong Leong Finance Limited, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886



CONTENTS

- 02** Corporate Profile
- 04** Financial Highlights
- 06** Operating and Financial Review
- 08** Chairman's Statement
- 09** CEO's Statement
- 10** Board of Directors
- 13** Senior Management
- 14** Group Structure
- 15** Corporate Information
- 16** Financial Contents

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 usually take charge of the planning and managing of concerts and events, down to the coordinating of ticketing matters, as well as the marketing activities leading to the opening of the concert/event.

UnUsUaL Limited is the holding company of UnUsUaL Entertainment Pte. Ltd. ("**UnUsUaL Entertainment**"), UnUsUaL Productions Pte Ltd ("**UnUsUaLProductions**"), UnUsUaL Development Pte. Ltd. ("**UnUsUaL Deveopment**"), UnUsUaL Productions (M) Sdn. Bhd. ("**UnUsUaL Malaysia**"), and UnUsUaL Entertainment International Limited ("**UnUsUaL Hongkong**") (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 move into the North 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, 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

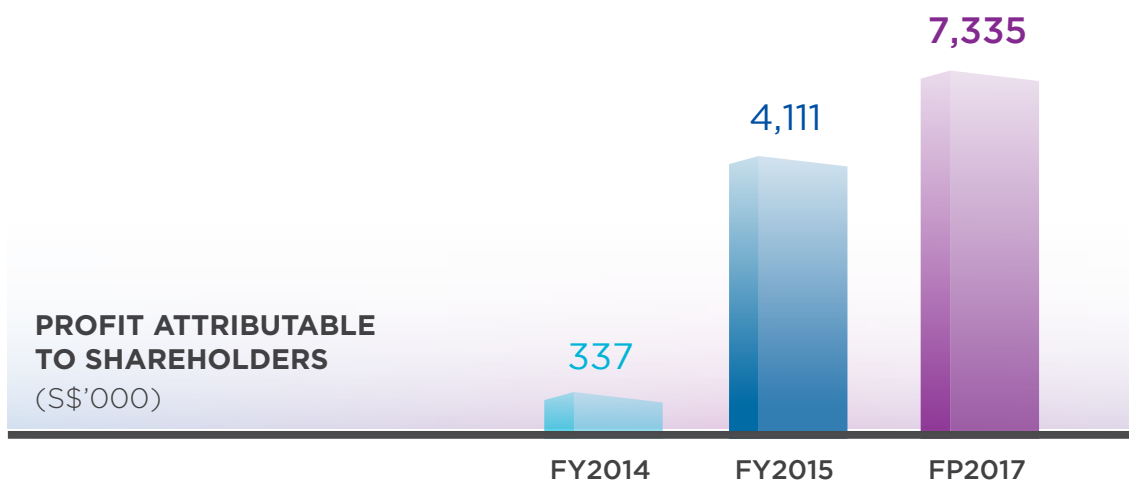
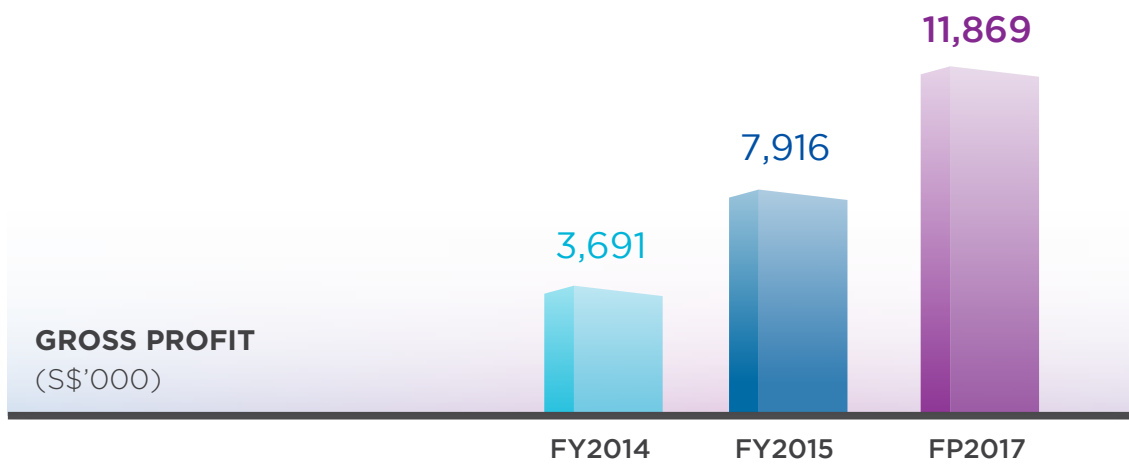
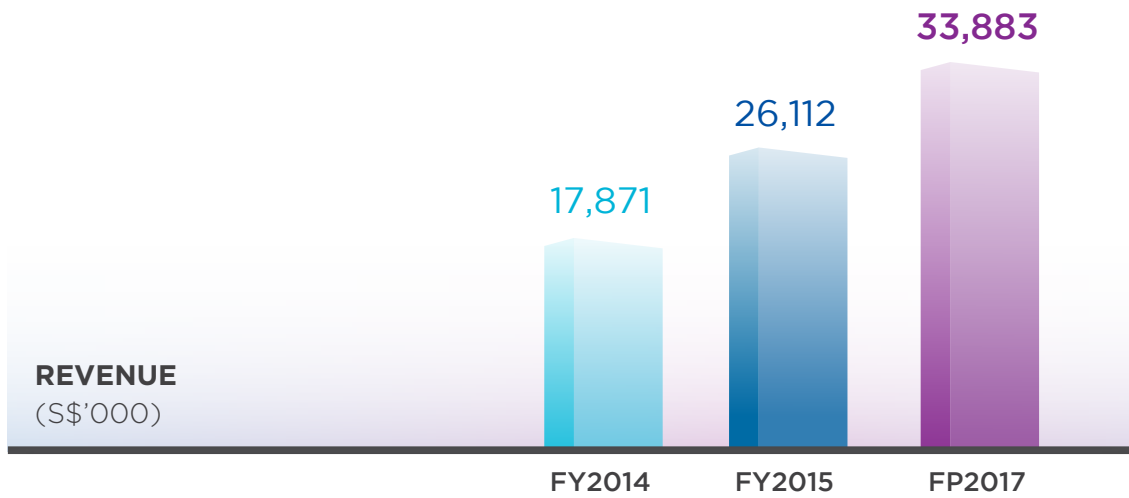
Production income is derived from the provision of technical and creative expertise to the large-scale live events and concerts. We conceptualise and develop creative input, provide consultancy services, design solutions for set creation, stage design and other requirements.

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 mainly from the collaboration with SingEx Ventures Group for the use of The Max Pavilion @ Singapore Expo ("TMP"). Under our collaboration, event holders at TMP may utilise our SLV equipment which are already pre-installed. For this, we share a portion of the rental.



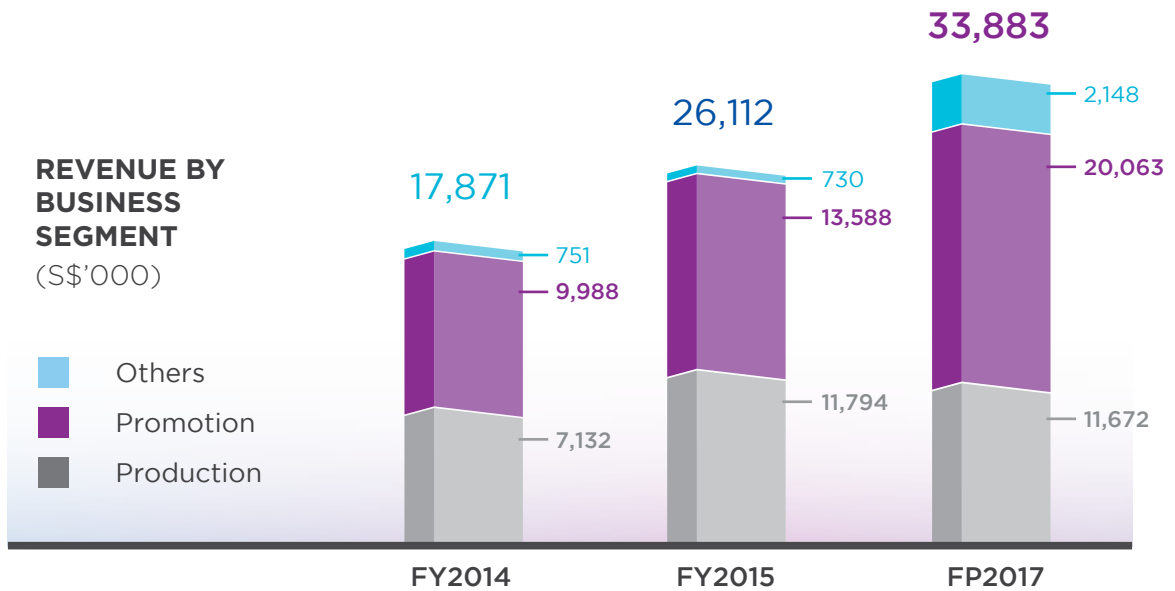
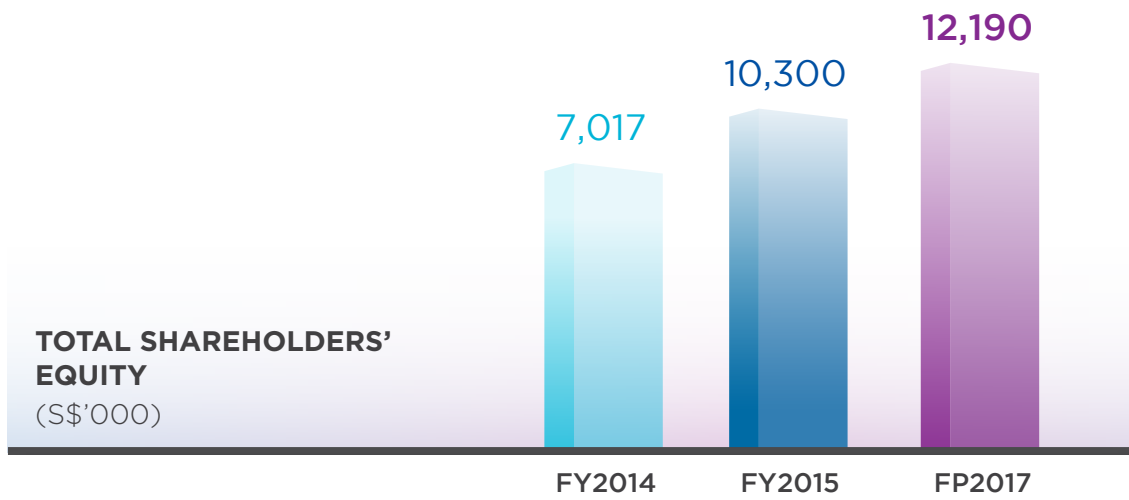
FINANCIAL HIGHLIGHTS



FY2014: 12 months

FY2015: 12 months

FP2017: 15 months



FY2014: 12 months

FY2015: 12 months

FP2017: 15 months

OPERATING FINANCIAL REVIEW*

COMPREHENSIVE INCOME

Revenue

The Group's revenue had increased by S\$7.8 million or 29.8% from the corresponding year in FY2015 to approximately S\$33.9 million in FP2017. The increase was due mainly to higher promotion revenue which increased by S\$6.5 million. Other revenue also increased by S\$1.4 million. Both increase were offset by a decrease in production revenue of approximately S\$0.1 million.

Cost of sales, and Gross Profit and Gross Profit Margin

The Group's cost of sales increased, in line with the higher revenue, from S\$18.2 million in FY2015 to S\$22.0 million in FP2017. However, the percentage increase in cost of sales was lower than the percentage increase in revenue. This resulted in higher gross profit margin of 35% in FP2017 as compared to 30.3% in FY2015, which represents an increase of 4.7%. This was achieved through more projects utilising internal resources rather than outsourced.

Other gains - net

Other gains - net increased by S\$1.0 million or 195.9% due mainly to a gain on disposal of equipment.

Administrative Expenses

Administrative expenses increased by S\$1.2 million or 32.3% from S\$3.8 million in FY2015 to S\$5.0 million in FP2017. Staff costs increased by S\$0.8 million due to wage increase. Other general administrative expenses increased by approximately S\$0.2 million due to an increase in professional and legal fees. Additional rental expense of S\$0.1 million was incurred due to the extended year end.

Finance Costs

Finance costs increased by S\$18,000 or 272.0% due to borrowings on short term loan.

Income Tax Expense

Income tax expense increased by S\$0.4 million or 66.8% due to higher profits.

Profit after tax

The Group's profit after tax was S\$7.3 million over a 15 month period compared to S\$4.1 million in FY2015, which represents an increase of S\$3.2 million or 78.4%.

FINANCIAL POSITION

As at 31 March 2017, the Group's total shareholders' equity stood at S\$12.2 million.

The Group's current assets decreased by S\$0.4 million due to the following reasons:-

- Trade receivables decreased by S\$4.4 million or 71.1% due to better collection from trade debtors of S\$1.2 million and assignment of trade receivables of approximately S\$1.5 million to our shareholders pursuant to the settlement arrangement. Average trade receivable days improved from 56 days in FY2015 to 53 days in FP2017;
- Other receivables decreased by S\$3.0 million or 97.5% mainly due to assignment of other receivables to our shareholders under the settlement arrangement;
- Deferred cost increased by S\$2.0 million or 188.9% mainly due to deposits and prepayments, in relation to the production and promotion businesses;
- Increase in inventories by S\$0.1 million for purchasing consumables to take advantage of lower costs for bulk purchasing.

Non-current assets

Non-current assets increased by S\$2.9 million or 73.2% due to purchases of equipment for S\$5.6 million, offset by depreciation of S\$1.0 million and disposal of equipment of S\$1.6 million.

The Group's current liabilities increased by S\$1.6 million due to the following increases:-

- Bank borrowings increased by S\$0.5 million due to financing via short term bank borrowings;
- Income tax payables increased by S\$1.0 million or 441.6% due to the increase in profits.

*This review is comparing FY2015 (1 Jan 15 to 31 Dec 15) and FP2017 (1 Jan 16 to 31 Mar 17). This is due to the change in the financial year end from 31 Dec to 31 Mar.



CASH POSITION

Net cash generated from operating activities

The Group generated positive cash flows from operating activities of S\$8.2 million before changes in working of capital of S\$0.6 million. Our net working capital inflows of S\$0.6 million was due to a decrease of trade and other receivables of S\$0.7 million as well as an increase in trade and other payables of S\$0.1 million, offset by an increase in inventories of S\$0.1 million and income tax paid of S\$0.1 million

The positive cash flows generated was used in the following activities:

Net cash used in investing activities

Net cash used in investing activities amounted to S\$2.6 million, mainly for the purchase of equipment of S\$5.5 million offset by S\$2.9 million from proceeds from disposal of equipment.

Net cash used in financing activities

Net cash used in financing activities amounted to S\$0.5 million. The Group raised S\$3.0 million from convertible loan, increased borrowings from banks of S\$0.5 million, paid dividends to shareholders of S\$3.9 million and repaid finance lease payables of S\$0.1 million.

Net increase in cash and cash equivalents

The Group's cash and cash equivalents increased by approximately S\$5.7 million from S\$4.5 million in FY2015 to S\$10.3 million in FP2017.



CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of UnUsUaL Limited (the “**Board**”), I am pleased to present the inaugural annual report of UnUsUaL Limited. (“**UnUsUaL**” or the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”), for the financial period ended 31 March 2017 (“**FP2017**”).

On 10 April 2017, UnUsUaL listed on the Catalist Board of the SGX-ST. The Initial Public Offering (“**IPO**”), which raised net proceeds of approximately S\$17.4 million, has helped equip us with stronger networks and resources to grow as a leading event and concert production and promotion company.

To-date, the Group has produced and promoted more than 150 concerts and 200 events. The projects the Company has taken on continue to grow in scale and budget, with the Group’s net profit for FP2017 increasing to S\$7.3 million.

The Board believes that the outlook for the production and promotion business in Singapore and the region is expected to remain positive. UnUsUaL will continue to expand its operations both locally and regionally, and as a subsidiary of mm2, we will be able to tap on mm2’s presence and network in China and Hong Kong, which are far greater concert markets.

As we move into the financial year ending 31 March 2018 (“**FY2018**”), we see opportunities to expand our operations via acquisitions, joint-venture companies (“**JVCs**”) and investments. With the support of our management, staff and our shareholders, the Board will continue to drive the Group to grow and become a top regional production and promotion company in Asia.

Melvin Ang
Non-Executive Chairman and Non-Independent Director



CEO'S STATEMENT

DEAR SHAREHOLDERS,

This year we celebrate our Group's twentieth anniversary and also, our listing on SGX Catalist on 10 April 2017. Since our humble beginnings in 1997, we have had twenty exciting years in this industry. With our listing, the future is going to be even more exciting.

The entertainment and lifestyle industry has been growing and evolving. As an experienced all-rounded producer and promoter for large-scale live events and concerts by renowned artistes in Singapore and in the region, the UnUsUaL Group is well-positioned to tap into the many opportunities presented to us.

UnUsUaL will continue to expand its footprint on the regional market with more events planned for the current financial year. The North Asian market is a key focus point of our growth strategy. We look forward to develop more projects in Hong Kong, Taiwan and China.

UnUsUaL Entertainment, our wholly-owned subsidiary, is co-organising two-night sold-out Jacky Cheung "A Classic Tour" in Zhongshan, Guangdong Province, PRC. We are working on other similar projects in these markets. We will make the appropriate announcements when the time is right.

In August 2017, UnUsUaL will also be bringing our first western act since its listing – international stadium/arena headliners Foo Fighters – to Singapore. We will continue to bring more shows/acts from the global stage to this region.

With the revamped mm2 Group Red Carpet Club launched in April 2017, we look forward to continuously engaging our shareholders through invitations to events and concerts produced and promoted by the Group.

We are a young listed company, managed by a driven and experienced management team. On behalf of the Group, we would like to thank all stakeholders who have supported us all these years. We will continue to grow with the aim to become an event and concert leader in Asia.

Leslie Ong
Chief Executive Officer and Executive Director

BOARD OF DIRECTORS



Melvin Ang Wee Chye (“Melvin Ang”) is our Non-Executive Chairman and Non-Independent Director. He is concurrently the Executive Chairman of mm2. Mr. Melvin Ang was the Vice President, Business Development in Television Corporation of Singapore during August 1997. 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, Mr. 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.

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



Leslie 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 has been with our Group since its inception in 1997 and has nearly 20 years of experience in the Production and Promotion business. Mr. Leslie Ong obtained his diploma in Electronic Engineering in 1988 from Ngee Ann Polytechnic.



Johnny 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 Mr. Leslie Ong, Mr. 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.



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, Mr. 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, Mr. Kelvin Tan was the Managing Director of GBE Holdings Pte. Ltd. Mr. 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.

Mr. 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. Mr. 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, Mr. 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, Mr. William Tan was engaged as a financial consultant by Sinocom Solar Group, a solar energy solutions provider in Beijing. From 2012 to 2015, Mr. 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.

Mr. 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 (“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. Mr. 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. Mr. 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.

Mr. 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. Ms. 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

Tay Joo Heng is our Group Chief Financial Officer (“**CFO**”). He joined us on 18 April 2016 and is responsible for managing and overseeing the financial related activities of our Group. He has more than 20 years of financial and operational experience in media, content production, technology and trading industries. In the early part of his career, he worked with a multinational corporation as a financial analyst. From 1994 to 1996, he worked as a Lecturer with Nanyang Polytechnic’s School of Business Management. He joined the SPH Group in 1997 and served in the Finance Department. In 2004, he joined Scorpio East Pte Ltd primarily to work on Scorpio East’s initial public offering preparation. He left in 2006 and re-joined the media industry taking up a Business Planning position with Mediacorp Studios Pte Ltd, till 2007. Subsequently, he joined Leeden Limited as Assistant General Manager and thereafter was General Manager of National Industrial Gases Pte Ltd, a subsidiary of Leeden Limited. He left Leeden Limited in March 2013. Prior to joining our Company, he held the position of the Chief Financial Officer of mm2 Asia Ltd.

Mr. Tay Joo Heng graduated from the National University of Singapore with a degree in Accountancy in 1989 and is a member of the Institute of Singapore Chartered Accountants.

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. Mr. 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 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.

Mr. 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

UnUsUaLTM
飛凡有限公司 LIMITED

UnUsUaL
Entertainment
Pte. Ltd.

100%

UnUsUaL
Productions
Pte. Ltd.

100%

UnUsUaL
Development
Pte. Ltd.

100%

UnUsUaL
Productions
(M) Sdn. Bhd.

100%

UnUsUaL
Entertainment
International
Limited

100%

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 (Lead 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

Shirley Tan Sey Liy (ACIS)

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
8 Robinson Road
#03-00, ASO Building
Singapore 048544

Independent Auditor

Nexia TS Public Accounting Corporation
100 Beach Road, #30-00
Shaw Tower
Singapore 189702

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

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

FINANCIAL CONTENTS

- 17 Corporate Governance Statement
- 34 Directors' Statement
- 40 Independent Auditor's Report
- 44 Consolidated Statement of Comprehensive Income
- 45 Statements of Financial Position
- 46 Consolidated Statement of Changes in Equity
- 47 Consolidated Statement of Cash Flows
- 48 Notes to the Financial Statements
- 89 Statistics of Shareholdings
- 91 Notice of Annual General Meeting





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