

E-Plus Limited and Controlled Entities

ACN 605 951 059

Financial Statements

For the Year Ended 31 December 2019

E-Plus Limited and Controlled Entities

ACN 605 951 059

Contents

For the Year Ended 31 December 2019

	Page
Financial Statements	
Corporate Governance Statement	1
Directors' Report	3
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	10
Consolidated Statement of Profit or Loss and Other Comprehensive Income	11
Consolidated Statement of Financial Position	12
Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15
Directors' Declaration	39
Independent Audit Report	40

Corporate Governance Statement

31 December 2019

This statement summarises the main corporate governance practices of E-Plus Limited and Controlled Entities.

The Board of Directors is primarily responsible for creating, protecting and delivering long term shareholder value. This is achieved through the application of appropriate corporate governance policies and procedures relevant to the size of the Group and the scale of its operations.

The Directors are committed to maintain a Board that is highly skilled, experienced and capable of fulfilling its obligations. The current Board reflects the appropriate balance of Executive and Non Executive Directors to achieve effective governance and promote shareholder value. The majority of the Board are Independent Non Executive Directors. The details of the Director's skills, expertise and experience are provided in the Directors Report.

To assist in fulfilling its duties and responsibilities the Board of Directors have established three standing committees as at listing dated 16 January 2017.

NSX Corporate Governance

The Group recognises the importance of good corporate governance and has, where appropriate developed its policies and procedures with reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Within this context, the Directors make the following disclosures in relation to the Group's corporate governance framework:

Corporate Governance Statement

31 December 2019

Principle	Summary of E-Plus Limited's position
One – Lay solid foundations for management and oversight	The Board Charter sets out the separation of function and the responsibilities of the Board. There are three executive Directors who have contracts which regulate their roles within the Group. The role of Chair is currently held by the CEO and is therefore not independent. The Group considers that the Board is appropriately structured given the nature and size. For this reason, the Group takes the view that it is in the best interests of members that the current executive directors be directors of the Board.
Two – Structure the board to add value	The Board has three independent Non Executive Directors and two Executive Directors. The Board Charter sets out the procedure for recruiting and appointing a new Director. The current Board has the appropriate skills and experience for its size and scale.
Three – Act ethically and responsibly	The Board has implemented a Code of Conduct (Code) to set the minimum standards of conduct expected of all Directors and employees of the Group. This includes the expectation that all employees will act honestly and fairly in all commercial dealings and conduct themselves with professional courtesy and integrity. The Code together with the Board Charter set out the Group's approach to identifying and dealing with Conflicts of Interest. The Board has also adopted a Securities Trading Policy which is appropriate for a company whose shares are admitted to trading on the NSX. The Board has also implemented a Diversity Policy as it recognises the benefits of maintaining diversity among all level in the Group.
Four – Safeguard integrity in financial reporting	The full Board acts as Audit & Risk Management Committee that has obligations for financial reporting, risk management and internal control. All members of the Board are financially literate.
Five – Make timely and balanced disclosure	The Board seeks to ensure that there is informed trading in its securities and that all shareholders have equal and timely access to material information. There are also internal procedures defined in the Continuous Disclosures Policy to administer the Group's obligations in respect of reporting material information.
Six – Respect the rights of security holders	The Company has defined under its Shareholder Communications Policy how it will communicate with shareholders.
Seven – Recognise and manage risk	The full Board oversees the Group's risk management and internal control framework, fulfilling its corporate governance and oversight responsibilities in relation to the implementation and assessment of risk management and internal control compliance.
Eight – Remunerate fairly and responsibly	The full board acts as the Remuneration Committee that ensures that the Group's Remuneration Policy is appropriate to attract, retain and motivate high quality Directors and executives who will generate value for shareholder

E-Plus Limited and Controlled Entities

ACN 605 951 059

Directors' Report

31 December 2019

The Directors present their report, together with the financial statements of the Group, being E-Plus Limited (the Company) and its controlled entities, for the financial year ended 31 December 2019.

General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position
Keong Ngok Ching	Executive Director and CEO
Kon Kong Ching	Non Executive Chairman
Brendan Michael O'Connor	Independent Non Executive Director
Kar Nee Suen	Executive Director and COO
Ding Chai Yap	Independent Non Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Keong Ngok Ching

Qualifications Bachelor of Marketing and Bachelor of Human Resource Management from University of Southern Queensland

Experience

Ching has acquired more than 19 years of experience in the field of events management.

He founded E Plus in 2004, providing both local and international clients with a host of services ranging from design and production to media planning and communications. Fast forward to the present day, he serves as the Executive Director and Chief Executive Officer of E Plus Limited.

His love and gratitude to his home state of Melaka has led to him to organise the immensely popular Melaka Art & Performance Festival, which is regarded as the world's largest independent site specific arts festival. His contributions to society and leadership to the Company have been recognised, and are evident by the "Prestigious Entrepreneur" and the "Prestigious Personal Improvement or Accomplishment" accolades at the 21st Century The Prestigious Brand Award 2015.

Kon Kong Ching

Experience

A dedicated educator, Ching spent his entire career of more than 20 years as a teacher in Melaka, relentlessly pursuing his noble passion of nurturing the younger generation. Having performed that to distinction, he returned to the family business upon retirement where he now oversees a chain of pawnshops as a Director of CFL & Sons Sdn. Bhd.

When he's not duty bound, Ching is an avid badminton player, participating in numerous international veteran tournaments and has bagged a gold medal at the 2004 World Senior Badminton Championships.

Along with his invaluable experience, in his capacity as Non Executive Chairman of E Plus Limited, Ching provides E Plus with a formidable blend of timeless wisdom, insight and advice to keep it moving forward.

E-Plus Limited and Controlled Entities

ACN 605 951 059

Directors' Report

31 December 2019

General information

Information on directors

Brendan Michael O'Connor

Qualifications

Graduated from the College of Dance in Monkstown.

Experience

Brendan, an Ireland born artist, graduated from the College of Dance in Monkstown. Upon his graduation, he was accepted to the Laban Centre London and the Fontys Dance Academy in the Netherlands, to further discover and explore his techniques. Since then, he found his place in dance theatres to express his strong emotions, personal ideas and concepts in his physicality through dance choreographies. After a dance trip to Ghana, he found his interest in strong and physical energy, hence pursued in this direction throughout his consequent connections in New Delhi, India. Brendan continued with his own unique work, elevating his career to opportunities with various dance companies in The Netherlands, as well as some of the leading dance companies in Ireland such as the Dance Theatre of Ireland and the Modern Irish Dance Theatre.

Kar Nee Suen

Qualifications

Bachelor of Commerce Finance from University of Western Australia

Experience

Suen, kick-started her career as a Product Manager at Bacardi Martini Malaysia, where she was widely accredited for the rapid growth of the local wine market in the early 2000s. She continued to excel over the next few years in the thriving wine industry, before joining E Plus as its Events Director in 2006. She spent the next 8 years propelling the Company to unprecedented heights with her strategic acumen and transformational ideas. Suen is also the Executive Director and Chief Operating Officer of E-Plus Limited as well as the Festival Manager of the Melaka Art & Performance Festival.

Ding Chai Yap

Qualifications

Bachelor in Art (Honours) from Monash University.

Experience

Mr. Tony Yap is an accomplished dancer, director, choreographer and visual artist. Tony was one of the principle performers with IRAA Theatre (1989 1996) and has worked extensively in Australia and overseas including Agamemnon Festival Colline Torinese, Italy and The Trojan Woman, Vienna International Art Festival. As the founding Artistic director of Mixed Company (now Tony Yap Company) in 1993, he has made a commitment to the exploration and creation of an individual dance theatre language that is informed by psycho physical research, Asian shamanistic trance dance, Butoh, Voice and Visual Design.

Tony's extensive background in the performing arts led him to his fame as an industry player. Having collaborated with various companies and individuals from Australia, Indonesia, Austria, Italy, France, Malaysia, Denmark, China, South Korea and Japan, his works landed him numerous nominations and global awards throughout his career including his solo work The Decay of the Angel that won him a Green Room Award for Best Male Dancer.

Tony is also an accomplished graphic designer. He was Chief Designer in LaTrobe University, and held senior positions in CSIRO Publishing, University of Melbourne and Melbourne Film Festival for many years. He is currently the Creative Director and Founder of Melaka Art & Performance Festival in Malaysia.

His vast experience and involvement in the art scene has proven to be a crucial link to the Company with valuable insights and sound advice throughout the course of operations.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

E-Plus Limited and Controlled Entities

ACN 605 951 059

Directors' Report

31 December 2019

General information

Principal activities and significant changes in nature of activities

The principal activities of the Group during the financial year were providing events management service, particularly in the entertainment industry, personalised events Government projects and Corporate events.

There were no significant changes in the nature of the Group's principal activities during the financial year.

Operating results and review of operations for the year

Operating results

The consolidated loss of the Group amounted to MYR1,921,615 (2018: loss MYR252,200), after providing for income tax.

Review of operations

The Group is a Malaysian based events management service provider in the entertainment industry, specialising in providing events, government projects and corporate events. The Group is an integrated agency providing its clients with a full range of services, including event planning and implementation, client servicing and support, public relations and advertising, equipment rental, artist management, technical support, manpower management and permit management. The Group has, since incorporation, managed and organised various local and international events, ranging from private dinners to major scale international concerts. The Group currently possesses committed and secured contracts from its buyers and customers.

The Group has employed and developed capable senior managers with extensive experience within the events management to ensure quality event management services are provided to clients.

Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the year.

Events after the reporting date

On 11 March 2020, the World Health Organisation (WHO) declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Governments are taking increasingly stringent steps to help contain or delay the spread of COVID-19. All the major events from March 2020 have been cancelled or postponed to indefinite date due to the Movement Restriction Order ("MCO") announced by the Malaysian Government on the 18 March 2020. Although the Malaysian Government announced the relaxation of MCO restriction with the goal to reopen the national economy in a controlled manner, events and mass gathering are still prohibited temporarily. Due to COVID-19, the business and economic environment is extremely uncertain.

As for the Group's 31 December 2019 financial statements, the COVID-19 outbreak and the related impacts are considered non adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the Group cannot reasonably estimate the impact these events will have on the Group's financial position, results of operations or cash flows in the future. Refer to Note 4(a) for further details of potential events which could impact the liquidity, solvency and value of assets, and hence, the Group's ability to continue as a going concern.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years, other than those already disclosed.

E-Plus Limited and Controlled Entities

ACN 605 951 059

Directors' Report

31 December 2019

Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in the future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Company secretary

The following person held the position of Company secretary at the end of the financial year:

Natalie Sylvia Climo of Boardroom Partners has been the company secretary since 19 October 2018. Natalie has over 6 years of company secretarial experience servicing both proprietary and public companies. Her experience includes corporate board process management, corporate regulatory compliance, capital raising and corporate restructuring. Natalie is a qualified lawyer admitted in Queensland with experience in corporate law, holds a Certificate in Governance Practice and Corporate Governance from the Governance Institute of Australia.

Meetings of directors

During the financial year, no meetings of directors (including committees of directors) were held. Decisions were made by circular resolutions of the directors

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of E-Plus Limited.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 31 December 2019 has been received and can be found on page 10 of the financial report.

Directors' Report

31 December 2019

Remuneration report (audited)

Remuneration policy

The remuneration policy of E-Plus Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of E-Plus Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- The remuneration policy has been developed by the Remuneration Committee and approved by the Board following professional advice from independent external consultants.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and performance incentives.
- Performance incentives are based on predetermined key performance indicators.
- Incentives paid in the form of options or rights are intended to align the interests of the KMP and the Group with those of the shareholders. In this regard, key management personnel are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Remuneration Committee reviews key management personnel packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed bi-annually with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Upon retirement, key management personnel are paid employee benefit entitlements accrued to the date of retirement. Key management personnel are paid a percentage of between 5-10% of their salary in the event of redundancy. Any options not exercised before or on the date of termination will lapse.

All remuneration paid to key management personnel is valued at the cost to the Group and expensed.

Employment details of members of key management personnel

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the Group. The table also illustrates the proportion of remuneration that was performance based and the proportion of remuneration received in the form of options.

Directors' Report

31 December 2019

Remuneration details for the year ended 31 December 2019

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

Table of benefits and payments

2019	Salary/ Fees MYR	Expense Allowance MYR	Pension MYR	Other MYR	Total MYR
Directors					
Keong Ngok Ching	240,000	336,767	28,800	923	606,490
Kar Nee Suen	120,000	2,000	14,400	923	137,323
Kon Kong Ching	-	-	-	-	-
Brendan Michael O'Connor	-	-	-	-	-
Ding Chai Yap	-	-	-	-	-
	360,000	338,767	43,200	1,846	743,813

Key management personnel shareholdings

The number of ordinary shares in E-Plus Limited held by each key management person of the Group during the financial year is as follows:

	Balance at beginning of year	Bought/ Sold during the year	Other changes during the year	Balance at end of year
Directors				
Keong Ngok Ching	53,780,000	-	-	53,780,000
Kar Nee Suen	44,000,000	-	-	44,000,000
Kon Kong Ching	49,000,000	-	-	49,000,000
Brendan Michael O'Connor	600,000	-	-	600,000
Ding Chai Yap	-	-	-	-
	147,380,000	-	-	147,380,000

Kon Kong Ching is deemed interest in a further 67,109,320 shares by virtues of his wife and children's direct shareholding in the Company.

Keong Ngok Ching is deemed interest in a further 106,329,320 shares by virtue of his wife's, parent's and sibling's direct shareholding in the Company.

Kar Nee Suen is deemed interest in a further 111,288,674 shares by virtue of her husband's, father's and sibling's direct shareholding in the Company.

Directors' Report

31 December 2019

Other Equity-related KMP transactions

There have been no transactions involving equity instruments.

Other transactions with KMP and/or their related parties

Refer to Note 24 of the financial statements for other transactions with KMP and/or their related parties

End of Audited Remuneration Report

This director’s report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Director.....
Keong Ngok Ching



Director:
Kar Nee Suen

Dated this 25 day of JUNE 2020

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF E-PLUS LIMITED AND CONTROLLED ENTITIES

As lead auditor of E-Plus Limited and Controlled Entities for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

LNP Audit and Assurance Pty Ltd



Anthony Rose
Director

Sydney, 25 June 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2019

	Note	2019 MYR	2018 restated MYR
Revenue	6	3,699,333	9,177,680
Cost of sales		(2,612,290)	(5,927,548)
Gross profit		1,087,043	3,250,132
Other income	6	57,483	35,152
Administrative expenses		(1,962,577)	(2,138,700)
Professional services		(168,380)	(238,536)
Directors fees		(408,356)	(406,033)
Depreciation expense		(191,641)	(146,196)
Impairment loss		(310,000)	(419,742)
Loss before income tax		(1,896,428)	(63,923)
Income tax expense	8	(25,187)	(188,277)
Loss for the year		(1,921,615)	(252,200)
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		(1,921,615)	(252,200)
Loss attributable to:			
Members of the parent entity		(1,921,615)	(252,200)
Total comprehensive income attributable to:			
Members of the parent entity		(1,921,615)	(252,200)
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)	17	(0.78)	(0.10)
Diluted earnings per share (cents)	17	(0.78)	(0.10)

E-Plus Limited and Controlled Entities

ACN 605 951 059

Consolidated Statement of Financial Position As At 31 December 2019

	Note	2019 MYR	2018 restated MYR
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	34,796	642,235
Trade and other receivables	10	7,396,738	7,934,670
Current tax receivable		-	39,464
Other assets	12	65,534	576,193
TOTAL CURRENT ASSETS		<u>7,497,068</u>	<u>9,192,562</u>
NON-CURRENT ASSETS			
Property, plant and equipment	11	836,288	1,244,937
Deferred tax assets		-	9,989
TOTAL NON-CURRENT ASSETS		<u>836,288</u>	<u>1,254,926</u>
TOTAL ASSETS		<u><u>8,333,356</u></u>	<u><u>10,447,488</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	4,048,562	4,851,298
Borrowings	14	4,702,905	4,096,469
Current tax liabilities		15,100	13,286
Other financial liabilities	15	253,698	83,120
TOTAL CURRENT LIABILITIES		<u>9,020,265</u>	<u>9,044,173</u>
NON-CURRENT LIABILITIES			
Borrowings	14	991,912	1,158,679
TOTAL NON-CURRENT LIABILITIES		<u>991,912</u>	<u>1,158,679</u>
TOTAL LIABILITIES		<u>10,012,177</u>	<u>10,202,852</u>
NET (LIABILITIES)/ASSETS		<u><u>(1,678,821)</u></u>	<u><u>244,636</u></u>
EQUITY			
Issued capital	16	3,500,000	3,500,000
(Accumulated losses)		<u>(5,178,821)</u>	<u>(3,255,364)</u>
TOTAL EQUITY		<u><u>(1,678,821)</u></u>	<u><u>244,636</u></u>

The accompanying notes form part of these financial statements.

E-Plus Limited and Controlled Entities

ACN 605 951 059

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2019

2019

	Ordinary Shares	Accumulated Losses	Total
	MYR	MYR	MYR
Balance at 1 January 2019	3,500,000	(3,255,364)	244,636
Loss attributable to members of the parent entity	-	(1,921,615)	(1,921,615)
Retrospective adjustment upon change in accounting policy	-	(1,842)	(1,842)
Balance at 31 December 2019	3,500,000	(5,178,821)	(1,678,821)

2018

	Ordinary Shares	Accumulated Losses	Total
	MYR	MYR	MYR
Balance at 1 January 2018	3,500,000	(3,003,164)	496,836
Loss attributable to members of the parent entity	-	(252,200)	(252,200)
Balance at 31 December 2018	3,500,000	(3,255,364)	244,636

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2019

	Note	2019 MYR	2018 MYR
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		4,966,661	8,148,917
Payments to suppliers and employees		(5,694,187)	(7,710,113)
Interest paid		(186,658)	(91,167)
Income taxes (paid)/refunded		(13,384)	10,732
Net cash provided by/(used in) operating activities	25	(927,568)	358,369
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		143,513	-
Purchase of property, plant and equipment		-	(36,594)
Net cash provided by/(used in) investing activities		143,513	(36,594)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from other financial liabilities		300,899	-
Proceeds from borrowings		104,988	553,658
Repayment of borrowings		-	(160,238)
Payment of lease liabilities		(157,838)	(75,905)
Net loans (repayment) related parties		(69,592)	(942,913)
Net cash provided by/(used in) financing activities		178,457	(625,398)
Effects of exchange rate changes on cash and cash equivalents		(1,841)	223,369
Net (decrease) in cash and cash equivalents held		(607,439)	(80,254)
Cash and cash equivalents at beginning of year		642,235	722,489
Cash and cash equivalents at end of financial year	9	34,796	642,235

E-Plus Limited and Controlled Entities

ACN 605 951 059

Notes to the Financial Statements

For the Year Ended 31 December 2019

The financial report covers E-Plus Limited and its controlled entities ('the Group'). E-Plus Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 25 June 2020.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Change in Accounting Policy

Change in presentation currency

The Group has changed its presentation currency from Australian dollar to Malaysian ringgit during the year to as the Board of Directors believes that Malaysian ringgit financial reporting provides more relevant presentation of the Group's financial position, funding and treasury functions, financial performance and its cash flows. As a result, comparatives have been presented in Malaysian ringgit. The functional currency remains at Malaysian ringgit.

A change in presentation currency represents a change in accounting policy in terms of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, requiring the restatement of comparative information. In accordance with AASB 121 *The Effects of Changes in Foreign Exchange Rates*, the following methodology was followed in restating historical information from Australian dollar to Malaysian ringgit:

- Non-Malaysian ringgit assets and liabilities were translated at the relevant closing exchange rate at the end of the reporting period. Non-Malaysian ringgit items of income and expenditure and cash flows were translated at actual transaction date exchange rates.
- The foreign currency translation reserve was reset to nil as at 1 January 2017 the date on which the Group adopted AASB, in line with AAASB 1 *First Time Adoption of Australian Accounting Standards*. Share capital and premium and other reserves, as appropriate were translated at the historic rates prevailing at the dates of underlying transactions.
- The effects of translating the group's financial results and financial position into Malaysian ringgit were recognised in the foreign currency translation reserve.

Leases - Adoption of AASB 16

The Group has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 January 2019 and therefore the comparative information for the year ended 31 December 2018 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations. The adoption did not have any financial impact on the Group as there are no leases extending to more than 12 months.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 22 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

(b) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(b) Income Tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(c) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Revenue of the Group mainly comes from events management. Revenue is recognized in accordance with the contracts for the respective project. The Group receives a share of the earnings from the project in questions. This share contains fixed remuneration and a variable component based on the income generated by the project. The total fixed remuneration per contract and costs relating to this are recognized in profit or loss according to the stage of completion, provided they can be determined reliably. Share of the total earnings of the project is determined once the project has been completed.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO) or Inland Revenue Board of Malaysia (IRB).

Receivables and payable are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Depreciation

Property, plant and equipment, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	20%
Furniture, Fixtures and Fittings	10%
Motor Vehicles	20%
Office Equipment	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(f) Financial instruments (continued)

Financial assets (continued)

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(f) Financial instruments (continued)

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and finance lease liabilities.

(g) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(k) Foreign currency transactions and balances

Unless otherwise specified, the financial information is presented in Malaysian Ringgit (MYR), which is E-Plus Limited's presentation currency, as well as the Group's functional currency, as the Group operates in Malaysia.

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period where the average rate approximates the rate at the date of the transaction; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the consolidated statement of financial position. These differences are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

(l) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 31 December 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group or refer to Note 2 for details of the changes due to standards adopted.

Notes to the Financial Statements

For the Year Ended 31 December 2019

4 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

(a) Going concern

The directors have prepared financial statements on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

Due to the current situation in relation to COVID-19, the business and economic environment is extremely uncertain. At 31 December 2019 The Group recorded a loss after tax for the year of MYR1,921,615, cash of MYR34,796, net current liabilities of MYR1,523,197, total liabilities of MYR10,012,177. The Group has also incurred operating cash outflows of MYR927,568. These conditions and other matters give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The ability of the Group to continue as a going concern is dependent upon the Group being able to manage its liquidity requirements by taking some or all of the following actions:

- raising additional capital or securing other forms of financing,
- reducing its expenditures,
- generating recurring revenues as a result of change of business model to virtual events, online gaming, and securing major events projects,
- receiving continued financial support from directors

Should the Group be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amount and classification of liabilities that might be required should the Group not be able to achieve the matters set out above and thus be able to continue as a going concern.

(b) Key estimates – recoverability of receivables and loans

The measurement of the recoverability of the Group's receivables at reporting date requires judgement from management by taking into account past historical data, knowledge of the receivable and timing of cash flows when recoverability is measured. They have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Notes to the Financial Statements

For the Year Ended 31 December 2019

5 Parent entity

The following information has been extracted from the books and records of the parent, E-Plus Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, E-Plus Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of the parent entity.

	2019 MYR	2018 MYR
Statement of Financial Position		
Assets		
Current assets	29,378	29,378
Total Assets	29,378	29,378
Liabilities		
Current liabilities	1,708,203	1,292,670
Total Liabilities	1,708,203	1,292,670
Equity		
Issued capital	3,500,000	3,500,000
Retained earnings	(5,178,825)	(4,763,292)
Total Equity	(1,678,825)	(1,236,292)
Statement of Profit or Loss and Other Comprehensive Income		
Total comprehensive income	(415,533)	(3,834,983)

6 Revenue and Other Income

	2019 MYR	2018 MYR
Revenue from events management	3,699,333	9,177,680
Total Revenue	3,699,333	9,177,680
- Other Income	57,483	35,152
	57,483	35,152

Notes to the Financial Statements

For the Year Ended 31 December 2019

7 Result for the Year

The result for the year includes the following specific expenses:

	2019 MYR	2018 MYR
Employee benefit expenses	165,160	259,800
Depreciation expense	191,641	146,196
Finance costs	186,658	91,166

8 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2019 MYR	2018 MYR
Current tax expense		
Local income tax - current period	25,187	188,277
Deferred tax expense	-	-
Income tax expense for continuing operations	25,187	188,277

(b) Reconciliation of income tax to accounting profit:

	2019 MYR	2018 MYR
Profit	(1,896,428)	(63,923)
Tax	24.00%	24.00%
	(455,143)	(15,342)
Add:		
Tax effect of:		
- non-deductible expenses	239,475	203,619
- deferred tax assets not recognised	196,699	-
- differential tax rates	(6,218)	-
Income tax expense	25,187	188,277

9 Cash and Cash Equivalents

	2019 MYR	2018 MYR
Cash at bank and in hand	34,796	642,235

Notes to the Financial Statements

For the Year Ended 31 December 2019

10 Trade and other receivables

	2019 MYR	2018 MYR
CURRENT		
Trade receivables	3,366,613	4,198,845
Provision for impairment	(109,346)	(109,346)
Trade receivables	3,257,267	4,089,499
Related party receivables	4,013,116	3,769,380
Other receivables	161,094	110,530
Provision for impairment on other receivables	(34,739)	(34,739)
Total current trade and other receivables	7,396,738	7,934,670

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Impairment of trade receivables

	2019 MYR	2018 MYR
CURRENT		
Balance at beginning of the year (calculated in accordance with AASB 139)	109,346	81,660
Amount restated through opening retained earnings on adoption of AASB 9	-	-
Opening impairment allowance calculated under AASB 9	109,346	81,660
Additional impairment loss recognised	-	27,686
Balance at end of the year	109,346	109,346

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over 3 years past due, whichever occurs first.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2019

11 Property, plant and equipment

	2019 MYR	2018 MYR
Plant and equipment		
At cost	119,672	117,912
Accumulated depreciation	(106,886)	(93,216)
Total plant and equipment	12,786	24,696
Furniture, fixtures and fittings		
At cost	241,395	241,395
Accumulated depreciation	(217,090)	(161,553)
Total furniture, fixtures and fittings	24,305	79,842
Motor vehicles		
At cost	510,452	891,755
Accumulated depreciation	(272,302)	(401,432)
Total motor vehicles	238,150	490,323
Office equipment		
At cost	388,003	387,704
Accumulated depreciation	(333,171)	(295,961)
Total office equipment	54,832	91,743
Electrical fitting		
At cost	43,465	43,465
Accumulated depreciation	(43,465)	(27,017)
Total computer equipment	-	16,448
Building and improvements		
At cost	658,407	658,407
Accumulated depreciation	(152,192)	(116,522)
Total building and improvements	506,215	541,885
Total property, plant and equipment	836,288	1,244,937

E-Plus Limited and Controlled Entities

ACN 605 951 059

Notes to the Financial Statements

For the Year Ended 31 December 2019

11 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Building and improvements MYR	Plant and Equipment MYR	Furniture, Fixtures and Fittings MYR	Motor Vehicles MYR	Office Equipment MYR	Electrical Fittings MYR	Total MYR
Year ended 31 December 2019							
Balance at the beginning of year	541,885	24,696	79,842	490,323	91,743	16,448	1,244,937
Additions	-	1,760	-	-	299	-	2,059
Disposals	-	-	-	(205,397)	-	-	(205,397)
Depreciation expense	(35,670)	(13,670)	(55,537)	(46,775)	(37,210)	(16,448)	(205,311)
Balance at the end of the year	506,215	12,786	24,305	238,151	54,832	-	836,288

	Building and improvement MYR	Plant and Equipment MYR	Furniture, Fixtures and Fittings MYR	Motor Vehicles MYR	Office Equipment MYR	Electrical Fittings MYR	Total MYR
Year ended 31 December 2018							
Balance at the beginning of year	566,492	41,096	135,379	580,896	114,819	25,610	1,464,292
Additions	-	-	-	-	24,114	-	24,114
Disposals	-	-	-	(80,873)	-	-	(80,873)
Depreciation expense	(24,607)	(16,400)	(55,537)	(9,700)	(47,190)	(9,162)	(162,596)
Balance at the end of the year	541,885	24,696	79,842	490,323	91,743	16,448	1,244,937

Notes to the Financial Statements

For the Year Ended 31 December 2019

12 Other assets

	2019	2018
	MYR	MYR
CURRENT		
Prepayments	65,534	576,193

13 Trade and Other Payables

	2019	2018
	MYR	MYR
Current		
Trade payables	1,252,381	2,349,417
GST payable	143,604	104,799
Sundry payables and accrued expenses	2,277,517	1,200,077
Other payables	375,060	1,197,005
	4,048,562	4,851,298

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

14 Borrowings

	2019	2018
	MYR	MYR
CURRENT		
Unsecured liabilities:		
Related party payables	3,509,475	2,947,364
	3,509,475	2,947,364
Secured liabilities:		
Lease liability secured	-	60,663
Bank loans	1,193,430	1,088,442
	1,193,430	1,149,105
Total current borrowings	4,702,905	4,096,469
NON-CURRENT		
Bank loans	991,912	1,061,504
Lease liability	-	97,175
Total non-current borrowings	991,912	1,158,679
Total borrowings	5,694,817	5,255,148

18

Notes to the Financial Statements

For the Year Ended 31 December 2019

14 Borrowings

Summary of borrowings

(a) Security

The bank loans are secured over the properties held by E-Plus Limited and a joint and several charges provided by Suen Kar Nee and Andrew Ching.

(b) Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

15 Other Financial Liabilities

	2019 MYR	2018 MYR
CURRENT		
Deferred income	253,698	83,120

16 Issued Capital

	2019 MYR	2018 MYR
245,000,000 (2018: 245,000,000) Ordinary shares	3,500,000	3,500,000

(a) Ordinary shares

	2019 No.	2018 No.
At the beginning of the reporting period	245,000,000	245,000,000
At the end of the reporting period	245,000,000	245,000,000

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(b) Capital Management

Management controls the capital of the Group in order to maintain good debt to equity ratio, provide the shareholders with adequate returns and ensure the Group can fund its operations and continue as a going concern.

Notes to the Financial Statements

For the Year Ended 31 December 2019

17 Earnings per Share

(a) Earnings used to calculate overall earnings per share

	2019	2018
	MYR	MYR
Earnings used to calculate overall earnings per share	(1,921,615)	(252,201)

(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2019	2018
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	245,000,000	245,000,000
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	245,000,000	245,000,000

18 Capital and Leasing Commitments

(a) Leases

	2019	2018
	MYR	MYR
Minimum lease payments:		
- not later than one year	-	60,663
- between one year and five years	-	97,175
Minimum lease payments	-	157,838
Present value of minimum lease payments	-	157,838

(b) Capital Commitments

The Group does not have any capital commitments as at 31 December 2019.

19 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - price risk

Notes to the Financial Statements

For the Year Ended 31 December 2019

19 Financial Risk Management

Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Bank overdraft
- Trade and other payables
- Loans and borrowings

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Operating Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Group will not have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will need to draw down more financing facilities.

Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

Notes to the Financial Statements

For the Year Ended 31 December 2019

19 Financial Risk Management

Liquidity risk

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated statement of financial position due to the effect of discounting.

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

Financial liability maturity analysis - Non-derivative

	Within 1 Year		2 to 5 Years		Total	
	2019	2018	2019	2018	2019	2018
	MYR	MYR	MYR	MYR	MYR	MYR
Financial liabilities due for payment						
Trade and other payables	4,048,562	4,851,298	-	-	4,048,562	4,851,298
Related party payables	3,509,475	2,947,364	-	-	3,509,475	2,947,364
Bank loans	1,193,421	1,088,442	991,912	1,061,504	2,185,333	2,149,946
Finance leases	-	60,663	-	97,175	-	157,838
Total contractual outflows	8,751,458	8,947,767	991,912	1,158,679	9,743,370	10,106,446

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables and contract assets

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group has adopted a policy of only dealing with creditworthy debtors as a means of mitigating the risk of financial loss from defaults. The Board of Directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group review includes external ratings, if they are available, financial statements, credit agency information and industry information. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

Notes to the Financial Statements

For the Year Ended 31 December 2019

19 Financial Risk Management

Credit risk

The Board receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Group's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Group's concentration of credit risk is mainly on the receivables with related parties.

On a geographical basis, the Group has significant credit risk exposures in Australia and Malaysia given the location of its operations in those regions.

The following table details the Group's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Past due but not impaired (days overdue)					
	Gross amount	Past due and impaired	Within initial trade terms	31-60	61-90	> 90
	MYR	MYR	MYR	MYR	MYR	MYR
2019						
Trade receivables	3,366,613	(73,873)	232,616	13,880	-	3,120,117
Related party receivables	4,013,116	-	-	-	-	4,013,116
Total	7,379,729	(73,873)	232,616	13,880	-	7,133,233
2018						
Trade receivables	4,198,845	(109,346)	2,056,568	1,356,197	7,844	778,236
Related party receivables	3,769,380	-	-	-	-	3,769,380
Total	7,968,225	(109,346)	2,056,568	1,356,197	7,844	4,547,616

Loan and advances are without fixed terms. They have been classified as non current as they are not expected to be received within the next twelve months.

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

Notes to the Financial Statements

For the Year Ended 31 December 2019

20 Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

	2019	2018
	MYR	MYR
Short-term employee benefits	698,767	670,157
Long-term benefits	43,200	43,200
	741,967	713,357

21 Auditors' Remuneration

	2019	2018
	MYR	MYR
Remuneration of the auditor LNP Audit and Assurance, for:		
- auditing or reviewing the financial statements (LNP Audit and Assurance)	20,000	20,000
- auditing or reviewing the financial statements (Danny Loo & Co PLT)	12,000	12,000

22 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) [*] 2019	Percentage Owned (%) [*] 2018
Subsidiaries:			
E-Plus Global SDN BHD	Malaysia	100	100
E-Plus Entertainment Productions (M) SDN BHD	Malaysia	100	100

^{*}The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

23 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2019 (31 December 2018: None).

24 Related Parties

(a) The Group's main related parties are as follows:

The ultimate parent entity, which exercises control over the Group, is E-Plus Limited which is incorporated in Australia and owns 100% of E-Plus Global Sdn Bhd and E-Plus Entertainment Productions (M) Sdn Bhd.

Key management personnel - refer to Note 20.

Notes to the Financial Statements

For the Year Ended 31 December 2019

24 Related Parties (continued)

(a) The Group's main related parties are as follows: (continued)

Subsidiaries - refer to Note 22.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Purchases	Sales	Balance outstanding	
	MYR	MYR	Owed to the company	Owed by the company
	MYR	MYR	MYR	MYR
Director				
Kon Kong Ching	-	-	-	1,110,000
Kar Nee Suen	-	-	-	145,460
Keong Ngok Ching	-	-	-	3,238,136
Related entities				
E-Plus Entertainment Productions (Thailand) Co. Ltd	-	-	2,424,292	-
PT. E-Plus Events Indonesia	26,301	-	1,897,341	-
E-Plus Event Management Philippines	196,812	-	1,112,196	-
E-Plus Entertainment Productions (SG) Pte. Ltd	-	-	1,417,799	-
Sendi Dunia Sdn. Bhd.	-	69,900	-	146,341
Dreamteam Asia Marketing Sdn Bhd	-	-	7,116	-
Ultra Blue Sdn Bhd	-	20,000	-	64,788

Directors' Report

31 December 2019

25 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2019 MYR	2018 MYR
(Loss) for the year	(1,921,615)	(252,200)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	205,311	146,196
- impairment loss	310,000	-
- loss on disposal of fixed asset	59,825	-
Changes in assets and liabilities:		
- decrease/(increase) in trade and other receivables	1,039,267	(1,063,919)
- decrease in deferred tax asset	26,800	268,883
- (decrease)/increase in trade and other payables	(632,159)	1,329,282
- increase/(decrease) in income taxes payable	1,814	(87,228)
- (decrease)/increase in deferred tax liability	(16,811)	17,355
Cashflows from operations	<u>(927,568)</u>	<u>358,369</u>

26 Events Occurring After the Reporting Date

The financial report was authorised for issue on 25 June 2020 by the board of directors.

On 11 March 2020, the World Health Organisation (WHO) declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Governments are taking increasingly stringent steps to help contain or delay the spread of COVID-19. All the major events from March 2020 have been cancelled or postponed to indefinite date due to the Movement Restriction Order ("MCO") announced by the Malaysian Government on the 18 March 2020. Although the Malaysian Government announced the relaxation of MCO restriction with the goal to reopen the national economy in a controlled manner, events and mass gathering are still prohibited temporarily. Due to COVID-19, the business and economic environment is extremely uncertain.

As for the Group's 31 December 2019 financial statements, the COVID-19 outbreak and the related impacts are considered non adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the Group cannot reasonably estimate the impact these events will have on the Group's financial position, results of operations or cash flows in the future. Refer to Note 4(a) for further details of potential events which could impact the liquidity, solvency and realisable value of assets, and hence, the Group's ability to continue as a going concern.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years, other than those already disclosed.

E-Plus Limited and Controlled Entities

ACN 605 951 059

Notes to the Financial Statements

For the Year Ended 31 December 2019

27 Statutory Information

The registered office of the company is:

E-Plus Limited

Boardroom Pty Ltd, "Grosvenor Place" Level 12

225 George Street

Sydney NSW 2000

The principal place of business is:

B806, Block B, Kelana Square

No. 17 Jalan SS 7/26, Kelana Jaya

47301 Petaling Jaya

Malaysia

Directors' Declaration

The directors of the Company declare that:

- 1. the financial statements and notes for the year ended 31 December 2019 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the consolidated group;
- 2. the Chief Executive Officer and Chief Finance Officer have given the declarations required by Section 295A that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
- 3. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

This declaration is made in accordance with a resolution of the Board of Directors.



Director



Director

25 June 2020

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF E-PLUS LIMITED AND CONTROLLED ENTITIES

Disclaimer of Opinion

We were engaged to audit the financial report of E-Plus Limited and Controlled Entities, (the Group), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Group.

We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matters described in the Basis of Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.

Basis for Disclaimer of Opinion

The financial statements include the following material items for which we have been unable to obtain sufficient appropriate audit evidence. These items are:

- a) MYR 7,379,729 of receivables. As stated in Note 10, the Group has MYR 7,379,729 of receivables, MYR 6,840,402 of which are from related parties and consists of trade and non-trade transactions. We were unable to obtain sufficient appropriate evidence about the carrying amount of these receivables. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.
- b) Note 4 of the financial statements discloses conditions that indicate the existence of the material uncertainties, relating to the matters surrounding the continuing use of the going concern assumption in preparation of these financial statements. We have been unable to obtain sufficient appropriate audit evidence to support management assessment of the Group's ability to continue as a going concern, and the effect of COVID-19 on the Group operations and cash flows.
- c) MYR 836,288 of fixed assets. As stated in Note 11, the Group has MYR 836,288 of fixed assets, MYR 506,215 of which pertains to the book value of the office space in use. We were unable to obtain sufficient appropriate evidence about the current market value of said space and consequently we were unable to determine whether any adjustments to those amounts were necessary.

We consider the impact of the above matters to be material and pervasive to the financial statements of the Group.

Directors' Responsibilities

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code

The engagement partner on the audit resulting in this independent auditor's report is Anthony Rose.

LNP Audit and Assurance Pty Ltd



Anthony Rose

Director

Sydney

25 June 2020