

14 July 2020

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

**RESPONSE TO PERIODIC DISCLOSURE QUERY**

In response to the following questions below.

1. *Please explain how the directors of the Company determined the carrying amount of the related party receivables (MYR 6,840,402) mentioned in the Independent Auditor Report given the auditor has been unable to obtain sufficient appropriate evidence.*

The loans to the related parties were given as initial investments and seed money to incorporate the regional offices and subsequently to finance regional projects. Part of the criteria to satisfy the condition for the award of regional contracts like FIM Asia Supermoto Championship, Powerman Duathlon Championship and FIVB Beach Volleyball is to host the event and pay rights and royalty fees in regional countries. The Directors are currently working out repayment schemes with the related parties, considering the effects of the COVID-19 pandemic to the related parties’ projects previously in the pipeline, and are confident that an agreement will be reached around Q4 of 2020.

2. *In relation to the Disclaimer Opinion, 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.*

Auditors have requested signed contracts, award letters or invoices to satisfy revenue collection for the related entities to ensure some of the loans were repaid. The documents requested were not available at the point of financial report submission; hence the Company was not able to comply. Due to the COVID-19 pandemic, previously planned projects of the regional offices have either been indefinitely postponed or cancelled altogether. Discussions with the regional offices to shift other revenue streams are underway and details of the new projects to replace those affected by the pandemic are expected to be finalised in Q3 and Q4 of 2020.

3. *Did the Company recover 'part of the amount due from related companies in Q4 2019' as stated in the response to the Periodic Disclosure Query on 11 October 2019? If yes, please confirm the total amount recovered from related companies in Q4 2019. If not, please explain why not and when is the outstanding amount expected to be recovered from related companies.*

A total of MYR 316,900 has been recovered from E-Plus Philippines since the last response to the Periodic Disclosure Query. No other amounts have been recovered. The remaining outstanding amounts are expected to be slowly recovered starting Q4 2020 to 2021, when new projects conforming to the 'new normal' of the pandemic are finalised and enacted.

4. *Did the Company sign the MOU with the related entities as stated in the response to the Periodic Disclosure Query? If yes, please provide a copy of the MOU (this document will not be released to the market) and explain why such information was not disclosed to the market. If not, please explain what are the agreements in place with the related entities if any to recover the receivables on time.*

The signing of the MOU did not push through mainly due to the uncertainties brought by the pandemic to the industry in which the related parties' operate in. Discussions with the regional offices on operational plans under the pandemic's 'new normal' is currently underway and any repayment agreements are expected to be finalised and signed in Q4 of 2020.

5. *Did the Company sign a repayment plan with the related entities? If yes, please provide a copy of the repayment plan (this document will not be disclosed to the market). If not, please explain why not and what steps have the Company taken to reduce the receivables from the related parties.*

The repayment plan was not signed with the related parties as several projects that should have driven the repayments were either postponed indefinitely or cancelled altogether due to the COVID-19 pandemic. Currently the Company is looking at other ways that the receivables maybe recovered, like payments through shares of the regional offices or waiting on new projects to be finalised.



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6. Please provide an ageing analysis of the receivables from related parties as at 31 December 2019 in the following format:

<b>Outstanding Period</b>	<b>E-Plus Singapore</b>	<b>E-Plus Philippines</b>	<b>E-Plus Indonesia</b>	<b>E-Plus Thailand</b>
Less than 1 month				
1 to 3 months	823			46,200
3 to 6 months	892		15,233	40,139
6 to 12 months	16,812	206,412	226,650	19,790
More than 12 months	1,399,272	905,784	1,655,458	2,318,163
<b>Total amount owed to the Group (MYR)</b>	<b>1,417,799</b>	<b>1,112,196</b>	<b>1,897,341</b>	<b>2,424,292</b>

Andrew Ching  
CEO