

Dear Ms. Climo,

E-Plus Ltd (the “Company” or “8EP”)

Periodic Disclosure Query

NSX refers to the Company’s Half-Yearly Financial Report¹ lodged on 16 September 2019 and notes the following:

- a) Independent Auditor’s Review Report on the Half-Year Financial Report:

“Basis for Qualified Conclusion

As at 30 June 2019, the Group had receivables from related parties of \$2,452,855. We were unable to obtain sufficient appropriate evidence about the carrying amount of these receivables from related parties. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Significant Uncertainty Regarding Going Concern

We draw attention to Note 2 of the consolidated financial report, which states that at 30 June 2019 the Group recorded a net profit after tax for the year of \$20,609 (30 June 2018: profit of \$150,190). The Group also incurred operating cash outflows of \$227,351 (30 June 2018: outflow of \$202,794). As at 30 June 2019 the Group had net current assets of \$61,139 (31 December 2018: net current assets of \$50,795). Included in net assets are related party receivables of \$2,452,855 (31 December 2018: \$2,101,111). Included in liabilities are loans from Directors and related parties of \$1,527,349 (31 December 2018: \$1,402,276).”

- b) Consolidated Statement of Financial Position on page 5:

	Financial period ended 30 June 2019 (AUD)	Financial period ended 31 December 2018 (AUD)
Trade and other receivables	\$2,661,021	\$2,716,143
Total Current Assets	\$3,146,736	\$2,868,758
Total Assets	\$3,582,069	\$3,272,417

- c) Note 9 – Related Parties:

Related Parties	Owed to the Group (AUD)
E-Plus Singapore	\$487,616
E-Plus Philippines	\$494,070
E-Plus Indonesia	\$648,086
E-Plus Thailand	\$805,053

In relation to the above information please respond to the questions below.

1. Please explain the basis for and the factors considered by the directors of the Company to satisfy themselves that the receivables due from related parties is \$2,452,855, given the auditor has been unable to obtain sufficient appropriate evidence about the carrying amount of these receivables from related parties.
2. In relation to the qualified conclusion please explain why the auditor has been unable to obtain sufficient evidence to verify the carrying amount of the receivables from related parties. In your response please include details of the information which was requested by the auditors, but that the Company was unable to provide.
3. What steps have been taken, or will be taken, by the Company to obtain an unqualified opinion or conclusion regarding its future financial statements?

¹ <https://www.nsx.com.au/ftp/news/021737325.PDF>

4. Given the auditor has indicated that a significant uncertainty exists as to whether the Company can continue as a going concern and, as at 30 June 2019, receivables from related parties constitute a significant amount of the Company's total assets, on what basis do the directors consider that the Company can continue as a going concern?
5. Does the Company consider it has sufficient assets to warrant the continued listing of its securities on the Exchange, noting receivables from related parties constitute a significant amount of the Company's total assets? Please also explain the basis for this conclusion.
6. Please provide an aging analysis of the receivables from related parties as at 30 June 2019 in the following format:

Outstanding period	E-Plus Singapore	E-Plus Philippines	E-Plus Indonesia	E-Plus Thailand
Less than 1 month				
1 to 3 months				
3 to 6 months				
6 to 12 months				
More than 12 months				
Total amount Owed to the Group (AUD)	\$487,616	\$494,070	\$648,086	\$805,053

This request is made under, and in accordance with, Listing Rule 2.7. It goes to whether the Company is in compliance with Listing Rules Section IIA 6.4 and 6.5A.

Your response should be sent to me directly via email no later than **4 pm on 10 October 2019**. Your response will be released to the market along with a copy of this letter. If you wish to discuss the content of your response, please do not hesitate to contact me as soon as possible.

Yours sincerely

Ingrid Wei
Market Surveillance Analyst