

22 July 2020

E-Plus Ltd (the “Company” or “8EP”)

RESPONSE TO PERIODIC DISCLOSURE QUERY

In response to the following questions below.

1. *NSX further clarifies the intention of the original question above was to seek explanation on the basis and consideration that the Company took into account to calculate, formulate and report the carrying amount of the related party receivables. Please specify and provide a copy of the books and records² (these documents will not be disclosed to the market) relied upon by the Company to determine the carrying amount of the related party receivables, i.e. email confirmation, written agreements or signed contracts.*

The loans to the related parties were given as initial investments and seed money 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 investment to the various regional projects mentioned above are made over 2-3 years as per contract. A summary below:-

	FIVB Beach Volleyball World Tour	FIMA Supermoto Championship	Powerman Duathlon Asia Championship
Period	2018-2020 (3seasons)	2018-2022	2017-2019, 2019-2021
Region	Malaysia, Thailand, Philippines	Malaysia, Indonesia	Malaysia, Indonesia, Thailand

As the projects were deemed on-going at the point of reporting, the investments and loans were necessary to fulfill the regional contracts. Due to the current pandemic uncertainty, all the above projects were postponed or cancelled for the remaining of the contract.

2. *Please provide NSX a copy of all the books and records that the Company provided to its auditor to verify the carrying amount of the related party receivables (these documents will not be disclosed to the market).*

List attached

3. *Please provide a breakdown of the related party loans in the following format and all the relevant supporting documents (these documents will not be disclosed to the market).*

Aging summary List attached.

The amount outstanding from related parties entities were from investment into regional events. There is no interest and other charges and no fixed loan period.

4. *NSX notes that in the Company's response³ to the Periodic Disclosure Query on 11 October 2019, the auditor requested the same documentation from the Company in order to verify the carrying amount of the receivables from related parties for the period ended at 30 June 2019, which the Company failed to provide. Please explain why the 'signed contracts, award letters or invoices' were not available at the point of financial report submission for both the 2019 Half-yearly Financial report and 2019 Annual Financial Report.*

Auditors have requested for new signed contracts, awards letters or invoices to satisfy revenue collection from related parties to ensure some loans were repaid. The Company were unsuccessful in securing any sponsors as a source of revenue for the respective events at reporting time. There were no new documents.

5. *Given the signed contracts, award letters or invoices to satisfy revenue collection for related entities were not available at the point of financial report submission, please provide a brief explanation of the policy and/or procedures implemented by the Company to satisfy itself that the financial records are maintained appropriately.*

A continuous financial support to the respective projects were deem necessary at the point of submission in order not to jeopardise other profitable markets i.e Malaysia or incur a hefty cancellation fee. The Company have taken a more prudent approach to review the contracts to negotiate a suspension or cancellation in non-profitable regions. With the recent Covid-19 pandemic uncertainty, the company have halted all the regional projects.

6. *NSX notes that in the Company's response to the Periodic Disclosure Query on 11 October 2019, the Company was expected to make a public announcement regarding signing the MOU with the related parties in Q4 of 2019. Please explain why the Company failed to sign the MOU with the related parties back in Q4 of 2019 which is before the COVID-19 pandemic happened.*

The discussion process and signing of the MOU took longer than expected. The delay was due to the year-end holidays which unexpectedly hit a snag with Covid 19 pandemic. The project is further put on hold due to the uncertainties brought by the pandemic.

7. *NSX notes that in the Company's response to the Periodic Disclosure Query on 11 October 2019, the Company has confirmed that it is in discussion with the respective related entity for*

a repayment plan. Please explain why the repayment plan with the related parties was not finalised at the Q4 of 2019 which is before the COVID-19 pandemic happened.

The repayment plan was not finalised in Q4 of 2019 with related parties as the respective countries were unable to secure jobs at the point of discussion to ensure the follow through of periodic repayments.

8. *In the Company's response to the Periodic Disclosure Query on 14 July 2020, the impact of the COVID-19 pandemic has been brought up in most of the explanations. Please provide the market an update regarding the impact of COVID-19 on the Company's operations, cash flow position and its ability to continue as a going concern.*

Since the 'lock-down' in Malaysia in March due to Covid-19 pandemic, all the confirmed jobs were either postponed indefinitely or cancelled. Our industry is directly related to tourism and hospitality which remain one of the most badly affected sectors. In the recent weeks, the situation in Malaysia is slowly improving and optimistically showing signs of economic recovery. Most businesses are regaining some form of normalcy and adjusting to the new normal.

The Company have taken proactive steps to expand and adopt a digital approach, currently in negotiation to secure some virtual exhibitions and conferences schedule to take place in Q4 of 2020 and Q1 of 2021. The Company will also be launching an e-sport portal in August, and will be the main source of income. An official announcement will be made in August 2020.

The digital platform will be the main focus for the Company until the situation improves and when physical events can resume.

9. *NSX requests the Company to provide a quarterly update to the market in relation to the progress made in the following areas:*
- i. arrangements in place with related parties to recover the outstanding amount of the receivables;*
 - ii. finalization of the repayment plan with its related parties to recover the outstanding amount of the receivables.*

The Company will comply and provide a quarterly update on the requests. The Management are in discussion to provide an impairment to some of the outstanding related parties owing. The decision is not finalised at the point of submission, but decision will be reflected in the upcoming mid term review.

Andrew Ching, CEO