

16 December 2020

**E-Plus Ltd (the “Company” or “8EP”)**

**RESPONSE TO PERIODIC DISCLOSURE QUERY**

In response to the following questions below.

*1. Given the auditor has indicated that a material uncertainty exists as to whether the Company can continue as a going concern, please explain the basis for and the factors considered by the directors to satisfy themselves that the going concern assumption of preparation is appropriate.*

The Company was in a preliminary discussion with interested party during the preparation of the mid-year report and since then the Share Purchase Agreement (SPA) has been crystalised recently. The details of the SPA will be announced by the end of the year. Changes in Directors and new share issue has been announced recently.

Management are in the process of finalising a new digital marketing offering with a few contracts in negotiation and a positive pipeline expected.

The Directors have committed to support the Company as required until full operations are able to resume.

*2. In relation to the Disclaimer of Conclusion regarding receivables, please explain why the auditor has been unable to obtain sufficient evidence to verify the carrying amount of the receivables. In your response, please include details of the information which was requested by the auditor but the Company was unable to provide and why the Company failed to provide the requested information.*

The auditors requested signed contracts, award letters or invoices to satisfy revenue collection for the related entities to ensure some of the loans were repaid. However, most projects that were previously in the pipeline of the regional offices fell through due to the worsening business conditions brought by the coronavirus pandemic and the consequent restrictions resulting from that, hence the Company was not able to comply.

The Company management and directors have made a decision, based on new developments that occurred after the 30 June 2020 half year report was lodged, to write off the related party receivables and this will be reflected in the 31 December 2020 annual report.

*3. The Company has previously not been able to provide ‘signed contracts, award letters or invoices’ that have been requested of it by the auditor for the trade and other receivables account. Please explain why the Company still cannot provide the evidence that the auditor is seeking in order to verify the stated amounts? (refer to point C. above)*

Refer answer 2.

*4. What actions has the company taken and/or what actions will it take to collect or recover the amount receivable from related parties?*

Refer answer 2.

5. Please provide an aging analysis for the related parties receivables.

<b>Outstanding Period</b>	<b>E-Plus Singapore MYR</b>	<b>E-Plus Philippines MYR</b>	<b>E-Plus Indonesia MYR</b>	<b>E-Plus Thailand MYR</b>
Less than 1 month				
1 to 3 months				
3 to 6 months		22,794		8,685
6 to 12 months				
More than 12 months	862,509	1,110,948	1,796,904	677,329
<b>Total amount owed to the Group (MYR)</b>	<b>862,509</b>	<b>1,133,742</b>	<b>1,796,904</b>	<b>686,014</b>

6. In relation to the Disclaimer of Conclusion regarding office space in use, please explain why the auditor has been unable to obtain sufficient evidence to verify the recoverable amount of the office space. In your response, please include details of the information which was requested by the auditor but the Company was unable to provide and why the Company failed to provide the requested information.

The auditor requested evidence and any other information or documents that would show the current market values of the properties, taking into consideration the effects of the pandemic in order to assess carrying amount of the properties on the statement of financial position. However, this information was not easily be obtainable due the difficulties in commissioning an expert valuer to perform a market valuation caused by movement restrictions within the country, hence the Company was not able to provide such information.

A valuation is being commissioned and will be completed prior to the publication of the December 2020 annual report.

7. What steps have been taken, or will be taken, by the Company to obtain an unqualified opinion or conclusion regarding its future financial statements?

Refer the answers to your queries above, in relation to going concern, receivables and valuation of property.

8. Please provide your quarterly update as agreed in your Response to the Periodic Disclosure Query received on 24 July 2020 (refer to point D. above).

Refer answer 2

Andrew Ching

CEO