FORM 2A

LISTING STATEMENT

SLE SYNERGY LTD.

(the "Issuer" or the "Company")

June 2, 2020

NOTE TO READER

This Listing Statement contains a copy of the preliminary long-form prospectus of SLE Synergy Ltd. (the "**Company**") dated May 11, 2020 (the "**Prospectus**"). Certain sections of the Canadian Securities Exchange (the "**Exchange**") form of Listing Statement have been included following the Prospectus to provide additional disclosure on the Company required by the Exchange, as well as updating certain information contained in the Prospectus.

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TABLE OF CONCORDANCE

SCHEDULE A

Long-Form Prospectus dated May 11, 2020

See attached.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities. This prospectus does not constitute a public offering of securities.

PROSPECTUS

New Issue Prospectus May 11, 2020

SLE Synergy Ltd.

Qualifies for Distribution Common Shares of the Company Upon the Exercise or Deemed Exercise of the Previously Issued 800,000 Special Warrants

This long form prospectus (the "**Prospectus**") of SLE Synergy Ltd. (the "**Company**"), is being filed with the British Columbia Securities Commission (the "**BCSC**") for the purposes of the Company becoming a reporting issuer pursuant to applicable securities legislation in the Province of British Columbia. Upon the final receipt of this Prospectus by the BCSC, such receipt to be issued only upon the Closing of the Acquisition (as defined herein), the Company will become a reporting issuer in British Columbia.

No securities are being offered or sold pursuant to this Prospectus, This Prospectus qualifies for distribution common shares of the Company (the "**Qualified Shares**") issuable for no additional consideration upon the exercise or deemed exercise of 800,000 special warrants of the Company (the "**Special Warrants**") issued at a price of C$0.05 per Special Warrant to purchasers in British Columbia on a non-brokered private placement basis pursuant to prospectus exemptions available under applicable securities legislation. The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Resulting Issuer (as defined herein) from the distribution of the Qualified Shares upon the exercise or deemed exercise of the Special Warrants. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company from its general corporate funds.

This Prospectus is being filed in connection with the acquisition (the "**Acquisition**") by the Company of Springleaf Engineering Pte. Ltd. ("**Springleaf**"), whereby the Company acquired all of the issued and outstanding ordinary shares of Springleaf in exchange for common shares of the Company (the "**Common Shares**").

There is no market through which the securities of the Company may be sold. This may affect the pricing of the Company's securities in the secondary markets; the transparency and availability of trading prices; the liquidity of the Company's securities and the extent of issuer regulations. See "Risk Factors".

An application has been filed by the Company to have the Common Shares listed for trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "SLE". Listing on the CSE (the "**Listing**") is subject to the Company fulfilling all of the listing requirements of the CSE including meeting all minimum requirements. The CSE has conditionally approved the Company's listing application. As at the date of this Prospectus, neither the Company nor Springleaf have any of its securities listed or quoted, have not applied to list or quote any of their securities, and do not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Neo Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America.

An investment in the securities of the Company is subject to a number of risks. The Company does not have an active business. The Company must close the Acquisition with Springleaf such that the shareholders of Springleaf become shareholders of the Company. The closing of the Acquisition is subject to a number of conditions, including the Company receiving conditional approval for the Listing. Investors should carefully consider the risk factors described under "*Risk Factors*" before purchasing any securities of the Company.

No underwriter or selling agent has been involved in the preparation of this Prospectus or performed any review or independent due diligence investigation of the contents of this prospectus.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities.

No person has been authorized to provide any information or to make any representation not contained in this Prospectus and, if provided or made, such information or representation should not be relied upon. The information contained in this Prospectus is accurate only as of the date of this Prospectus.

Unless otherwise noted all currency amounts in this Prospectus are stated in Singaporean dollars.

Springleaf, Lim Chor Ghee (Vincent Lim), Lim Hong Beng (Ben Lim), Michelle Neo San San, and Robert Lee are incorporated, continued, or organized under the laws of a foreign jurisdiction or reside outside of Canada.

Springleaf, Lim Chor Ghee (Vincent Lim), Lim Hong Beng (Ben Lim), Michelle Neo San San, and Robert Lee have appointed the following agent of service of process:

Name of Company	**Name and Address of Agent**
McMillan LLP	Raj Dewan 181 Bay Street, Suite 4400 Toronto, Ontario M5J 2T3

Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

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Schedule “A” - Audited Financial Statements of Springleaf for the years ended December 31, 2019, December 31, 2018, and December 31, 2017.

Schedule “B” - Management’s Discussion & Analysis for Springleaf for the years ended December 31, 2019 and December 31, 2018.

Schedule “C” - Audited Financial Statements of the Company for the period ended December 31, 2019.

Schedule “D” - Interim Financial Statements of the Company for the period ended March 31, 2020.

Schedule “E” - Management’s Discussion & Analysis for the Company for the periods ended March 31, 2020 and December 31, 2019.

Schedule “F” - Unaudited *Pro Forma* Financial Statements for the Resulting Issuer as at December 31, 2019.

Schedule “G” - Audit Committee Charter.

CERTIFICATE OF THE RESULTING ISSUER

CERTIFICATE OF THE PROMOTERS

GLOSSARY

"**Acquisition**" means the acquisition of all the issued and outstanding Springleaf Shares by the Company pursuant to the Share Exchange Agreement.

"**Acquisition Shares**" means the 43,952,082 Common Shares to be issued to the Springleaf Shareholders pursuant to the terms of the Share Exchange Agreement in exchange for 350,310 Springleaf Shares at a deemed price of C$0.50 per Common Share.

"**Affiliate**" has the meaning ascribed to it under the *Securities Act* (British Columbia).

"**APAC**" means the Asia-Pacific region.

"**Articles**" means the notice of articles and articles of the Company.

"**Associate**" has the meaning ascribed to it under the *Securities Act* (British Columbia).

"**Audit Committee**" means the anticipated Audit Committee of the Resulting Issuer constituted in accordance with NI 52-110.

"**BCA**" means the Building Construction Authority of Singapore.

"**BCBCA**" means the *Business Corporation Act* (British Columbia).

"**BCSC**" means the British Columbia Securities Commission.

"**Biomax**" means Biomax Green Pte. Ltd., a company incorporated pursuant to the laws of Singapore.

"**Biomax Distribution Agreement**" means the exclusive distribution agreement entered into between Springleaf and Biomax on December 3, 2018.

"**BM1**" means Springleaf's formulated bacterial enzymes mix.

"**Board of Directors**" or "**Board**" means the board of directors of the Company or the Resulting Issuer, as the context requires.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**China**" means the People's Republic of China.

"**Closing of the Acquisition**" means the completion date of the Acquisition in accordance with the Share Exchange Agreement.

"**Common Shares**" means the common shares in the capital of the Company or the Resulting Issuer, as the context requires.

"**Company**" means SLE Synergy Ltd. (formerly, known as 1223423 B.C. Ltd.), a corporation incorporated under the BCBCA, prior to the Closing of the Acquisition.

"**CSE**" means the Canadian Securities Exchange.

"**CSE Escrow Agreement**" means the escrow agreement to be entered into prior to the Listing, among the Company, the Escrow Agent and certain security holders of the Company pursuant to NP 46-201.

"**CSE Escrow Securities**" means the Common Shares that are held in escrow pursuant to the CSE Escrow Agreement.

"**EPCM**" means engineering, procurement, and construction management solutions.

"**Escrow Agent**" means Computershare Investor Services Inc.

"**Facility Agreement**" means the share subscription facility agreement entered into between Springleaf and the GEM Lenders on June 14, 2019.

"**Financial Statements**" has the meaning set out under the heading "*Financial Statement Presentation in this Prospectus*".

"**GCP**" means the Global Company Partnership.

"**GEM Lenders**" means collectively, GEM Global Yield Fund LLC SCS, GEM Investments America, LLC, and Secoya Group International, Inc.

"**IFRS**" means International Financial Reporting Standards.

"**Insider**" has the meaning ascribed to it under the securities laws and regulatory policies applicable to the Province of British Columbia.

"**Letter of Intent**" mean the letter of intent dated October 31, 2019, entered into between Springleaf and the Company.

"**Listing**" means the proposed listing of the Common Shares on the CSE.

"**MD&A**" means Management's Discussion and Analysis included in this Prospectus.

"**MOM**" means Singapore's Ministry of Manpower.

"**MRA**" means the Market Readiness Assistance.

"**Named Executive Officers**" or "**NEOs**" has the meaning set out under the heading "*Executive Compensation*".

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*.

"**NI 45-102**" means National Instrument 45-102 – *Resale of Securities*.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*.

"**Private Placement Closing Date**" means the respective closing date of each tranche of the Private Placement Financing.

"**Private Placement Financing**" means the Company's non-brokered private placement completed in four tranches on October 31, 2019, November 4, 2019, December 17, 2019, and March 11, 2020, raising aggregate gross proceeds of C$40,000 through the issuance of 800,000 Special Warrants at a price of C$0.05 per Special Warrant.

"**Private Placement Financing Shares**" means the Company's non-brokered private placement completed on October 25, 2019, raising aggregate gross proceeds of C$19,000 through the issuance of 3,800,000 Common Shares at a price of C$0.005 per Common Share.

"**Prospectus**" means this long-form prospectus of the Company.

"**Resulting Issuer**" means SLE Synergy Ltd. following the Closing of the Acquisition.

"**Share Exchange Agreement**" means the share exchange agreement entered into by the Company and Springleaf on January 30, 2020, as amended, supplemented and/or restated from time to time, in accordance with its terms.

"**Shareholder**" means a holder of Common Shares.

"**Singapore**" means the Republic of Singapore.

"**Special Warrants**" means the special warrants of the Company issued pursuant to the Private Placement Financing, entitling the holder thereof to one Common Share upon the exercise, or deemed exercise, of the special warrant pursuant to the terms of the special warrants, for no additional consideration.

"**Springleaf**" means Springleaf Engineering Pte. Ltd., a company incorporated under the laws of Singapore.

"**Springleaf Biomax**" means Springleaf-Biomax (Shanghai) Pte. Ltd., a company incorporated pursuant to the laws of China.

"**Springleaf Board**" means the board of directors of Springleaf.

"**Springleaf Private Placement**" means the issuance of 11,815 Springleaf Shares at price per security of S$53.52 per Springleaf Shares through a non-brokered private placement on January 3, 2020 for aggregate gross proceeds of S$630,000.

"**Springleaf Shareholders**" means the holders of Springleaf Shares.

"**Springleaf Shares**" means the ordinary shares in the capital of Springleaf.

"**Springleaf Subsidiaries**" means collectively, Springleaf Biomax and Springleaf Xin Shanghai.

"**Springleaf Xin Shanghai**" means Shanghai Xin Da Process Engineering Co., Ltd., a company incorporated pursuant to the laws of China.

"**Subscription Facility**" means a share loan facility available to Springleaf by the GEM Lenders in the amount of up to US$20 million pursuant to the Facility Agreement.

"**Tax Act**" means *Income Tax Act* (Canada).

GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise the terms "we", "us", or "our" refer to the Company. or Springleaf Engineering Pte. Ltd., as the context requires.

Certain capitalized and other terms and phrases used in this Prospectus are defined in the "*Glossary*".

An investor should rely only on the information contained in this Prospectus. Neither the Company nor Springleaf has authorized anyone to provide investors with additional or different information. The information contained on Springleaf's website at www.springleaf.com.sg is not intended to be included in or incorporated by reference into this Prospectus and prospective investors should not rely on such information. Any graphs, tables or other information demonstrating the historical performance of the Company or Springleaf or of any other entity contained in this Prospectus are intended only to illustrate past performance and are not necessarily indicative of future performance or the future performance of such entities. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated.

This Prospectus includes a summary description of certain material agreements of the Company and Springleaf. See "Material Contracts". The summary description discloses attributes material to an investor but is not complete and is qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and available on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. Investors are encouraged to read the full text of such material agreements.

Financial Statement Presentation in this Prospectus

This Prospectus contains: (i) the audited financial statements for the Company for the period ended December 31, 2019; (ii) the audited financial statements of Springleaf for the years ended December 31, 2019, December 31, 2018 and December 31, 2017; (iii) the interim reviewed financial statements of the Company for the three-month period ended March 31, 2020; and (iv) the *pro-forma* financial statements of the combined business of the Resulting Issuer as at December 31, 2019 (collectively, the "**Financial Statements**"), all prepared in accordance with IFRS.

Forward-Looking Information

This Prospectus contains forward-looking statements that relate to the Company's and Springleaf's current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled "*Prospectus Summary*", "*Our Business*", "*Use of Available Funds*", "*Financial Information and Management's Discussion and Analysis*", and "*Risk Factors*".

In some cases, these forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict", or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Statements containing forward-looking information are not historical facts. The Company and Springleaf have based these forward-looking statements on their current expectations and projections about future events and financial trends that they believe might affect the Company's, Springleaf's, or the Resulting Issuer's financial condition, results of operations, business strategy, and financial needs.

This forward-looking information includes, among other things, statements relating to: the completion, expenses and timing of the Closing of the Acquisition; the Listing of the Company on the CSE and matters related thereto; the intentions, plans and future actions of the Company, Springleaf, or the Resulting Issuer; statements relating to the business and future activities of the Company, Springleaf, or the Resulting Issuer; anticipated developments in the operations of the Company, Springleaf, or the Resulting Issuer; market position, ability to compete and future financial or operating performance of the Company, Springleaf, or the Resulting Issuer; the timing and amount of funding required to execute the Company's, Springleaf's, or the Resulting Issuer's business plans; capital expenditures; the effect on the Company, Springleaf, or the Resulting Issuer of any changes to existing or new legislation or policy or government regulation; the stability of business conditions in foreign jurisdictions; the availability of labour; estimated budgets; currency fluctuations; requirements for additional capital; limitations on insurance coverage; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; the adequacy of financial resources; proposed use of available funds; expectations regarding revenues, expenses and anticipated cash needs.

In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking statements are based on certain assumptions and analyses made by the Company and Springleaf in light of the experience and perception of historical trends, current conditions, and expected future developments and other factors they believe are appropriate, and are subject to risks and uncertainties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties, and assumptions, prospective investors should not place undue reliance on these forward-looking statements. Whether actual results, performance, or achievements will conform to the Company's or Springleaf's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions, and other factors, including those listed under "*Risk Factors*", which include:

- Resale of the Common Shares;
- No prior market for the Common Shares;
- Market for securities;
- Absence of a dividend policy;
- Management of growth;
- Risk associated with foreign operations in other countries;
- Risks associated with acquisitions;
- Tax risk;
- Uncertainty and adverse changes in the global economy;
- Increased expenses due to being a public company;
- Limited experience of senior management in managing a public company;
- Dilution and future sales of the Common Shares;
- Adoption of new accounting standards and interpretation;
- Failure to adhere to financial reporting obligations and other public company requirements;
- Changes in accounting standards and subjective assumptions;
- Disease outbreak;
- COVID-19 outbreak;
- Revenue is dependent on the capital expenditures of clients;
- Project-based business exposed to delays or premature termination of projects;
- Cost overruns;
- Potential liability for delays in the completion of projects;
- Defect claims and disputed variation orders;
- Reliance on suppliers and sub-contractors;
- Subject to credit risk in relation to clients' obligations;
- Ability to secure financing may affect ability to secure more projects;
- Downgrade or loss of BCA registration;
- Changes in relevant laws and regulations;
- Dependence on key management personnel;
- Failure to attract and retain skilled personnel;
- Accidents at the work site or own premises;
- Subject to general safety regulations imposed by Singapore's Ministry of Manpower;
- Insurance coverage may not indemnify against all potential losses;
- Foreign exchange transaction risks;
- May not be able to maintain competitiveness;
- May not be able to successfully implement future plans; and
- Risks of doing business outside of Singapore.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in the forward-looking statements.

Information contained in forward-looking statements in this Prospectus is provided as of the date of this Prospectus, and we disclaim any obligation to update any forward-looking statements, whether as a result of new information or future events or results, except to the extent required by applicable securities laws. Accordingly, potential investors should not place undue reliance on forward-looking statements or the information contained in those statements.

All of the forward-looking information contained in this Prospectus is expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment.

Market and Industry Data

Market and industry data presented throughout this Prospectus was obtained from third party sources, industry reports and publications, websites and other publicly available information as well as industry and other data prepared by us or on our behalf on the basis of our knowledge of the markets in which we operate, including information provided by suppliers, customers and other industry participants. We believe that the market and economic data presented throughout this Prospectus is accurate and, with respect to data prepared by us or on our behalf, that our estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this Prospectus are not guaranteed and we make no representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, we have not independently verified any of the data from third party sources referred to in this Prospectus, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

Currency Presentation

In this Prospectus, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Singaporean dollars.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and financial statements contained elsewhere in this Prospectus. Certain capitalized terms and phrases used in this Prospectus are defined in the "*Glossary*".

Description of the Business

SLE Synergy Ltd.

SLE Synergy Ltd. (the "**Company**") was incorporated as 1223423 B.C. Ltd. under the Business Corporations Act (British Columbia) (the "**BCBCA**") on September 16, 2019. On October 31, 2019, the Company and Springleaf Engineering Pte. Ltd. ("**Springleaf**") entered into a binding letter of intent (the "**Letter of Intent**") pursuant to which the Company would acquire all of the issued and outstanding Springleaf Shares by way of a share exchange agreement. On December 23, 2019, 1223423 BC Ltd. amended the Articles of the Company and changed its name to "SLE Synergy Ltd." The sole business of the Company from the date of its incorporation until executing the Share Exchange Agreement was to identify and evaluate opportunities for the acquisition of an interest in a suitable business and, once identified and evaluated, to negotiate an acquisition subject to applicable corporate and securities laws, so as to complete a transaction. Until the Closing of the Acquisition, the Company does not have a business, business operations or any material assets other than cash. Following the Closing of the Acquisition, the Resulting Issuer will continue the business of Springleaf.

The Company's registered office is located at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, BC, V6E 4N7.

For further details, see "*Our Business – Business of the Company Prior to the Closing of the Acquisition*".

Springleaf Engineering Pte. Ltd.

Springleaf was incorporated on December 3, 2012 in Singapore under *The Companies Act* (Cap 50) (Singapore) and is a private company existing under the laws of Singapore. Springleaf's primary business is to provide one-stop turnkey engineering, procurement, and construction management solutions ("**EPCM**") that range from consultancy and design services, to the construction of projects involving high technology production facilities. Springleaf's EPCM business is geared towards servicing cleanrooms, controlled environments, and organic waste management; in addition, Springleaf has operations in Singapore, China, and Myanmar. In addition to its two office spaces in Singapore, Springleaf has an office in China and Myanmar. Upon the Closing of the Acquisition, Springleaf will become a wholly-owned subsidiary of the Company.

Springleaf's headquarters is located at 421 Tagore Industrial Avenue #01-28, Tagore 8, Singapore 787805.

For further details, see "*Our Business – Business of the Resulting Issuer*".

The Acquisition

Pursuant to a share exchange agreement entered into between the Company and Springleaf on January 30, 2020 (the "**Share Exchange Agreement**") in accordance with the terms of the Letter of Intent, the Company agreed to acquire all of the issued and outstanding ordinary shares in the capital of Springleaf (the "**Springleaf Shares**"). The principal assets of Springleaf are: (i) a duplex factory unit with an ancillary office in Singapore, (ii) a four storey factory with an ancillary office in Singapore, (iii) ownership of a 100% interest in its subsidiary, Shanghai Xin Da Process Engineering Co., Ltd. ("**Springleaf Xin Shanghai**") which was incorporated on July 13, 2018 under the *Company Law of the People's Republic of China*, and (iv) ownership of 60% of the issued share capital of its operating subsidiary, Springleaf-Biomax (Shanghai) Pte. Ltd. ("**Springleaf Biomax**", and together with Springleaf Xin Shanghai, the "**Springleaf Subsidiaries**") was incorporated on May 30, 2019 under the *Company Law of the People's Republic of China*.

On May 8, 2020, the Company and Springleaf closed the Acquisition in accordance with the terms and conditions of the Share Exchange Agreement.

Pursuant to the Share Exchange Agreement, in consideration for the acquisition of all the issued and outstanding Springleaf Shares, the Company issued pro rata to the holders of the Springleaf Shares (the "**Springleaf Shareholders**"), 43,952,082 Acquisition Shares in exchange for 350,310 Springleaf Shares, being all of the issued and outstanding Springleaf Shares, at a deemed price of C$0.50 per Acquisition Share, for an aggregate deemed consideration of C$21,976,041.

The Acquisition constitutes a reverse takeover transaction pursuant to *Policy 8 – Fundamental Changes and Changes of Business* of the CSE. The Closing of the Acquisition contemplated by the Share Exchange Agreement was subject to certain conditions, including: (a) obtaining all necessary regulatory approvals, including the approval of the CSE (including without limitation the CSE being satisfied that after the Closing of the Acquisition, the Company would satisfy the CSE's minimum listing requirements; (b) obtaining all necessary shareholder and director approvals and consents; (c) obtaining approval of the listing of the Common Shares on the CSE; (d) and other conditions under the Share Exchange Agreement which are typical for this type of transaction.

Following the Closing of the Acquisition, the Resulting Issuer has assumed the business of Springleaf. The Resulting Issuer owns 100% of Springleaf and the Springleaf Shareholders have become shareholders of the Resulting Issuer. Effective upon the Closing of the Acquisition, each director and officer of the Company has tendered their resignation as a director or officer of the Company and certain nominees of Springleaf have been appointed in their place.

For further details, see "*Our Business – The Acquisition*".

Directors and Officers of the Resulting Issuer

The board of directors of the Resulting Issuer (the "**Board**") is comprised of the following individuals: Lim Chor Ghee (Vincent Lim), Lim Hong Beng (Ben Lim), Michelle Neo San San, Robert Lee (independent director), and Patrick Sapphire (independent director).

The management of the Resulting Issuer consists of Lim Chor Ghee (Vincent Lim) as Chief Executive Officer, Lai Jun Wah as Chief Financial Officer, Lim Hong Beng (Ben Lim) as Chief Operating Officer, Michelle Neo San San as Chief Corporate Officer, and Raj Dewan as Corporate Secretary.

For further details, see "*Directors and Executive Officers*".

Arm's Length Transaction

The Acquisition was negotiated by the parties dealing at arm's length with each other, and, therefore, is an arm's length transaction.

Interests of Insiders

Except as disclosed herein, no Insider, promoter, or Control Person of the Company or Springleaf, and no Associate or Affiliate of the same, had any interest in the Acquisition other than that which arose from the holding of the Common Shares.

The Company's Private Placement Financings

On October 25, 2019, the Company completed a non-brokered private placement financing (the "**Private Placement Financing Shares**") raising aggregate gross proceeds of C$19,000 through the issuance of 3,800,000 Common Shares at a price of C$0.005 per Common Share.

In addition, the Company completed a non-brokered private placement financing in four tranches on October 31, 2019, November 4, 2019, December 17, 2019, and March 11, 2020 (collectively, the "**Private Placement Financing**"), raising aggregate gross proceeds of C$40,000 through the issuance of 800,000 special warrants of the Company (the "**Special Warrants**") at a price of C$0.05 per Special Warrant. Each Special Warrant will automatically be converted or exchanged, without payment of additional consideration and without any further action on the part of the holder, into one Common Share upon the exercise or deemed exercise of the Special Warrant, subject to adjustment in certain circumstances. The Special Warrants are exercisable by the holders thereof at any time after each tranche's respective closing date of the Private Placement Financing (the "**Private Placement Closing Date**") for no additional consideration. All unexercised Special Warrants shall be deemed to be exercised on the later of: (i) the date that is four months and a day following the Private Placement Closing Date: and (ii) the third business day after a receipt is issued for a final prospectus qualifying the Common Shares to be issued upon the exercise of the Special Warrants. Upon either the exercise or deemed exercise of each Special Warrant, such Special Warrant will automatically be cancelled and will have no further force or effect.

Springleaf's Private Placement Financing

On January 3, 2020, Springleaf completed a non-brokered private placement, raising aggregate gross proceeds of S$630,000 through the issuance of 11,815 Springleaf Shares, at an average price of S$53.32 per Springleaf Share.

Available Funds and Principal Purposes

The Resulting Issuer has a working capital of approximately S$3,509,536 based on the pro forma working capital of the Company and Springleaf as at April 30, 2020, comprised as follows:

Sources of Available Funds	Available Funds (S$)
Springleaf Private Placement	630,000
Private Placement Financing	59,536**(2)**
Pro forma cash and bank balances(1)	2,820,000
Total pro forma working capital (unaudited)	**3,509,536**

Notes:
(1) Projected cash and bank balance as at April 30, 2020, derived from management's accounts.
(2) Converted gross proceeds from Private Placement Financing in the amount of C$59,000 to Singaporean Dollars at an exchange rate of 1.01 Singapore Dollar per 1 Canadian Dollar as at May 8, 2020.

The principal purposes for the foregoing available funds are anticipated to be as follows:

Principal Purposes	Funds (S$)
Staff costs(1)(6)	1,300,000
Administrative expenses(2)(6)	670,000
Estimated expense for listing on the CSE(3)	400,000
Sales and marketing(4)	400,000
Debt repayment(5)	700,000
Total use of proceeds	**3,470,000**(6)
Unallocated funds (unaudited)	**39,536**

Notes:
(1) This figure is for a forecasted period of 12 months staff costs for the Resulting Issuer.
(2) This figure is for a forecasted period of 12 months and is comprised of: S$38,400 for office rental, S$65,000 for warehouse rental, S$19,000 for utilities, S$13,800 for property tax, S$52,000 for professional charges, S$84,000 for travelling and transport expenses, S$29,000 for motor vehicles expenses, S$28,000 for insurance, S$62,000 for entertainment expenses, S$48,000 for foreign workers levy, S$36,000 for staff welfare, S$38,000 for office supplies, S$140,000 for financing costs, and S$16,800 for other expenses.
(3) This figure is for a forecasted period of 12 months and is comprised of: S$207,000 in legal expenses; S$87,000 in auditor fees; S$69,000 in advisory fees; and S$37,000 in exchange and regulatory filing fees.
(4) This figure is for a forecasted period of 12 months and is comprised of expenses relating to the business objectives of the Resulting Issuer as detailed in "*Business Objectives and Milestones*".
(5) This figures is for a payment of short term trade financing loan in the amount of S$700,000 (the "**Trade Financing Loan**"). The Trade Financing Loan pertains to a loan incurred by Springleaf for purchases of materials made in connection with the operations of its business.
(6) Staff costs and administrative expenses are incurred in the ordinary course of business and have historically been covered by the recurring revenues of Springleaf and thus, it is anticipated that the working capital of the Resulting Issuer would not be needed for the purposes of covering such expenses.

The Resulting Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. Use of funds will be subject to the discretion of management.

For further details, see "*Use of Available Funds - Available Funds and Principal Purposes*".

Risk Factors

The Resulting Issuer will be subject to a number of known and unknown risks, uncertainties, assumptions, and other risk factors, including:

- Resale of the Common Shares;
- No prior market for the Common Shares;
- Market for securities;
- Absence of a dividend policy;
- Management of growth;
- Risk associated with foreign operations in other countries;
- Risks associated with acquisitions;
- Tax risk;
- Uncertainty and adverse changes in the global economy;
- Increased expenses due to being a public company;
- Limited experience of senior management in managing a public company;
- Dilution and future sales of the Common Shares;
- Adoption of new accounting standards and interpretation;
- Failure to adhere to financial reporting obligations and other public company requirements;
- Changes in accounting standards and subjective assumptions;
- Disease outbreak;
- COVID-19 outbreak;
- Revenue is dependent on the capital expenditures of clients;
- Project-based business exposed to delays or premature termination of projects;
- Cost overruns;
- Potential liability for delays in the completion of projects;
- Defect claims and disputed variation orders;
- Reliance on suppliers and sub-contractors;
- Subject to credit risk in relation to clients' obligations;
- Ability to secure financing may affect ability to secure more projects;
- Downgrade or loss of BCA registration;
- Changes in relevant laws and regulations;
- Dependence on key management personnel;
- Failure to attract and retain skilled personnel;
- Accidents at the work site or own premises;
- Subject to general safety regulations imposed by MOM;
- Insurance coverage may not indemnify against all potential losses;
- Foreign exchange transaction risks;
- May not be able to maintain competitiveness;
- May not be able to successfully implement future plans; and
- Risks of doing business outside of Singapore.

For further details, see "*Risk Factors*".

Summary of Financial Information

The following table sets forth selected *pro forma* financial information for the Resulting Issuer (as at December 31, 2019) and should be read in conjunction with the audited financial statements of the Company for the period ended

December 31, 2019 and the audited financial statements of Springleaf for the period ended December 31, 2019 attached hereto as Schedule "A", and the *pro forma* consolidated financial statements of the Resulting Issuer for the period ended December 31, 2019, attached hereto as Schedule "F".

Balance Sheet	**Company as at March 31, 2020 (C$)**	**Springleaf as December 31, 2019 (S$)**	**Pro Forma as at December 31, 2019[(1)] (S$)**
Current Assets	33,787	7,760,980	7,332,884
Total Assets	33,787	12,223,640	11,805,544
Current Liabilities	8,688	4,287,288	3,603,485
Total Liabilities	8,688	7,388,438	6,704,635
Shareholders' Equity	25,099	4,845,202	5,100,909

Notes:

(1) The financials of the Company were converted to Singaporean Dollars at an exchange rate of 1.0355 Singapore Dollar per 1 Canadian Dollar.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was originally incorporated as 1223423 B.C. Ltd. under the BCBCA on September 16, 2019 for the purpose of identifying and evaluating opportunities for the acquisition of an interest in a suitable business and, once identified and evaluated, to negotiate an acquisition subject to applicable corporate and securities laws, so as to complete a transaction. On December 23, 2019, 1223423 B.C. Ltd. changed its name to "SLE Synergy Ltd."

Springleaf was incorporated on December 3, 2012 in Singapore, under *The Companies Act* (Cap 50) (Singapore). Upon the Closing of the Acquisition, Springleaf became a wholly-owned subsidiary of the Company.

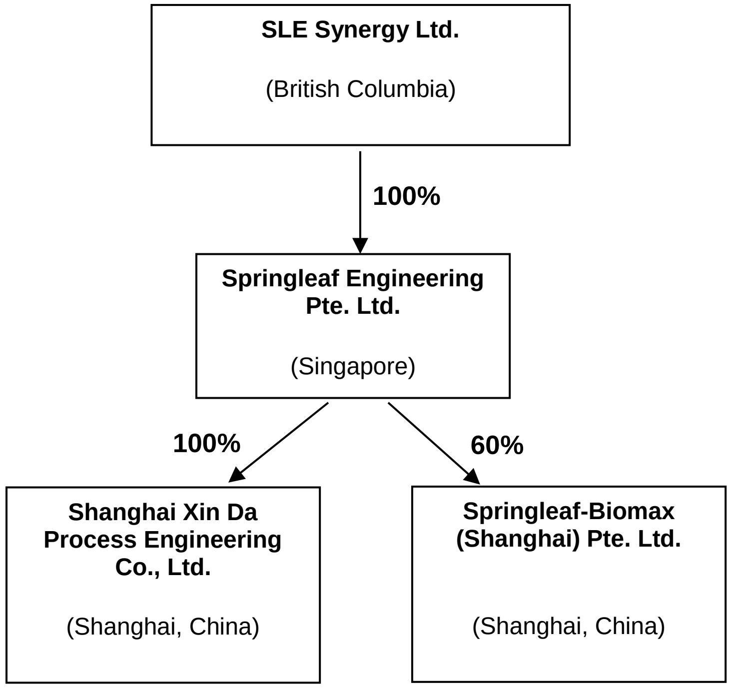
Subsequent to the Closing of the Acquisition, the Resulting Issuer's head office is located at 421 Tagore Industrial Avenue, #01-28, Tagore 8, Singapore 787805 and its registered office is located at 1500 Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

Intercorporate Relationships

Prior to the Closing of the Acquisition, the Company had no subsidiaries.

Prior to the Closing of the Acquisition, Springleaf had two subsidiaries: (i) Springleaf Xin Shanghai was incorporated on July 13, 2018 under the *Company Law of the People's Republic of China*, in which Springleaf owns a 100% interest; and (ii) Springleaf Biomax was incorporated on May 30, 2019 under the *Company Law of the People's Republic of China*, in which Springleaf owns 60% of the issued and outstanding share capital. In addition to the Springleaf Subsidiaries, Springleaf also has its own branch operating in Myanmar, Springleaf Engineering Pte. Ltd. (Myanmar Branch). Springleaf Xin Shanghai is a non-operating subsidiary, in which Springleaf owns an exclusive right to make a capital injection by May 25, 2040 to receive shares of Springleaf Xin Shanghai. Springleaf anticipates making the capital injection once Springleaf Xin becomes an operating company.

The following chart identifies the corporate structure of the Resulting Issuer, including its material wholly-owned subsidiaries effective upon the Closing of the Acquisition, their applicable governing jurisdictions and the percentage of their voting securities that will be beneficially owned, or controlled or directed, directly or indirectly, by the Resulting Issuer:



OUR BUSINESS

Description of the Business

Business of the Company Prior to Closing of the Acquisition

Prior to the Closing of the Acquisition, the Company had not conducted any material business since incorporation other than pursuing its interests under the Letter of Intent and the Share Exchange Agreement. The Company was incorporated under the BCBCA on September 16, 2019. The sole business of the Company from the date of its incorporation until executing the Share Exchange Agreement was to identify and evaluate opportunities for the acquisition of an interest in a suitable business and, once identified and evaluated, to negotiate an acquisition subject to applicable corporate and securities laws, so as to complete a transaction. Until the Closing of the Acquisition, the Company did not have a business, business operations or any material assets other than cash.

The Acquisition

On October 31, 2019, the Company and Springleaf entered into a binding Letter of Intent pursuant to which, the Company, or a wholly-owned subsidiary thereof, would acquire all of the issued and outstanding Springleaf Shares by way of a share exchange agreement. Pursuant to the Share Exchange Agreement entered into between the Company and Springleaf on January 30, 2020 in accordance with the terms of the Letter of Intent, the Company agreed to acquire all of the issued and outstanding Springleaf Shares. The principal assets of Springleaf are: (i) a duplex factory unit with an ancillary office in Singapore; (ii) a four storey factory with an ancillary office in Singapore; (iii) ownership of a 100% interest of its subsidiary, Springleaf Xin Shanghai; and (iv) ownership of 60% of the issued share capital of its operating subsidiary, Springleaf Biomax.

On May 8, 2020, the Company and Springleaf closed the Acquisition in accordance with the terms and conditions of the Share Exchange Agreement.

Pursuant to the Share Exchange Agreement, in consideration for the acquisition of all the issued and outstanding Springleaf Shares, the Company issued pro rata to the Springleaf Shareholders, 43,952,082 Acquisition Shares in exchange for 350,310 Springleaf Shares, being all of the issued and outstanding Springleaf Shares, at a deemed price of C$0.50 per Acquisition Share, for an aggregate deemed consideration of C$21,976,041.

The Acquisition constituted a reverse takeover transaction pursuant to *Policy 8 – Fundamental Changes and Changes of Business* of the CSE. The Closing of the Acquisition contemplated by the Share Exchange Agreement was subject to certain conditions, including: (a) obtaining all necessary regulatory approvals, including the approval of the CSE (including without limitation the CSE being satisfied that after the Closing of the Acquisition, the Company would satisfy the CSE's minimum listing requirements; (b) obtaining all necessary shareholder and director approvals and consents; (c) obtaining approval of the listing of the Common Shares on the CSE; and (d) other conditions under the Share Exchange Agreement which are typical for this type of transaction.

Upon the Closing of the Acquisition, the business of Springleaf has become the business of the Resulting Issuer. The Resulting Issuer owns 100% of Springleaf and the Springleaf Shareholders have become shareholders of the Resulting Issuer. Effective upon the Closing of the Acquisition, each director and officer of the Company have tendered their resignation as a director or officer of the Company and certain nominees of Springleaf have been appointed in their place.

The Company's Private Placement Financing

On October 25, 2019, the Company completed the Private Placement Financing Shares, raising aggregate gross proceeds of C$19,000 through the issuance of 3,800,000 Common Shares at a price of C$0.005 per Common Share.

In addition, the Company completed the Private Placement Financing, raising aggregate gross proceeds of C$40,000 through the issuance of 800,000 Special Warrants of the Company at a price of C$0.05 per Special Warrant. Each Special Warrant will automatically be converted or exchanged, without payment of additional consideration and without any further action on the part of the holder, into one Common Share upon the exercise or deemed exercise of the Special Warrant, subject to adjustment in certain circumstances. The Special Warrants will be exercisable by the holders thereof at any time after the Private Placement Closing Date for no additional consideration. All unexercised Special Warrants shall be deemed to be exercised on the later of: (i) the date that is four months and a day following the Private Placement Closing Date; and (ii) the third business day after a receipt is issued for a final prospectus qualifying the Common Shares to be issued upon the exercise of the Special Warrants. Upon either the exercise or deemed exercise of each Special Warrant, such Special Warrant will automatically be cancelled and will have no further force or effect.

Springleaf's Private Placement Financing

On January 3, 2020, Springleaf completed a non-brokered private placement, raising aggregate gross proceeds of S$630,000 through the issuance of 11,815 Springleaf Shares, at an average price of S$53.32 per Springleaf Share.

Business of the Resulting Issuer

Following the Closing of the Acquisition, the business of the Resulting Issuer is the business of Springleaf, which consists of two distinct components: (i) providing innovative and cost-effective EPCM services to the semiconductor industry; and (ii) providing waste management services.

Background of Springleaf

The development of engineering services provided in the semiconductor industry in Asia has traditionally been highly influenced on the expertise of western engineering consultancy firms. Springleaf's founder, Mr. Lim Chor Ghee (Vincent Lim), gained his experience through this influence from the western world, working as a lead process consultant with a consultancy firm based outside of Asia. Having acquired the necessary process engineering technologies and practices from the western culture, and real-time project execution experience in Asian environments, Mr. Vincent Lim leveraged this experience with the idea of creating an engineering company that successfully integrated western processes into the Asian market and environment. In general, western world engineering processes emphasize perfect and ideal structures, and therefore, cost outlays are extensive. By contrast, in Asia, the objective is to design processes that work, but with a focus on cost savings. Thus, Mr. Vincent Lim started Springleaf in 2012 with the intention of combining these two principles; Springleaf's objective is to provide integrated engineering services under the contractual frameworks of EPCM services with a focus on quality, at a reasonable cost. Springleaf pairs cost-effective and innovative technologies alongside good operational practices – with a focus in building cleanrooms and controlled environments, and more recently, providing innovative organic waste management services.

As of the date of this Prospectus, Springleaf's primary operations are in Singapore, China (through the operating Springleaf Subsidiaries), and Myanmar (one branch); Springleaf has a total of 31 employees between all of its locations (comprising of 4 employees located in China, three employees located in Myanmar, and 24 employees located in Singapore) and has engineers from various disciplines that have been working with the company from its inception.

Generally, with respect to its engineering services, Springleaf integrates architectural, civil, chemical, mechanical, electrical, instrumentation/control and process engineering into its services in order to deliver an exceptional service and product to its clients. Recently, Springleaf expanded its offering of engineering services, by setting up a factory maintenance services division to provide ongoing assistance to Springleaf's clients subsequent to the completion of an engineering project – in order to enhance Springleaf's ability to provide quality customer service. Springleaf's new factory maintenance service division is in addition to Springleaf's in-house internal design team that provides continuous support to its customers.

In addition to its engineering services, in December 2018, Springleaf entered into the waste management industry in China, with the goal of alleviating waste problems in the country through the use of Springleaf's Rapid Thermophilic Digestion Machine (which Springleaf obtained the exclusive rights to use in China from Biomax, further details provided under "*Three Year Timeline of Springleaf*"). As of the date of this Prospectus, Springleaf has not generated significant revenue from this segment of its business.

Springleaf serves a diverse set of clients from various industries, namely semiconductors, electronics, food and beverage, waste management, and oil and gas.

Three-Year Timeline of Springleaf

April 10, 2017: Springleaf received both the Market Readiness Assistance ("**MRA**") and Global Company Partnership ("**GCP**") grants worth a total of S$77,000 from International Enterprise Singapore – a statutory board under the Ministry of Trade and Industry of the Singapore government that facilitates the overseas growth of Singapore based companies and promotes international trade. MRA and GCP are government grants that aim to support Singapore's small and medium-sized enterprises in the expansion of their business profiles into international markets through defraying eligible costs in capability building, market access and manpower development.

January 2017: Springleaf set up its factory maintenance services division.

February 2017: Springleaf implemented Internal Controls Standard Operating Procedures ("**SOP**"). These SOPs were accompanied by the restructuring of organizational reporting processes. These quality and efficiency-centered course of actions have helped Springleaf achieve ISO45001, a BisSAFE Star Certification. BizSAFE Star Certification is a five-step programme that assists companies in building up their Workplace and Safety standards so that they can achieve notable improvements in safety and health standards at the workplace. As of the date of this Prospectus, Springleaf has also received a Building and Construction Authority Level 4 status[1] and Hazardous License Permit[2] from the National Environment Agency of Singapore.

[1] Building and Construction Authority Level 1 received on January 20, 2016 (expired on January 1, 2019); Building and Construction Authority Level 3 received on July 18, 2016 (expired on January 1, 2019); and Building and Construction Authority Level 4 received on December 21, 2018 (expired on January 1, 2022).

[2] Initial Hazardous Licence Permit effective on April 5, 2018 (expired on April 4, 2019); renewed Hazardous Licence Permit effective on April 5, 2019 (expired on April 4, 2020); renewed Hazardous Licence Permit effective on April 5, 2020 (expires on April 4, 2021). Notwithstanding the ownership of the Hazard Licence Permit, such licence is not required by Springleaf for the operation of Springleaf's business.

March 11, 2018: Springleaf entered into a contract with a local semiconductor company valued at S$4.5 million. Springleaf completed the delivery of services pursuant to the contract on July 16, 2018.

For further details about Springleaf's projects, see "*Business Overview – Engineering Services – Springleaf's Past and Existing Projects*".

July 13, 2018: Springleaf incorporated Springleaf Xin Shanghai. The principal activities of Springleaf Xin Shanghai are to provide EPCM services that range from consultancy and design to the realization of projects involving the construction of high technology production facilities in Shanghai, China. As of the date of this Prospectus, Springleaf Xin Shanghai is a non-operating subsidiary, in which Springleaf owns an exclusive right to make a capital injection by May 25, 2040 to receive shares of Springleaf Xin Shanghai. Springleaf anticipates making the capital injection once Springleaf Xin becomes an operating company.

December 3, 2018: Springleaf signed an exclusive distribution agreement (the "**Biomax Distribution Agreement**") with Biomax Green Pte. Ltd. ("**Biomax**") for a term of five years to sell Biomax's Rapid Thermophilic Digestion Machine and its formulated bacterial enzymes mix ("**BM1**") exclusively in China. The Biomax Distribution Agreement requires Springleaf to achieve purchase orders in the following amounts (the "**Agreed Targets**"): (i) US$10 million in the second year of the Biomax Distribution Agreement; (ii) US$50 million in aggregate for the first three years of the Biomax Distribution Agreement; (iii); US$25 million for the fourth year of the Biomax Distribution Agreement; and (iv) US$30 million for the fifth year of the Biomax Distribution Agreement. Springleaf may exercise its right to renew the Biomax Distribution Agreement in which case, both Biomax and Springleaf will discuss new territories, revenue targets, and terms of such an agreement. Springleaf's right to renew the Biomax Distribution Agreement is subject to Springleaf achieving the Agreed Targets.

If Springleaf fails to meet an Agreed Target, Biomax has a right to terminate the Biomax Distribution Agreement.

Springleaf shall make payments to Biomax by way of a 30% down payment based on quotation acceptance, followed by 40% two weeks before delivery and the balance 30% upon the billing date.

The Biomax Distribution Agreement may be terminated if: (i) Springleaf accepts exclusivity from a similar product to that of Biomax's; (ii) Springleaf seeks to transfer the exclusivity; or (iii) if Springleaf violates any terms of the agreement. The Biomax Distribution Agreement is governed by the laws of Singapore.

Biomax's Rapid Thermophilic Digestion Machine and BM1 convert organic waste into 100% pure solid organic fertilizer. The end-product has substantial nitrogen, phosphorus, and potassium that provides nutrition for plants. The end-product's low carbon to nitrogen ratio also helps restore soil structure and fertility. Therefore, the technology is able to convert wet waste into reusable organic fertilizer that consists of low carbon dioxide emissions released into China's air.

Biomax is a leading biotechnology company built around the belief that the world is their community and Biomax has the responsibility to put the needs of people, communities, and the environment first. Through its research and development efforts, Biomax has produced innovative technology with respect to the global organic waste treatment industry.

For further details about Springleaf's waste management operations, see "*Business Overview – Waste Management Industry*".

May 30, 2019: Springleaf incorporated Springleaf Biomax. The principal activities of Springleaf Biomax is to provide waste management solutions in China. Springleaf owns 60% of the issued and outstanding share capital of Springleaf Biomax.

June 14, 2019: Springleaf entered into a share subscription facility agreement (the "**Facility Agreement**") with a syndicate of lenders, consisting of GEM Global Yield Fund LLC SCS ("**GEM Global**"), GEM Investments America, LLC ("**GEMIA**"), and Secoya Group International, Inc. ("**Secoya**" and together with GEMIA and GEM Global, the "**GEM Lenders**") totalling S$28 million (US$20 million) over five years (the "**Subscription Facility**"). The

Subscription Facility can be drawn down only after the completion of a listing of the Springleaf Shares on a securities exchange and Springleaf issuing Springleaf Shares to the GEM Global and such Springleaf Shares have been listed on a securities exchange for at least a three month period.

The amount of Springleaf Shares to be issued to GEM Global (the "**Subscription Shares**") upon a draw down of the Subscription Facility (a "**Draw Down**") are subject to the following conditions: (i) the aggregate number of Subscription Shares shall not exceed 1,000% of the average daily trading volume of the listed Springleaf Shares during the 15 trading days immediately preceding the relevant notice date of the Draw Down; (ii) 200% of the number of Subscription Shares in any notice of a Draw Down shall not exceed the number of unissued Springleaf Shares which the directors of Springleaf are permitted to allot and issue to GEM Global at the date of the Draw Down; and (iii) the number of Subscription Shares shall not exceed such number that, when multiplied by 90% of the closing trading price on the trading day immediately prior to the issuance of the relevant Draw Down, and then added to the purchase prices for all the previously issued Subscription Shares, would exceed $28,000,000.

The subscription price of the Subscription Shares issued pursuant each Draw Down will be equal to 90% of the average closing price of past 15 consecutive trading days of the listed Springleaf Shares. Springleaf views the Subscription Facility as a potential source of working capital in which it may draw upon if required.

Upon the listing of the Springleaf Shares on a securities exchange, and in accordance the terms of the Facility Agreement, Springleaf shall issue warrants to purchase Springleaf Shares (the "**Springleaf Warrants**") to GEM Global and Secoya in the amount of 7% of the issued and outstanding Springleaf Shares at the time of the listing of the Springleaf Shares, with an exercise price equivalent to 135% of the five-day volume weighted average of the trading price of such shares following the Listing. The Springleaf Warrants will have a term of five years from the signing of the Facility Agreement, June 14, 2024. If Springleaf fails to issue the Springleaf Warrants within 90 days of a listing, it may be liable to pay up to an aggregate amount of $349,000 to GEM Global.

Irrespective of whether Springleaf chooses to utilize the Subscription Facility, Springleaf shall be liable to pay to GEMIA and Secoya a collective 2% commitment fee (the "**Commitment Fee**"), subject to any adjustments due to tax deductions, in the amount of $560,000 with $280,000 payable in cash to be deducted from Springleaf's first draw downs of the Subscription Facility and the balance payable through the issuance Springleaf Shares. The Commitment Fee is payable on the earlier of: (i) the one-year anniversary of the Facility Agreement; and (ii) when Springleaf makes it first draw down from the Subscription Facility. Springleaf has provided GEMIA and Secoya with a promissory note in the amount of $280,000 with respect to each parties' portion of the Commitment Fee.

The Facility Agreement may be terminated by the mutual consent of Springleaf and GEM Global. In addition, GEM Global can terminate the Facility Agreement if, and among other reasons: (i) there has been a material adverse change in Springleaf; (ii) there is a change of control where the directors and officers of Springleaf as of June 14, 2019, control or own less than 5% of the issued and outstanding Springleaf Shares; or (iii) an exchange does not grant unconditional approval to list the Springleaf Shares that GEM Global would be subscribing for under the terms of the Facility Agreement.

During the term of the Facility Agreement, Springleaf is prohibited from entering into another subscription facility that is of similar terms to that contained in the Facility Agreement.

Pursuant to the Facility Agreement, GEM Global cannot hold in excess of 9.9% of the issued and outstanding share capital of Springleaf on a non-fully diluted basis at any point in time.

August 6, 2019: Springleaf purchased a four-storey warehouse with an office for S$1.75 million for purposes of expanding Singapore's operating team and serving as a solid waste training centre and workers dormitory. For further details, see "*Our Business – Properties and Fixed Assets*".

August 28, 2019: Springleaf Biomax entered into a sales order with Shanghai Feng Xin Second Construction Company (the "**Municipal Sales Order**") to provide waste treatment solutions to treat two tons of wet waste inside a residential space in Shanghai on a daily basis for an aggregate sum of RMB¥1,900,000 (approximately S$380,000). Springleaf is permitted to bring its treatment facilities within the proximity of the residential area as its treatment process does not produce odours and pollution. The waste from the space is converted into high-value organic fertilizer for use in the community's garden.

August 29, 2019: Springleaf Biomax signed a contract to provide a waste treatment facility with Shanghai Qunxin Municipal Development Company, which includes treating at least 50 tons of wet waste in Shanghai, China on a daily basis for a minimum fee of RMB¥10,000 (approximately S$2,000) per day, for a period of five years. This is the first contract by Springleaf to provide a low carbon dioxide emission, high-tech waste treatment facility for treating wet waste. The service begins from November 1, 2019 and runs to October 30, 2024, and the Shanghai Qunxin Municipal Development Company is required to buy the waste treatment facility from Springleaf in accordance with pre-agreed to terms and also has the right to renew the contract for a further six months.

October 1, 2019: Springleaf entered into a one-year service agreement with a manufacturing company for optical instruments and photographic equipment with services valued in aggregate at S$804,018 (payable in equal installments of S$67,001.50 on a monthly basis for a one-year term), whereas Springleaf will provide maintenance services with respect to the air-conditioning and mechanical ventilation systems at the manufacturing company's plants located at Ang Mo Kio and Woodlands in Singapore. The manufacturing company has the option to renew the contract for a second year at the same rate.

Business Overview – Engineering Services

Springleaf's engineering services are primarily provided to customers in the semiconductor industry. Springleaf's services include the design and/or the construction of new facilities in new and existing buildings, the refurbishment and upgrading of existing facilities, and corrective or routine maintenance services. Generally, the business of Springleaf's engineering services can be divided into two main business segments primarily geared towards the semiconductor industry:

(1) Engineering, Procurement, and Construction Management Solutions (EPCM); and

(2) Factory maintenance services.

The Semiconductor Industry

For EPCM services, the top five customers of Springleaf are primarily from the semiconductor industry. Springleaf anticipates that the development of the semiconductor industry in the world and in the Asia-Pacific region ("**APAC**") will be a positive tailwind to its long-term strategies. Springleaf is primarily focusing its offering of EPCM services in Singapore, China, and the Southeast Asian markets.

In 2018, semiconductor sales as an industry totaled US$481 billion.[3] Over the next four years, through the end of 2022, analysts expect sales in the industry to keep growing at a steady compounded annual rate (CAGR) of 4.6%, reaching sales in the amount of US$575 billion.[4]

Singapore is one of the largest semiconductor hubs in APAC, according to the Economic Development Board of Singapore, with nine out of the top ten wafer fabrication equipment companies being supplied significantly from Singapore-based suppliers; 70% of wire bonders used in the global semiconductor industry being produced in Singapore; and 20% of global semiconductor equipment output being from Singapore.[5]

[3] https://www.pwc.com/gx/en/industries/tmt/publications/assets/pwc-semiconductor-report-2019.pdf.
[4] https://www.pwc.com/gx/en/industries/tmt/publications/assets/pwc-semiconductor-report-2019.pdf.
[5] https://www.edb.gov.sg/en/our-industries/precision-engineering.html.

Currently, Singapore-based electronics manufacturers account for an 11% global market share of semiconductor wafer foundry output and a 25% global market share for printers.[6] The world's top three wafer foundry companies, top three sub-contract assembly-and-test companies, and top four fabless IC design companies all have facilities in Singapore.[7]

Global semiconductor engineering companies originally invested in Singapore in the past to leverage the nation's hub position to deliver products to other countries in Asia, particularly China. However, with China moving its economy into the global industry, those global companies have begun shifting investments into China, attracted by subsidies or support from the Chinese government contingent on the companies establishing operations in China, therefore, leaving an opportunity for newer companies in Singapore to gain traction. [8]

The semiconductor industry, however, has been facing headwinds in recent times due to the trade impasse between the United States and China. Nonetheless, industry growth is still expected to be driven by the burgeoning automotive semiconductor market. The automotive semiconductor market is forecasted to grow to an estimated US$58.5 billion in 2023.[9]

The Government of Singapore still expects to greatly expand manufacturing output beyond 2020 and is aiming to reach a total manufacturing output of US$200 billion and total manufacturing value-add of US$50 billion.[10] Hewlett Packard and Texas Instruments have invested nearly US$10 billion combined in the industry.[11] Singapore is also a leading manufacturer of enterprise hard disk drives with companies such as Seagate and Hitachi. Over the past few years, the country accounted for half of the world's enterprise hard disk drives.[12] In addition, the global engineering services market is forecasted to grow at a CAGR of around 3.95% during the period 2018-2022.[13] A majority of the firms in the engineering industry operate in their local markets only due to their intimate knowledge of specialized engineering services and familiarization with regional regulations.

Staff and raw material costs

Springleaf expects staff costs will gradually increase in tandem with general inflation, the tight labour market and the expected increase in its business activities. Its expected projects require products and equipment which are made of materials such as steel, copper and aluminum. As a result, Springleaf expects its costs to fluctuate in tandem with the prices of these resources.

Increased demand for cleanroom technology

Cleanroom technology ensures controlled environments where variables such as humidity, temperature, pressure, magnetic fluctuations can be closely monitored. The global cleanroom technology industry was valued at US$3.7 billion in 2018 and is expected to reach a value of US$4.8 billion by 2024, at a CAGR of 5.1% over the forecast period (2019-2024).[14]

Background – Engineering, Procurement, and Construction Services

Springleaf provides EPCM or turnkey services to build facilities to be operated by its clients.

In order to achieve this requirement, Springleaf is specialized in architectural, mechanical, engineering, and plumbing ("**MEP**") works. MEP specifically encompasses the in-depth design and selection of systems. Springleaf is able to design and build controlled environments or any facilities support system for use in various industries, in particular

[6] https://www.export.gov/article?id=Singapore-Semiconductors.
[7] https://www.export.gov/article?id=Singapore-Semiconductors.
[8] https://www.businesstimes.com.sg/brunch/is-singapores-semicon-sector-on-the-skids.
[9] https://www.businessinsider.sg/singapore-semiconductor-industry-association-ssia-announces-latest-industry-insights-and-growth/.
[10] https://www.export.gov/article?id=Singapore-Semiconductors.
[11] https://www.export.gov/article?id=Singapore-Semiconductors.
[12] https://www.export.gov/article?id=Singapore-Semiconductors.
[13] https://www.businesswire.com/news/home/20180621005663/en/Global-Engineering-Services-Market-Analysis-Forecasts-2018-2022.
[14] https://www.mordorintelligence.com/industry-reports/global-cleanroom-technology-market-industry.

the semiconductor industry, utilizing a wide range of architectural materials, in combination with the requisite MEP systems and equipment, to achieve the technical requirements of Springleaf's customers.

Revenue from this segment of Springleaf's EPCM business accounted for approximately, 93%, 87%, and 88% of Springleaf's total revenue in fiscal year 2016, fiscal year 2017, and fiscal year 2018, respectively.

Background – Service and Maintenance Services

Springleaf also offers maintenance, repair and monitoring services upon the handover of the systems to the client that Springleaf designs and builds.

Springleaf provides both corrective and preventive or routine maintenance services to ensure reliability and minimal disruptions to its customer's operations. It provides a preventive maintenance menu that corresponds to the needs of clients to ensure maximum performance and comprehensively reduce overall maintenance cost. Corrective maintenance repairs and restores equipment before significant breakdowns occur hence reducing facility downtime.

All maintenance works, including monitoring services, are carried out on a daily basis with backup teams ready to respond in the event of emergency. In addition, preventive annual shut downs and corrective maintenance works are carried out to ensure all equipment and system is in working condition – to minimise failures as well as to satisfy annual inspections conducted by relevant authorities.

During the last three fiscal years, more than approximately 85.0% of the revenue from Springleaf's maintenance services division was derived from facilities which Springleaf had built. In addition to achieving sustainable recurring income, this enables Springleaf to market itself towards its clients as trustworthy and a one-stop solution engineering company.

Revenue from Springleaf's maintenance services division accounted for approximately, 7%, 13%, and 11% of Springleaf's total revenue in fiscal year 2016, fiscal year 2017, and fiscal year 2018, respectively.

Springleaf's Past and Existing Projects

The following is a general overview of some of Springleaf's key projects in Singapore during the last three fiscal years from both its EPCM and maintenance services' segments:

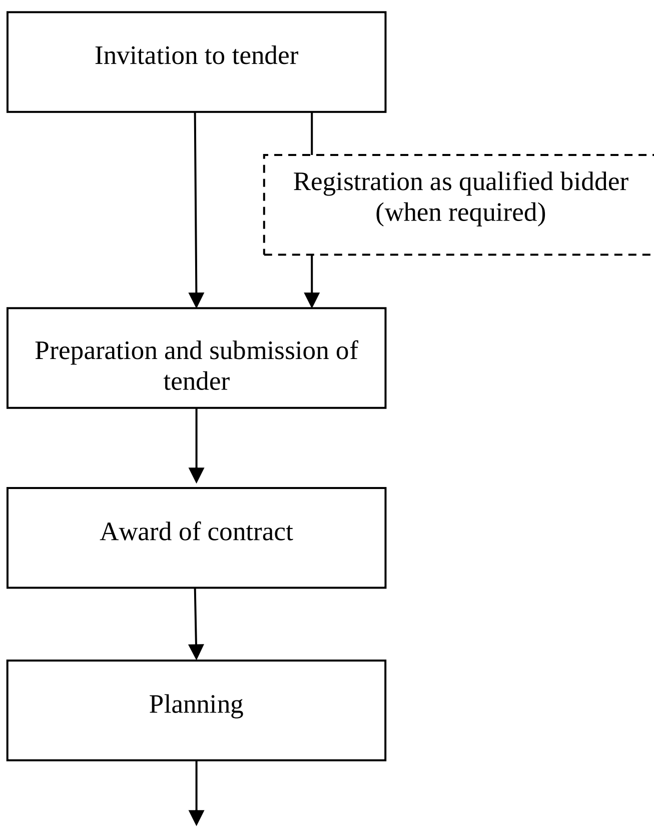
Industry	**EPCM** **Design and Build / Fabricate / Installation**	**Maintenance** **Supply of Services / Consumables**
Semiconductor	Cleanroom with Utilities Support Aircon & Maintenance Ventilation General Exhaust Filtration System Ultra-Pure Water De Ionized Water Reverse Osmosis Water Waste Water Treatment Process Cooling Water Air Cooled Chilled Water Water Cooled Chilled Water Slurry System Fire Protection Chemical and Gases Distribution Compressed Dry Air Process Vacuum Equipment Hook up Chemical Tank Maintenance Platform Alternation and Addition Works	Preventive Maintenance Corrective Maintenance Facilities Monitoring Filter

	Hazardous Substance Storage Building Flammable Warehouse Transformer Room Data Centre Office System	
Manufacturer for Equipment	Design and Supply Discontinuous Vacuum Pan with Honeycomb Calandria System	-
Food and Beverage	Design and Supply of Dust Control System	-
Water Technologies / Treatment	Electrical System for Reverse Osmosis De Ionized System	-
Manufacturer for computer, computer and network peripherals, printers and printer cartridges	Reverse Osmosis De Ionized System Ultra-Pure Water System Ultra Violet Disinfection	Ultraviolet and TOC Lamp Carbon and Mixed Bed Filter Reverse Osmosis Membrane
Structural Steel	Compressed Dry Air Distribution System 3d Frame Including Assembly	-
Manufacturer for Paint	Aircon & Maintenance Ventilation System	-

Work Processes

Engineering, Procurement, and Construction Management Solutions

The key stages in a typical work process for this segment is set out below:



Execution

↓

Commissioning and handover

Invitation to tender

For most of its projects, Springleaf is required to submit tenders in order to bid for projects. Springleaf secures projects either through open or invited tenders. In the case of invited tenders, invitations are made by customers whom Springleaf may have served previously or who have been referred to Springleaf by other customers whom Springleaf has worked with previously or referrals by appointed consultants or business associates of Springleaf or the Springleaf Subsidiaries.

When required, Springleaf will register as qualified bidders by satisfying the pre-qualification criteria set by the customer before such tenders. Some of these pre-qualification criteria may include an established track record in health, safety and environment management, registration with Singapore's Building Construction Authority (the "**BCA**"), as well as experience and track record in relevant projects. The specific requirements may vary, depending on the nature and complexity of the projects and contracts.

In these situations, Springleaf first evaluates the credit-worthiness of the prospective customer, then any existing commitments and available resources for the contemplated project, before participating in a tender.

Preparation and submission of tender

Once a decision has been made to participate in the tender, Springleaf reviews the tender documents to understand the specific requirements of the project after clarifying any technical or legal ambiguities with the prospective customer. If required, Springleaf will work with prospective customers to produce an initial design brief of the proposed development, taking into consideration the specific requirements. Springleaf will also quantify the tender cost estimate for the entire project, taking into account quotes obtained from sub-contractors and suppliers for work required to be undertaken by them. Sufficient quotes will be obtained from suppliers and sub-contractors who are competitive in their quality, pricing and timeliness. Further, Springleaf will consider the complexity and time frame of the project, the condition of the vicinity of the project site and applicable market conditions in determining the tender price.

Where the prospective customer has provided a concept design in the tender brief, Springleaf's design team may provide an alternative design solution in addition to developing the prospective customer's concept design. The alternative design solution will typically be a more cost and time efficient design solution which will meet the prospective customer's requirements.

The entire process typically takes about three to four weeks depending on the size and complexity of the project. If Springleaf's submitted tender terms are amongst the most favourable, Springleaf may then be required to attend tender interviews to explain its pricing and materials offered, methods of construction and to respond to any other queries. There may be negotiations to finalise the price and terms of the contract. Notification of a successful tender will typically take place within one to two months after the close of the tender.

When Springleaf is independently approached for a design and build proposal, Springleaf will meet with the prospective customer to understand their requirements and budget before preparing the design and cost proposal. This entire process would typically take about four to six weeks depending on the size and complexity of the project.

Award of contract

Upon award of the contract, Springleaf will form a project team and the tender team will hand over to them via a project handover meeting, during which the project team will be briefed on, inter alia, the scope of works required, specific requirements of the project such as the construction phases, project period and site constraints, as well as the initial budgeted costs.

Planning

For each of Springleaf's projects, a project manager who is responsible for the operation, performance and safety of the project will be assigned the responsibility to plan and take charge of the project (a "**Project Manager**") with a project director overseeing the project (a "**Project Director**").

The Project Manager's duties include preparing an execution plan before the commencement of the project. The execution plan will set out the scope of work for the project, the project schedule which highlights the important stages of a project, manpower projection plan, equipment and materials utilisation plan, project budget for cost monitoring as well as all necessary procedures and controls to ensure that the project is executed in accordance with the contractual requirements, especially in relation to safety, quality and schedule.

In the process of finalising the execution plan, the Project Manager will discuss and meet Springleaf's senior management together with personnel from Springleaf's design and process department, environment, and health and safety department to seek their opinions on the project execution plan. Upon finalisation of the execution plan, the resources required for the project will be allocated accordingly.

Execution

For each of Springleaf's projects, the Project Manager will manage the project in accordance with the execution plan to ensure its timely completion. He or she will also closely monitor and supervise manpower, equipment and materials utilisation to minimise wastage and inefficiency, and conduct random checks on materials upon delivery to ensure that the materials conform to Springleaf's quality standards. He or she will conduct regular meetings with its team members including the project engineers, supervisors, foremen, safety co-ordinator and quality engineer to track the progress of work and schedule of procurement to ensure that these are carried out accordingly. He or she will also carry out daily site inspections and resolve any problems that arise. The senior management will also carry out random site visits to ensure that the project is carried out smoothly.

Throughout the project, quality assurance procedures involving stringent quality checks and inspections are conducted by quality control personnel to ensure that the work is carried out in accordance with Springleaf's quality standards in fulfilment of the customers' requirements as stipulated in the contract.

Springleaf's management conducts regular progress meetings with the Project Managers to ensure that the projects are carried out on schedule in accordance with the execution plan, and that project costs are kept under control.

In the execution of Springleaf's projects, there may be variations in the scope of work or unforeseen delays due to factors that are beyond Springleaf's control. In such instances, the Project Manager will revise the project schedule and budget and discuss with the customer to resolve the variation of works and revised project schedule and budget.

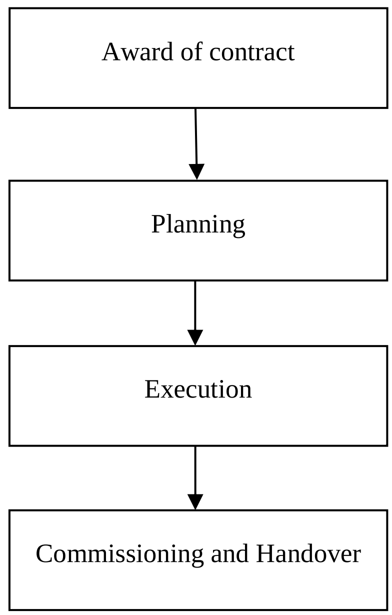
Commissioning and handover

Upon completion of the project, the Project Manager will carry out an inspection with the customer to list out and rectify defects identified. Thereafter, the Project Manager will prepare the necessary documentation to obtain the certificate of completion from the customer. This is followed by a defects liability period for workmanship, which is typically one year from the project handover date.

Springleaf's maintenance department will take over from the project team and work alongside the customer to ensure the smooth running of the completed facility. They will also coordinate to rectify defects, if any, found during the defects liability period.

Maintenance

The key stages in a typical work process for this segment is set out below:



Proposal of maintenance contract

Towards the end of the defect's liability period of a project, Springleaf will approach the customer to propose a preventive maintenance contract. Springleaf also may obtain maintenance contracts for facilities that are not built by it. Each maintenance contract with a customer is generally for the duration of a quarter or one year. For highly specialised and containment facilities, the maintenance contract may be of a longer duration.

Award of contract

Upon award of the contract, Springleaf's maintenance department will organise a maintenance team and prepare for a kick-off meeting with the customer, where the technical specifications, requirements and schedule for preventive maintenance will be finalised.

Maintenance execution

For each of the maintenance contracts, a team of service engineers, supervised by the Facilities and Maintenance Manager, will be responsible for ensuring the timely provision of quality services to the customer. For facilities that were not built by Springleaf, on-site familiarisation will be conducted by the customer, where necessary, to familiarise the relevant individuals from the maintenance department with the protocol and equipment of the facility.

Springleaf carries out periodic preventive maintenance works based on a predetermined schedule. In cases where a scheduled shutdown of the facility is required, Springleaf's team is able to handle the quick and tight turnaround schedule to ensure minimal downtime.

From time to time, Springleaf may receive activation calls from a customer when a problem is encountered. Springleaf then dispatches its standby maintenance engineers and/or technicians to investigate the root cause of the problem and carry out the necessary corrective maintenance works, such as replacement of defective parts.

Upon the completion of each preventive or corrective maintenance work, Springleaf's engineers will prepare a service report for sign off by the customer. Springleaf's customers may carry out checks to ensure that the work has been carried out to their requirements. In periodic meetings with the customer, Springleaf discusses and reports to the customer on co-ordination matters, completed works and defect rectifications.

Renewal of Contract

Towards the end of the contract period, after discussion with customers to gather feedback on the quality of the work and to receive suggestions on how to improve its services, Springleaf will propose a renewal of the maintenance contract for their consideration.

Marketing and Business Development

Springleaf's marketing and business development activities are spearheaded by Mr. Vincent Lim. He is supported by Mr. Ben Lim, a director and Chief Operating Officer of Springleaf, and the three other employees that comprise of the business development team in the execution of marketing and business development plans.

Springleaf's primary source for new projects is through open and invited tenders. There are also instances in which customers approach Springleaf independently for proposals in respect of design and/or construction works required. In the case of invited tenders, invitations are made by customers or consultants whom Springleaf has dealt with previously or who have been referred to Springleaf by other customers or consultants who had worked with Springleaf previously.

Springleaf has established and maintained business relationships with owners, main contractors and consultants from whom we could also directly source for new projects or who would be in a position to refer projects to it. As Springleaf relies extensively on its business networks, Springleaf conducts informal business development sessions with its customers and consultants from existing and past projects in order to enhance existing relationships and as a source for business opportunities.

Major Customers

Springleaf's customers comprise mainly of semiconductor manufacturing companies and multinational engineering companies. The top customer segments of Springleaf in terms of revenue for the last three fiscal years are as follows:

	As a percentage of revenue (%)		
Customer Segments	**FY2018**	**FY2017**	**FY2016**
Manufacturing company for optical instruments and photographic equipment	78.05	81.53	56.27
Semiconductor testing and assembly service industry	-	1.14	34.57
Mechanical engineering service provider	18.36	12.76	7.22
Structural steel works company	-	-	1.11
Manufacturer of paint and coating	-	-	0.83
Manufacturer of gas delivery System for semiconductor industry	0.65	3.49	-

	As a percentage of revenue (%)		
Customer Segments	**FY2018**	**FY2017**	**FY2016**
Manufacturing of computers, computer and network peripherals, printers and printer cartridges	0.70	0.06	-
Laboratory furniture and equipment specialist company	1.41	-	-

Springleaf's business is a combination of project and maintenance based offerings. Project-based offerings are related to the customers' or the facility owners' infrastructure expenditure. Investments in infrastructure are typically planned for and used for a certain period until the facilities are obsolete or require upgrading before any new investments are made. Accordingly, such investments in infrastructure by each customer may not occur from year to year and as a result, Springleaf's volume of customers each year may vary from year to year.

The revenue contribution from the major customers in the table above during the last three fiscal years fluctuated in line with the number, scope, contract value and percentage of project completed in each of the financial years.

Springleaf is constantly exploring opportunities with new customers and has recently begun diversifying its revenue stream, through entry into the waste management services business, in order to avoid its dependence on any single customer.

Major Suppliers

Springleaf's suppliers comprise mainly of engineering services sub-contractors and suppliers of architectural, mechanical and electrical materials, MEP engineering products, equipment and instruments.

The top suppliers (including sub-contractors) from Springleaf's purchases (including sub-contracting costs) during the last three fiscal years are as follows:

		As a percentage of purchases (%)		
Name of supplier	**Products/Services**	**FY2018**	**FY2017**	**FY2016**
Rui Li Engineering Pte. Ltd.	Mechanical Contractor	31.88	33.00	19.50
J-One Engineering & Construction Pte. Ltd.	Architectural Contractor	9.09	14.40	16.60
Solution Base Pte. Ltd.	Electrical Contractor	15.64	8.50	14.20
L&T Electrical Engineering Pte. Ltd.	Electrical Contractor	-	-	4.50
Earth Solutions Technology Pte. Ltd.	Electrical Contractor	-	-	3.20
HPH Engineering Pte. Ltd.	Electrical Contractor	11.97	4.80	-
Air-Plus Systems Pte. Ltd.	Industrial Vacuum System	-	3.70	-
Daikin Air conditioning (Singapore) Pte. Ltd.	Air conditioning System	3.61	-	-

Purchases from suppliers and subcontractors are mainly for three main services: architectural, mechanical and electrical as these services are fundamental in all Springleaf's projects. As Springleaf's business is principally project-based and the type of materials and equipment used in different process systems may be different, Springleaf maintains a recurring relationship with its major suppliers. Furthermore, Springleaf's requirements for sub-contracting resources, materials and equipment vary according to the size and scope of its projects and the stage of completion of its projects; Springleaf only places an order with its suppliers once a project is secured.

Springleaf generally does not enter into long-term exclusive agreements with any of its suppliers to ensure it retains flexibility to evaluate and select suppliers who are able to provide us with high quality materials and equipment or work at the most favourable terms. The Springleaf Board believes that Springleaf's business and profitability will not be materially affected by the loss of any single supplier nor dependent on any particular industrial, commercial or financial contract with any supplier.

Products

Generally, Springleaf's EPCM and in-house semiconductor engineering services can be broken down into three broadly defined categories:

1. Cleanroom & Controlled Environment: Providing all-inclusive one-stop solutions (which follow closely with government factory guidelines and statutory body submissions) in designing/building cleanroom and controlled environments. A cleanroom is an enclosed space in which airborne particulates, contaminants and pollutants are kept within strict limits. Cleanrooms are typically used in manufacturing and scientific research. This close attention to efficiency and adherence to standards of quality is also seen in chemical warehouse and distribution systems.

2. Heating Ventilation & Air-Conditioning System: Designing and implementing heating ventilation, moisture control, cooling air circulation system, air-conditioning and mechanical ventilation. Consultation services are also provided for fixing and upgrading existing cleanroom grading.

3. Mechanical & Electrical System: Providing *in-house designs* and *construction* for the following systems:

    (a) Process, Mechanical, Electrical and Control;

    (b) Ultra-Pure Water, De Ionized Water, Reverse Osmosis Water, Waste Water Treatment;

    (c) Process Cooling Water; Air Cooled Chilled Water, Water Cooled Chilled Water;

    (d) Facilities Monitoring and Fire Protection;

    (e) Chemical and Gases Distribution, Compressed Dry Air, Process Vacuum, General Exhaust; and

    (f) Activated Carbon Filter, Mixed Bed and Pre Filter.

Credit Management

Credit Terms to Customers

Generally, Springleaf issues a progress claim to its customers on a monthly basis according to the proportion of work completed with respect to the contract value of the project. The progress claim will be certified by the customer or the architects, quantity surveyors or engineers and an invoice will be issued based on the agreed amount after the certification of the progress claims. Springleaf's customers usually settle payment within 60 days from the date of a progress claim. This period includes the certification process, invoicing and payment by the customers. For some of Springleaf's projects, it invoices customers on a progressive basis in accordance with the project milestones as prescribed in the contract. Occasionally, actual collection may exceed 60 days. This usually occurs for the final claim when a project is completed and the customer delays certification of the final claims until rectification of outstanding defect works is completed.

For some contracts, customers may withhold between 2.5% and 10.0% of the contract sum as retention monies. Customers may use the retention monies to settle the cost incurred for any rectification works not carried out by

Springleaf. The retention monies are released after the defects liability period which generally lasts for 12 months from the date of project handover. As of Springleaf's fiscal year 2018, it has not experienced any material claims for defective works.

Springleaf has in place credit control policies and procedures to manage its credit exposure. The credit terms and limits granted to each customer are usually determined during the tender or contract negotiation stage or at contract renewal stage. The terms and limits granted are based on a number of factors such as the customer's financial background and creditworthiness, the transaction volume, payment history and length of relationship with us. Springleaf's finance and project teams oversee the collection from customers closely.

Springleaf typically grants its customers credit terms of 30-60 days. The finance team monitors the accounts receivables ageing report closely and follows-up on any overdue amounts. For customers who have exceeded their credit limits, Springleaf would increase collection efforts by escalating the issue of the non- payment to their management. On a case-by-case basis, appropriate action will be taken for overdue debts depending on its severity, which include sending formal letters of demand by Springleaf's lawyers and legal action, should all other means to recover the overdue debts fail. Springleaf's credit limits specify the maximum amount that may be owed by customers at any time and the length of credit period provided. For customers who have exceeded their credit limits or periods, Springleaf would require them to settle outstanding amounts before executing additional work for the customer.

Springleaf reviews and assesses the need to make allowance for overdue debts on a monthly basis. Specific allowance or write-off will be made when Springleaf is of the view that the collectability of an outstanding debt is impaired or the debt is deemed uncollectible. This is usually assessed on a case-by-case basis and depends on the age of the overdue debts and the creditworthiness of the customer. There were no bad trade debts written off and no allowance for doubtful trade receivable during the last three fiscal years. The amounts of allowance for doubtful trade receivables for the last three fiscal years were Nil. Springleaf's trade receivables' turnover days were 70, 108, and 57 for fiscal year 2018, fiscal year 2017, and fiscal year 2016, respectively.[15]

Revenue for EPCM projects is recognised based on a percentage of completion method. This is measured by the percentage of contract work completed as determined by the architects, quantity surveyors or engineers. Revenue for maintenance contracts is recognised when the services are provided. Trade receivables are recorded when invoices are being issued to customers according to the billing arrangements agreed with customers. The trade receivables' turnover days exceeded the credit term of 30-60 days for fiscal year 2018 and fiscal year 2017 mainly due to delays in payment by a customer for a major project and due to significant billings at year-end for work executed on major projects.

Credit Terms From Suppliers

Springleaf's suppliers comprise mainly engineering services sub-contractors and suppliers of architectural materials and services, MEP engineering materials and services, electrical material services and other system equipment and instruments.

Cost of sales for engineering, procurement and construction projects is recognised based on the percentage of completion method while cost of sales for maintenance contracts is recognised when goods or services are received, which is in line with Springleaf's revenue recognition policy. Trade payables are recorded when invoices are being received from suppliers according to the billing arrangements agreed with the management of Springleaf.

Payment terms granted by suppliers vary from supplier to supplier and are also dependent on, amongst others, relationships with the suppliers and the size of the transactions. Generally, suppliers grant credit terms ranging from 30 to 60 days. For suppliers who are based outside of Singapore, payment is effected by way of letters of credit or telegraphic transfers.

[15] The trade receivables' turnover days were computed based on the closing trade receivables balances of the relevant financial year divided by revenue for the relevant financial year and multiplied by 365 days.

Springleaf's trade payables' turnover days were 36, 39, and 39 for fiscal year 2018, fiscal year 2017, and fiscal year 2016, respectively.[16]

Supply Management

Due to the nature of Springleaf's business, it does not in the ordinary course of business maintain an ongoing inventory. Springleaf generally purchases the materials and equipment only after it has been awarded a project. When a contract is signed with a customer, Springleaf will assign a budget costing for the project specifying all materials and equipment required for the project in terms of quantities and specifications. Springleaf then typically only orders stocks when required and orders are placed with the suppliers only after such materials and equipment have been approved by customers. Revenue is recognised upon the supply and installation of the products for the customers.

To ensure smooth delivery of materials and equipment for site requirements and to avoid any potential delays in the project that may result in penalty charges, the Project Managers work out the scheduling of orders and deliveries of materials and equipment on a just-in-time basis. The date of delivery is agreed between the Project Managers and suppliers before an order is placed, so as to ensure that our suppliers are able to fulfill the delivery requirements.

Properties and Fixed Assets

Springleaf owns two properties, both located in Singapore:

Location	**Tenure**	**Land/built-in area (sqm)**	**Use of property**	**Mortgagee**
421 Tagore Industrial Avenue #01-28 Tagore 8 Singapore 787805	Strata Freehold	317	Head Office	Overseas-Chinese Banking Corporation Limited, Singapore ("**OCBC Bank**")
31 Bukit Batok Crescent #01-19 The Splendour Singapore 658070	60 year leasehold from March 13, 1997	805	Dormitory	DBS Bank, Singapore ("**DBS Bank**")

The primary purposes of these buildings are office space, warehouse usage, dormitory, and a staff training centre for waste management systems.

As at the date of this Prospectus, the property located at 421 Tagore Industrial is mortgaged to OCBC Bank for property loan for a term of 25 years in the amount of S$1.28 million, commencing in 2016; the property located at 31 Bukit Batok is mortgaged to DBS Bank by a property loan for a term of 20 years in the amount of S$1.575 million, which commenced in 2019.

Capital Expenditures

Springleaf's capital expenditures during its last three fiscal years and for the interim period ended September 30, 2019 were as follows:

[16] The trade payables' turnover days were computed based on the closing trade receivables balances of the relevant financial year divided by revenue for the relevant financial year and multiplied by 365 days.

	Fiscal Year 2019 ($000's)	Fiscal Year 2018 ($000's)	Fiscal Year 2017 ($000's)	Fiscal Year 2016 ($000's)
Office equipment	12	26	29	67
Plant & Machinery	103	-	-	-
Furniture and fittings	7	2	218	4
Motor vehicle	-	53	92	84
Leasehold Property	1,797	-	-	-
Freehold Property	-	-	-	1,638
Total	1,919	81	339	1,793

The above capital expenditures were financed by internal funds, a bank loan, and hire purchase.

Staff Training

Springleaf believes that the technical competence and product knowledge of its staff are instrumental in maintaining its competitive position and the continued success of Springleaf. The objective of staff training is to establish the training system necessary to support a quality management system, to ensure that the staff are informed of the latest industry developments and are equipped with the necessary skills and knowledge, and to enhance their work performance. This is accomplished through the constant upgrading of their skills to meet required standards of quality services. Springleaf tailors the training of staff according to their respective job scopes. Springleaf's human resources department maintains a record of all relevant training received by staff in areas such as technology, safety, and accounting and finance to further enhance their technical expertise.

The training programmes can be classified into the following three main categories:

Orientation Training

All new employees are required to undergo orientation programmes, in-house training conducted by human resources, the environmental, and health and safety departments and the employees' relevant departments to familiarise themselves with Springleaf's businesses, corporate policies and practices. These programmes are conducted in-house with emphasis on matters relating to employees' conduct and discipline, housekeeping, as well as quality and safety awareness.

On-the-job Training

On-the-job training that the staff undergoes is managed by the employees' immediate supervisors. Immediate supervisors will closely monitor individual staff and impart practical skills and working knowledge necessary for them to perform their tasks according to the required performance standards. Such on-the-job training covers technical knowledge, equipment operation and quality assurance.

Continuous Learning

In order to stay competitive at all times and to ensure that employees keep abreast of new developments in our industry, Springleaf sends its employees to courses conducted by institutions such as BCA and training centres approved by MOM.

Insurance

As of the date of this Prospectus, the insurance policies maintained by Springleaf include:

- work injury compensation in relation to employees;
- keyman insurance for Mr. Vincent Lim;
- contents, fire and burglary insurance;
- contractors' all risks insurance in respect of certain projects undertaken by the Company;
- public liability insurance;
- foreign workers medical insurance;
- group hospital and surgical plan insurance for all employees; and
- travel insurance for all senior employees.

The Springleaf Board is of the view that the above insurance policies are adequate for its existing operations. However, significant damage to its operations, whether as a result of fire or other causes, may still have a material adverse effect on results of operations or the financial condition of Springleaf. No material insurance claims were made by Springleaf during the last three fiscal years.

Competitive Strengths

Springleaf believes its competitive strengths are as follows:

An established track record and substantial technical expertise

The controlled environments industry is competitive, with various small-to-medium sized engineering companies and a few large established players. Springleaf believes that the barrier to entry into its industry is significant due to the substantial technical expertise required to complete projects in the industry. Springleaf has built facilities which comply with international guidelines or standards such as ISO 14644-1 for cleanrooms. As a testament to its technical expertise, Springleaf has successfully designed and built numerous Class 10K cleanrooms for two major semiconductor companies in Singapore, per specifications provided below.

Class (under FED STD-2029E)	**Maximum number of particles per cubic feet**					**Class (under ISO 14644-1)**
	≥0.1 µm	**≥0.2 µm**	**≥0.3 µm**	**≥0.5 µm**	**≥5 µm**	
1	35	7.5	3	1	0.007	ISO 3
10	350	75	30	10	0.07	ISO 4
100	3,500	750	300	100	0.7	ISO 5
1,000	35,000	7,500	3,000	1,000	7	ISO 6
10,000	**350,000**	**75,000**	**30,000**	**10,000**	**70**	**ISO 7**
100,000	3,500,000	750,000	300,000	100,000	700	ISO 8

Besides cleanrooms, Springleaf designs and builds process systems that are crucial for the operations on the factory floor. For example, all machine housed on the floor, including air conditioning and utilities, among others, needs to operate in a 100% air tight space (i.e., the cleanroom). Springleaf's designs have to also account for the water needs, system automation, and power needs of the machinery – all while upholding to the specifications of a cleanroom. Springleaf believes that it is able to successfully compete against competitors because of its reputation as a reliable and established specialist engineering services provider in the field of controlled environments, the consistent quality of our services, Springleaf's competitive pricing as well as its good relationships with customers. Springleaf also provide customers with integrated solutions for the construction of a comprehensive range of controlled environments and other process systems and facilities.

Provide integrated engineering solutions to customers

Springleaf is able to integrate architectural and MEP engineering know-how to provide total engineering solutions for controlled environments. With an in-house engineering team who have expertise in MEP engineering solutions, Springleaf can provide a faster turn-around time as well as provide cost and time-efficient integrated engineering solutions to customers. Springleaf believes that its ability to provide integrated engineering solutions to customers reduces reliance on external parties and enables Springleaf to bid for more varied projects.

Strong business relations with customers, suppliers and sub-contractors

Springleaf believes that cultivating and maintaining good business relations with customers, suppliers and sub-contractors is critical to its success. Springleaf is committed to consistently deliver projects and services to the satisfaction of its customers and to build up strong relations with suppliers and sub-contractors. With 20 years of experience in the field of controlled environments, Springleaf has built a strong network of customers, suppliers and sub-contractors. Springleaf has maintained good relationships with customers, suppliers and sub-contractors by delivering quality services, completing projects on time and making regular visits and having periodic meetings with customers, suppliers and sub-contractors. In addition, Springleaf seeks to continuously improve its service standards and operating efficiency. As a result, Springleaf has established strong business relations with customers, suppliers and sub-contractors which generate repeat business.

Further strengthen relationships with customers through maintenance services

Under the maintenance services business segment of Springleaf, it provides both corrective and preventive or routine maintenance services to ensure reliability and minimal disruptions to customers' operations. During the last three fiscal years, more than 85.0% of the revenue from the maintenance services segment was derived from facilities which were built by Springleaf. Through maintenance services, Springleaf is able to maintain relationships with customers through delivery of quality services, making regular on-site visits and having periodic meetings to provide advice on their selection of equipment and materials and to update them on business offerings. Springleaf is also able to respond to the needs of customers in a timely and cost-effective manner. Further, through maintenance services, Springleaf is able to keep abreast of changes in customers' businesses and understand and meet their needs and requirements, thereby further strengthening its position as their preferred contractor.

Experienced and committed management team

Springleaf's management team has extensive experience, technical expertise and valuable business relationships with the market players in the business of controlled environments. Mr. Vincent Lim and the executive directors of Springleaf, including, Lim Hong Beng (Ben Lim) and Michelle Neo San San, are instrumental in providing Springleaf with their invaluable strategic leadership. They have been instrumental in spearheading the growth of Springleaf's business. The Springleaf Board is supported by an experienced and dedicated senior team.

Business Strategies and Future Plans

The business strategies and future plans for the growth and expansion of Springleaf are as follows:

Capitalizing on its established track record to secure more projects and projects of a larger scale, and venture into new industries, particularly the healthcare, biomedical, and research and academia sectors.

Springleaf is an established specialist engineering services provider in the field of controlled environments, having successfully completed projects such as Class 10k Cleanrooms, cleanroom utilities support system and factory facilities systems, all of which require substantial technical expertise. Springleaf intends to capitalise on its established track record to secure more projects and projects of a larger scale, and venture into the healthcare, biomedical, and research and academia sectors. Springleaf believes that the Singapore government's initiatives and the development plans of private institutions in the aforesaid sectors, will create business opportunities for Springleaf.

Growing Maintenance Segment

Springleaf's maintenance segment provides Springleaf with a recurring stream of income as there is a constant need for maintenance and repair of facilities and equipment of controlled environments and their supporting infrastructure. It also allows Springleaf to further strengthen relationships with customers. During the last three fiscal years, more than 85.0% of the revenue from the maintenance services segment was derived from facilities which were built by Springleaf. Springleaf intends to grow its maintenance services segment business and secure more maintenance contracts for the controlled environments and supporting infrastructure that were not built by it. Springleaf intends to use internal resources for this purpose.

Competition

The field of cleanroom and controlled environments is competitive; with various small and medium-sized engineering companies that offer varying services with different price points. Springleaf believes that it is able to compete effectively against its competitors because of its established reputation as a reliable specialist engineering services provider in the field of controlled environments, combined with the consistent quality of workmanship and competitive pricing. These differentiators are supported by Springleaf's focus on building good, long-term relationships with its customers.

Springleaf is of the view that the following are its main competitors in the Singapore market (in no particular order):

- Acromec Limited
- M+W Singapore Pte. Ltd.
- Takasago Singapore Pte. Ltd.
- Taikisha (Singapore) Pte. Ltd.
- Techniques Air Conditioning & Engineering Pte. Ltd.

In terms of market capitalization and revenue, Springleaf is closest to Acromec Limited. M+W Singapore Pte. Ltd. is the biggest company in the industry, with a market capitalization of around S$1 billion and specializes in various industries. Both Takasago Singapore Pte. Ltd. and Taikisha (Singapore) Pte. Ltd. primarily focus on customers based out of Japan. Techniques Air Conditioning & Engineering Pte. Ltd. focuses more on government related projects.

Business Overview – The Waste Management Industry

The primary market for Springleaf's waste management system is China, followed by North America, specifically, Canada and the United States of America.

China

The waste recycling industry is a burgeoning industry in China according to the World Bank, with global waste expected to grow to 3.4 billion tonnes by 2050, from around 2 billion tonnes in 2016, with the greatest increase projected to be generated in Asia and sub-Saharan Africa.[17] It is estimated that 1.6 billion tonnes of carbon dioxide equivalent of greenhouse gas emissions were generated from solid waste treatment and disposal in 2016, or 5% of global emissions.[18] The global waste management market size is expected to reach US$530.0 billion by 2025 from US$330.6 billion in 2017, growing at a CAGR of 6.0% from 2018 to 2025.[19]

[17] https://www.dw.com/en/global-waste-to-pile-up-by-70-percent-in-2050/a-45588580.
[18] http://datatopics.worldbank.org/what-a-waste/trends_in_solid_waste_management.html.
[19] https://www.alliedmarketresearch.com/waste-management-market.

Shanghai in particular, produces 22,000 tons of daily household waste that according to new rules implemented on July 1, 2019 by the Shanghai Household Waste Management Regulation (the "**Shanghai Regulation**"). Passed by the Shanghai Municipal People's Congress on January 31, 2019, the Shanghai Regulation establishes rules for sorting household waste and restricts disposable items provided by restaurants and hotels in Shanghai.[20] The Chinese government intends to generate a sustainable living condition by initially enforcing the Shanghai Regulation to separate waste into four categories: the dry waste, the wet waste, recyclable, and hazardous. Currently, the Chinese government is educating the public to separate their waste into these categories before throwing the waste. If someone does not adhere to the sorting, a warning letter and guidance is given, followed by a penalty for the wrongdoing.

Each type of waste will go to the separate treatment facilities to reduce not only the capacity and ability of the treatment factory, but some of them can be reused and recycled, thus creating a sustainability living area Shanghai's overhaul of its waste management includes a new garbage classification system. It is projected that a 200 billion yuan (US$29 billion) in investment will be needed if the current trash-sorting program in Shanghai is to be replicated across China. Currently, Shanghai and Beijing are the only two cities that are practicing the new sorting regulations, largely due to the urgency of each city's respective waste issues.

The primary means of waste disposal in China is by landfilling and incineration. Shanghai however, aims to eventually burn or recycle all waste. By 2020, dry waste incineration and wet waste treatment rates are expected to reach 27,800 tonnes a day, around 80% of the city's total garbage.[21] Springleaf anticipates that these increasing regulatory pressures and the state mandates on waste management will open up many avenues for waste treatment solutions. For example, of the wet waste, more than 80% are considered organic and Springleaf Biomax's waste processing system will be able to breakdown this type of waste instead of it going to a landfill or being incinerated, turning such waste instead to a simple form of organic fertilizer that can be reused back on the soil.

Overall, Springleaf recognizes the confluence of: (1) the underserved Chinese waste recycling market; (2) the global emphasis of environmental-efficiency in industrial processes, and (3) Shanghai's priorities in spearheading the nation's efforts in reducing its environmental footprint. Springleaf's presence in the Chinese market is appropriate given the extensive efforts of Shanghai to improve the efficiency of its waste management.

Competition

Competition from local Chinese waste treatment system providers is increasing as the country's waste problem gains more and more attention. Local Chinese waste management technology has yet to be able to achieve a total complete solution with good treatment capacity and efficiency. The max capacity of locally made systems is a 7-ton treatment capacity. Local vendors also have little real-time experience in the application of their technology when compared to Springleaf. Potential local competitors in China include:

- Beijing Goldenway Bio-tech Co. Ltd.;
- Ecoacell (Shanghai Eco Environmental Technology Pte. Ltd.; and
- HeB301 (Shenzhen) Biological Environmental Protection Limited.

Eco-friendly, biochemical waste disposal methods are still a new concept in China. The nation treats its garbage by using landfills, incineration and anaerobic treatment. Springleaf acknowledges that it has to establish its presence early in order to gain a firm stronghold in the waste management market.

Springleaf's Waste Management Operations in China

Springleaf's waste management operations in China consist of four main components:

1. Build system (own the operation and transfer to end user);
2. Machine equipment sale with complete system;
3. Enzyme sales; and
4. Fertilizer sales.

[20] https://www.theguardian.com/world/2019/jul/12/a-sort-of-eco-dictatorship-shanghai-grapples-with-strict-new-recycling-laws.
[21] https://www.channelnewsasia.com/news/asia/shanghai-citizens-out-of-sorts-over-new-trash-separation-rules-11670432.

Build Systems

Springleaf has recently undertaken its first waste project in Shanghai, China, which is governed by a five year contract with a waste company based out of Shanghai; Springleaf will provide them with a system to solve the city's excess daily waste problem. Springleaf is building a system that is able to cope with the increasing waste generated per day in Shanghai, per the client's specifications. Springleaf's waste management client will have the right to purchase the waste management system that Springleaf built anytime during the five year term, as an alternative to being subject to a servicing contract.

For further details on the waste management contracts of Springleaf, see "*Our Business – Three Year Timeline of Springleaf*".

Sale of Machine Equipment

Springleaf will focus on providing its waste services solutions to its clients, but will also entertain selling its waste processing machinery to third parties. For example, Springleaf has a sealed contract to supply a 2000-liter digestor to 2000-person residential building.

Enzyme Sales

Enzymes are instrumental to Springleaf's whole waste management process as they are used on a recurring daily basis. For the process to be activated, the systems designed by Springleaf rely on the enzymes to digest waste – Springleaf plans on selling enzymes to its customers on a recurring basis. Therefore, the sale of the enzymes will increase proportional to the treating capacity of the equipment that is sold.

Fertilizer Sales

Pure organic fertiliser – high organic matter, free from chemical, additive, which is ideal for soil recovery – is a by-product of Springleaf's solid waste management system, and is produced for minimal cost to Springleaf, if not free, which can then be sold by Springleaf. If a customer buys the machine equipment from Springleaf, then the by-product fertilizer would belong to the customer.

North America

In North America, Canada and the United States of America are also prime markets for waste management solutions. Canada's estimated total waste generation is the highest in the world. [22] Their waste production is driven by agricultural waste and industrial waste generation, which totaled 181 million tonnes and 1.12 billion tonnes, respectively, in 2017. In total, Canada produced 1.33 billion metric tonnes of waste, or 36.1 tonnes per person in 2017.[23] Canada follows conventional waste management practices, using landfills, incineration and aerobic processing.

The United States of America produced the most municipal solid waste ("**MSW'**) in the world with 258 million tonnes of MSW generated in 2017. [24] By contrast, second-place China generated 210 million tonnes of MSW in 2017.[25] The United States waste management market is estimated to reach US$81 Billion by 2023.[26] This increase is due to the

[22] https://www.usatoday.com/story/money/2019/07/12/canada-united-states-worlds-biggest-producers-of-waste/39534923/.
[23] https://www.usatoday.com/story/money/2019/07/12/canada-united-states-worlds-biggest-producers-of-waste/39534923/.
[24] https://www.usatoday.com/story/money/2019/07/12/canada-united-states-worlds-biggest-producers-of-waste/39534923/.
[25] https://www.usatoday.com/story/money/2019/07/12/canada-united-states-worlds-biggest-producers-of-waste/39534923/.
[26]https://www.globenewswire.com/news-release/2019/08/27/1907299/0/en/United-States-Waste-Management-Market-Nears-81-Billion-by-2023-Increasing-Municipal-Solid-Waste-Per-Capita-Drives-Growth.html.

steady rise in oil production, increasing municipal solid waste per capita, rising construction activity, economic growth and surge in the ageing population.[27]

International Enterprise Singapore invited Springleaf Biomax for a presentation to North America prospects during May 2019 and received positive feedback from animal farming, schooling and existing biogen operator. Springleaf anticipates entering the North American market in the near term.

Springleaf intends for its executive officers to spearhead the business development activities in the North American market, and depending on market conditions, further personnel dedicated to the North American market could be hired.

Springleaf's Waste Management Operations in Myanmar

Springleaf's waste management operations in Myanmar consist of four main steps:

1. Build system (own the operation and transfer to end user);
2. Machine equipment sale with complete system;
3. Enzyme sales; and
4. Fertilizer sales.

See information under the heading "*Business Overview – Waste Management Services - Springleaf's Waste Management Operations in China*" for further details about each of these steps.

In addition, Springleaf is engaging with government officials on the "green city project" for Yangon, Nayphitaw and Mandalay in Myanmar for the Biomax Organic Waste Management System. Furthermore, Springleaf Biomax will present the Biomax Organic Waste Management system to Bago and Moya province of Myanmar. Springleaf Biomax is aiming to link up with organic farmers and organic fertiliser wholesalers in the region to market its organic fertilizer.

Waste Management Services – Springleaf Biomax

Springleaf Biomax provides waste processing technology and equipment in Shanghai. Springleaf integrates the technology into a turnkey system to be applied against the current city's waste, farm and animal waste, waste water sludge issues. Springleaf's waste management business model include four main components: (i) marketing sale for Springleaf Biomax's waste processing technology; (ii) build and operate the city waste treatment plan in Shanghai and eventually other cities around China; (iii) the sale of BM1; and (iv) producing organic fertilizer, which is a by-product of the process.

The current office of Springleaf Biomax is located in Shanghai, Fengxian.

See "*Business Overview – Waste Management Services – Springleaf's Waste Management Operations in China*" for further details about what each of these steps entails.

EMERGING MARKET INFORMATION

Materials Permits, Business Licenses, and Other Regulatory Approvals

Through due diligence investigations conducted by Springleaf, including consultation with local counsel and personnel with relevant geographic operations experience in each such applicable jurisdiction, Springleaf is satisfied that all necessary licenses, permits and regulatory approvals have been obtained by Springleaf and the Springleaf Subsidiaries in order to carry on the business as currently conducted and that such licenses, permits and regulatory approvals are in good standing with the exception of those whose absence would not constitute a material adverse

[27]https://www.globenewswire.com/news-release/2019/08/27/1907299/0/en/United-States-Waste-Management-Market-Nears-81-Billion-by-2023-Increasing-Municipal-Solid-Waste-Per-Capita-Drives-Growth.html.

effect on the business of the Springleaf. The licenses, permits and regulatory approvals that are of principal importance for the Springleaf to operate in each of Singapore, China, and Myanmar are summarized below.

Singapore

Springleaf is incorporated and existing under the laws of Singapore. Springleaf's operating entity in Singapore is regulated by the BCA, whose primary role is to regulate Singapore's building and construction industry. Springleaf possesses a BCA Level 4 permit, safety certification permit, and Hazardous Licence Permit. Springleaf's BCA Level 4 permit was granted as at December 31, 2018 and will expire on January 1, 2022.

Springleaf also holds a general company registration with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"), which is a statutory board under the Ministry of Finance of the government of Singapore. ACRA is the national regulator of business entities, public accountants, and corporate service providers located in Singapore.

Licensing of Builders

The Building Control Act (Chapter 29) and the Building Control (Licensing of Builders) Regulations 2008 set out the requirements for the licensing of builders. Builders who undertake all building works where plans are required to be approved by the BCA and those who undertake works in specialist areas which have a high impact on public safety and require specific expertise, skill or resources for their proper execution have to be licensed by the BCA. The aim of licensing of builders is to raise professionalism among builders by requiring them to meet minimum standards of management, safety record and financial solvency and to ensure that building works are carried out only by builders with experienced key personnel to manage the business and properly qualified technical personnel to supervise the execution of the works.

Contractors Registry of the BCA

The Contractors Registry is administered by the BCA and was established to register contractors who are able to provide construction-related goods and services to the public sector which include government departments, statutory bodies and other public sector organisations. Springleaf is registered with the BCA as follows:

Classification	**Work Description**	**Grade**	**Tender Capacity for each project**
ME01	Air-conditioning, refrigeration, and ventilation works	L4	S$6.5 million

The grading given by BCA is subject to renewal every three years. In granting renewal, BCA will consider factors such as Springleaf's paid-up capital (minimum of S$250,000), net worth (minimum of S$250,000), and track record (S$5 million in completed projects or ongoing projects over the past three years). Springleaf's current grading is due for renewal on January 1, 2022.

Workplace Safety and Health Act (Chapter 354A) (Singapore) ("WSHA")

Under the WSHA, every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for the employees a work environment which is safe, without risk to health, and adequate with regards to facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees, ensuring that the employees are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer, developing and implementing procedures for dealing with emergencies that may arise while those persons are at work and ensuring that the person at work has adequate instruction, information, training and supervision as is necessary for that person to perform his work. More specific duties imposed by the MOM on employers are laid out in the Workplace Safety and Health (General Provisions) Regulations 2006 ("**WSHR**"). Some of these duties include taking effective measures to protect persons at work from the harmful effects of any exposure to any bio-hazardous material which may constitute a risk to their health.

Pursuant to the WSHR, machinery or equipment such as bar-benders and welding equipment, are required to be tested and examined to ensure that the machinery or equipment used is safe, and without risk to health, when properly used.

In addition to the above, under the WSHA, inspectors appointed by the Commissioner for Workplace Safety and Health ("**CWSH**") may, inter alia, enter, inspect and examine any workplace and any machinery, equipment, plant, installation or article at any workplace, to make such examination and inquiry as may be necessary to ascertain whether the provisions of the WSHA are complied with, to take samples of any material or substance found in a workplace or being discharged from any workplace for the purpose of analysis or test, to assess the levels of noise, illumination, heat or harmful or hazardous substances in any workplace and the exposure levels of persons at work therein and to take into custody any article in the workplace which is required for the purpose of an investigation or inquiry under the WSHA.

Under the WSHA, the CWSH may serve a remedial order or a stop-work order in respect of a workplace if he is satisfied that (i) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any process or work carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work; (ii) any person has contravened any duty imposed by the WSHA; or (iii) any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work. The remedial order shall direct the person served with the order to take such measures, to the satisfaction of the Commissioner, to, inter alia, remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work, whilst the stop-work order shall direct the person served with the order to immediately cease to carry on any work indefinitely or until such measures as are required by the CWSH have been taken to remedy any danger so as to enable the work in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

Employment of Foreign Workers

The employment of foreign workers in Singapore is governed by the Employment of Foreign Manpower Act (Chapter 91A) (the "**EFMA**"), and regulated by the MOM. Under Section 5(1) of the EFMA, no person shall employ a foreign worker unless the foreign worker has obtained a valid work pass from the MOM. An employer of foreign workers is also subject to, amongst others, the Employment Act (Chapter 91) (the "**Employment Ac**t") and the Immigration Act (Chapter 133) (the "**Immigration Act**").

The availability of foreign workers to the construction industry is regulated by the MOM through the following requirements:

(a) <u>Approved source countries</u>

The approved source countries for construction workers are Malaysia, the People's Republic of China (the "**PRC**"), Non-Traditional Sources ("**NTS**") and North Asian Sources ("**NAS**"). NTS countries comprise India, Sri Lanka, Thailand, Bangladesh, Myanmar and the Philippines. NAS countries comprise Hong Kong Special Administrative Region, Macau Special Administrative Region, South Korea and Taiwan.

(b) <u>Dependency ceiling based on the ratio of local to foreign workers</u>

The dependency ratio ceiling or quota for the construction industry is currently set at a ratio of one full-time local worker for every seven foreign workers. This means that for every full-time Singapore Citizen or Singapore Permanent Resident employed by our Company, our Company can employ up to seven foreign workers holding work permits. If the quota is exceeded, new applications for and renewals of work passes may be rejected.

(c) Security bonds and foreign worker levies

All employers are required to deposit, for each non-Malaysian work permit holder, a S$5,000 security bond with the MOM. The security bond must be furnished prior to the foreign worker's arrival in Singapore, failing which entry into Singapore will not be allowed. The security bond will be returned only if (i) the work permit has been cancelled, (ii) the foreign worker has returned to his home country, and (iii) there were no breaches of the conditions of the work permit, conditions of the security bond and any relevant law.

The employment of foreign workers is also subject to the payment of levies. For the construction sector, employers pay the levy according to the qualifications of the workers and the countries where they are from. The monthly levy for work permit holders ranges from S$300 to S$950.

(d) Man-year entitlement

The man-year entitlement ("**MYE**") allocation system applies to construction workers from NTS countries and the PRC. One man-year is equivalent to one year of employment under a work permit. The MYE reflects the total number of such work permit holders a main contractor is entitled to employ for a project based on the value of the project or contract awarded. Only main contractors may apply for MYE and they may allocate their MYE to other contractors involved in the same project. All sub-contractors must obtain their MYE allocation from the main contractor.

Work Injury Compensation

Work injury compensation is governed by the Work Injury Compensation Act (Chapter 354) (the "**WICA**"), and is regulated by the MOM. The WICA applies to employees in respect of injuries suffered by them arising out of and in the course of their employment and sets out, amongst others, the amount of compensation they are entitled to and the methods of calculating such compensation. The WICA provides that if in any employment, personal injury by accident arising out of and in the course of the employment is caused to an employee, his employer shall be liable to pay compensation in accordance with the provisions of the WICA. The amount of compensation shall be computed in accordance with the Third Schedule of the WICA, subject to a maximum and minimum limit.

Further, the WICA provides that where any person (referred to as the principal), in the course of or for the purpose of his trade or business, contracts with any other person (referred to as the employer) for the execution by the employer of the whole or any part of any work, or for the supply of labour to carry out any work, undertaken by the principal, the principal shall be liable to pay to any employee employed in the execution of the work any compensation which he would have been liable to pay if that employee had been immediately employed by the principal.

Every employer is required to maintain work injury compensation insurance for all employees doing manual work and all employees earning less than S$1,600 per month. Failure to do so is an offence carrying a fine of up to S$10,000 and/or imprisonment of up to 12 months.

China

Springleaf anticipates that Springleaf Xin Shanghai will provide semiconductor engineering services in Shanghai, China. Springleaf Xin Shanghai holds a business operation license which permits the entity to conduct engineering services and related activities. This licence was granted on July 13, 2018 and expires on July 12, 2048, and it is the only license that Springleaf Xin Shanghai is required to hold to conduct its operations in Shanghai.

Springleaf Biomax conducts waste management services in Shanghai, China. Springleaf Biomax a business operation license which permits the entity to conduct environmental waste management services and related activities. This licence was granted on May 30, 2019 and expires on May 29, 2039, and it is the only license that Springleaf Biomax is required to hold to conduct its operations in Shanghai.

Myanmar

Springleaf's branch in Myanmar, Springleaf Engineering Pte Ltd. (Myanmar Branch), provides semiconductor engineering services in Myanmar; it holds a Certificate of Registration for Overseas Corporation which permits the entity to conduct consulting services related to engineering activities. This certificate was granted on April 5, 2017 and expires on April 4, 2022, and it is the only certificate that Springleaf's Myanmar branch is required to hold to conduct its operations in Myanmar.

Foreign Corporation Structure and Internal Controls

The Springleaf Board has effective control over the Springleaf Subsidiaries as all of the subsidiaries are either wholly-owned by Springleaf, or in the case of Springleaf Biomax, Springleaf exercises control through its 60% control of the issued and outstanding share capital. Therefore, Springleaf will have the ability to pass all shareholder resolutions with respect to each Springleaf Subsidiary and has effective control from accounting perspective as well of all the entities.

As the controlling shareholder of each of the entities comprising of the Springleaf Subsidiaries, Springleaf is able to cause each subsidiary to distribute dividends, subject to requirements under local laws that each subsidiary has sufficient distributable profits or transfer funds in any other manner such that there will not be a concern regarding compliance with fiduciary obligations to Springleaf.

Overall, the Resulting Issuer's Audit Committee will be responsible for the financial reporting process on behalf of the Board and for overseeing the adequacy of the Resulting Issuer's system of internal accounting controls. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk, and financial management control. The three anticipated members of the Audit Committee will all be financially literate pursuant to section 1.6 of NI 52-110 and two of the members will be considered independent pursuant to section 1.4 of NI 52-110. In addition, the Audit Committee and the auditors of the Resulting Issuer will have access to all books and records of Springleaf and each Springleaf Subsidiary in order to ensure appropriate oversight, and that such books are maintained in accordance with proper accounting standards and in English as necessary. The Resulting Issuer believes that these qualities and the language proficiencies of its executive officers and directors allows the management of the Resulting Issuer to mitigate any risks that can stem from a failure of internal controls.

Removal of Directors

The Springleaf Board and the respective board of directors of the Springleaf Subsidiaries can be removed and/or replaced as follows in accordance with the local laws applicable to such entities.

Singapore

In Singapore, there are no specific requirements under *The Companies Act* (Cap 50) (Singapore) or related subsidiary legislation pertaining to the removal of a director of a Singapore incorporated company. The removal of a director must however be carried out in accordance with applicable provisions of the Singapore company's constitution (i.e., Memorandum and Articles of Association); Article 77 of Springleaf's constitution expressly states that Springleaf may by ordinary resolution remove any director of Springleaf.

China

In order to remove or replace a director of Springleaf Xin Shanghai, Springleaf must: (1) file the director replacement in the Shanghai Commerce Commission online filing system; and (2) register the director replacement with the State Administration for Industry and Commerce. In addition to the two aforementioned steps, to remove or replace a director of Springleaf Biomax, the company must also receive shareholder approval regarding the replacement of the director.

Corporate Documents

The corporate record books of Springleaf and the Springleaf Subsidiaries are held at Springleaf's head office in Singapore.

Foreign Investment Regulations

Through due diligence investigations conducted by Springleaf, Springleaf is satisfied that each Springleaf Subsidiary is in compliance with all applicable foreign investment regulations in Singapore, China, and Myanmar, as applicable.

Local Counsel and Reliance on Experts

Springleaf has retained legal counsel in the various international jurisdictions in which it operates regarding various corporate law issues, including the Springleaf's right to conduct business in Singapore and other applicable jurisdictions, and has relied on advice from that counsel with respect to such matters.

Corporate Structure

Springleaf does not believe that it faces any material risks outside of the normal course with respect to its corporate structure. Mr. Vincent Lim is also a director and executive officer of the Springleaf Subsidiaries and any sales contract to be entered into by a Springleaf Subsidiary, is required to be approved by Springleaf first, which allows Springleaf to control the activities of such subsidiaries. Other corporate functions of the Springleaf Subsidiaries, such as HR, finance, accounting, all report to Springleaf as well.

The head office of Springleaf is located at 421 Tagore Industrial Avenue #01-28, Tagore 8, Singapore 787805.

Material Changes

A material change in respect of one of the Springleaf Subsidiaries may constitute a material change in respect of Springleaf, depending on the nature of the change and the impact of the change on the Springleaf's business as a whole.

Management Experience and Connection to Asia

Springleaf's full-time executive officers and directors split their time between Springleaf's business activities in Singapore, and Springleaf Subsidiaries activities in China and Myanmar as follows:

- Mr. Vincent Lim acts as a director and Chief Executive Officer of Springleaf, director of the Springleaf branch in Myanmar, and is a director of both the Springleaf Subsidiaries. He spends 65% of his time in Singapore, 30% in China, and 5% in Myanmar.

- Mr. Ben Lim acts as a director and Chief Operating Officer of Springleaf and a director of the Springleaf branch in Myanmar. He spends 90% of his time in Singapore and 10% in Myanmar.

- Ms. Michelle Neo San San acts as a director and Chief Corporate Officer of Springleaf. She spends 80% of her time in Singapore, 10% in Myanmar, and 10% in China. The Springleaf (Myanmar Branch) and the Springleaf Subsidiaries are required to report to her with respect to all their corporate functions such as HR, finance, accounts, and purchase and procurement.

The management of Springleaf believes that this experience and time that its officers and directors spend in each of Springleaf's operating jurisdictions, appropriately manages the risks associated with Resulting Issuer's operations in foreign jurisdictions. In addition, it places them in an adequate position to disclose and discuss any new operating risks the Resulting Issuer encounters with shareholders.

Language Proficiency and Barriers

The government of Singapore recognizes four official languages, being English, Malay, Mandarin and Tamil. In addition, the official language of China is Mandarin (Standard Chinese) and the official language of Myanmar is Burmese.

Springleaf's key executive officers and majority of members of the Springleaf Board are fluent in English and Mandarin (Standard Chinese). Springleaf operates in English and all Springleaf Board materials are prepared in English. Springleaf works with advisors capable of professionally conversing in English.

The financial records of Springleaf and the Springleaf Subsidiaries existing under the laws of Singapore, are maintained in English. The financial records of Springleaf Subsidiaries exist under the laws of China are maintained in both Mandarin (Standard Chinese) and English. All of Springleaf's local leadership teams that report directly to Springleaf's local Managing Director are bilingual in English as well as the applicable official language(s) of such jurisdiction. Springleaf does not believe that any material language barriers exist.

Should a translation from a jurisdiction's official language to English be required, Springleaf intends to engage an independent professional translator to execute the required translation. In particular, Springleaf can rely on translators, bilingual local lawyers and/or bilingual local auditors.

Arrangements regarding Legal Representatives and Company Chop(s)

In certain Asian jurisdictions, companies are required to have a legal representative and every company is required to have a "chop", which is in the custody of the legal representative. A chop serves as a signature stamp representing a legal organization/entity or a natural person and performs similar functions as the signature in western organizations. Both of Springleaf Subsidiaries have their own respective "chop".

There is no concept of a "chop" in Singapore. Agreements in Singapore may be entered into by authorised representatives of the company. It is advisable that such agreements be signed by either a director and the company's corporate secretary or by two company directors, with all such signatories being listed on ACRA's database.

Enforcement of Foreign Judgments in Singapore

In Singapore, foreign judgments may either be enforced by way of statute or by way of common law. The judgments of a limited number of foreign jurisdictions, which for greater certainty does not include Canada, may be enforced through either the Reciprocal Enforcement of Commonwealth Judgments Act (Cap. 264) of Singapore ("**RECJA**") or the Reciprocal Enforcement of Foreign Judgments Act (Cap. 265) of Singapore ("**REFJA**"). Additionally, the Maintenance Orders (Reciprocal Enforcement) Act (Cap. 169) of Singapore ("**MOREA**") applies to the registration of foreign maintenance and affiliation orders made in reciprocating countries. Further, under the Choice of Court Agreements Act 2016 ("**CCAA**"), the chosen court in a country that has signed up to the Hague Convention on Choice of Court Agreements 2005 ("**Contracting State**") should not decline jurisdiction, and a non-chosen court in a Contracting State should not take jurisdiction unless the clause is invalid or exceptional circumstances exist.

Judgments from the chosen court can be recognised and enforced in another Contracting State. Judgments of a foreign jurisdiction, including Canada, which falls outside the ambit of the RECJA, the REFJA, the MOREA and the CCAA, may be enforced through the common law regime. Under the common law regime for enforcement of foreign judgments, the Singapore courts have held that a foreign judgment creates a fresh obligation to pay the judgment debt. This is separate and distinct from the underlying cause of action giving rise to the judgment. However, the foreign judgment must satisfy the legal requirements under Singapore law for enforcement. As this is seen as an original action against the defendant, the Singapore court's jurisdiction over the defendant must be established in accordance with the rules for establishing jurisdictions, including personal service and submission to jurisdiction or even, given the right circumstances, service out of jurisdiction.

The Singapore courts have also held that in order for a foreign judgment to be enforced, the foreign judgment must be final and conclusive on the merits of the case and for a fixed or ascertainable sum of money. For a judgment to be "final and conclusive", it essentially means that the judgment cannot be reopened in the court that issued the judgment. The foreign judgment must be for a monetary sum. A foreign judgment is treated as final and conclusive notwithstanding that it is subject to appeal. Decisions of a foreign court under the common law regime that are in preliminary or provisional proceedings are not enforceable if they are not final and conclusive within the meaning of the term "judgment". To be enforceable at common law, the foreign judgment cannot be for the enforcement, directly or indirectly, of any foreign penal, revenue or other public law.

Related Party Transactions

Springleaf has not entered into any related party transactions with respect to their operations in Singapore, China, or Myanmar. While Springleaf has not developed a formal policy regarding related party transactions, each of the board members of the Resulting Issuer have been made aware of their fiduciary duties and the requirements of the BCBCA and Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* and will conduct all related party transactions in accordance with Canadian corporation and securities law requirements.

USE OF AVAILABLE FUNDS

Available Funds and Principal Purposes

The Company is not raising any funds in conjunction with this Prospectus and, accordingly, there are no proceeds to be raised by the Company, Springleaf, or the Resulting Issuer pursuant to this Prospectus. With the completion of the Private Placement Financing and the Springleaf Private Placement, The Resulting Issuer has a working capital of approximately S$3,509,536 based on the pro forma working capital of the Company and Springleaf as at April 30, 2020, comprised as follows:

Sources of Available Funds	**Available Funds (S$)**
Springleaf Private Placement	630,000
Private Placement Financing	59,536**(2)**
Pro forma cash and bank balances(1)	2,820,000
Total pro forma working capital (unaudited)	3,509,536

Notes:

(1) Projected cash and bank balance as at April 30, 2020, derived from management's accounts.

(2) Converted gross proceeds from Private Placement Financing in the amount of C$59,000 to Singaporean Dollars at an exchange rate of 1.01 Singapore Dollar per 1 Canadian Dollar as of May 8, 2020.

The principal purposes for the foregoing available funds are anticipated to be as follows:

Principal Purposes	**Funds (S$)**
Staff costs(1)(6)	1,300,000
Administrative expenses(2)(6)	670,000
Estimated expense for listing on the CSE(3)	400,000
Sales and marketing(4)	400,000
Debt repayment(5)	700,000
Total use of proceeds	**3,470,000**(6)
Unallocated funds (unaudited)	**39,536**

Notes:

(1) This figure is for a forecasted period of 12 months staff costs for the Resulting Issuer.

(2) This figure is for a forecasted period of 12 months and is comprised of: S$38,400 for office rental, S$65,000 for warehouse rental, S$19,000 for utilities, S$13,800 for property tax, S$52,000 for professional charges, S$84,000 for travelling and transport expenses, S$29,000 for motor vehicles expenses, S$28,000 for insurance, S$62,000 for entertainment expenses, S$48,000 for foreign workers levy, S$36,000 for staff welfare, S$38,000 for office supplies, S$140,000 for financing costs, and S$16,800 for other expenses.

(3) This figure is for a forecasted period of 12 months and is comprised of: S$207,000 in legal expenses; S$87,000 in auditor fees; S$69,000 in advisory fees; and S$37,000 in exchange and regulatory filing fees.

(4) This figure is for a forecasted period of 12 months and is comprised of expenses relating to the business objectives of the Resulting Issuer as detailed in "*Business Objectives and Milestones*".

(5) This figures is for a payment of the Trade Financing Loan in the amount of S$700,000. The Trade Financing Loan pertains to a loan incurred by Springleaf for purchases of materials made in connection with the operations of its business.

(6) Staff costs and administrative expenses are incurred in the ordinary course of business and have historically been covered by the recurring revenues of Springleaf and thus, it is anticipated that the working capital of the Resulting Issuer would not be needed for the purposes of covering such expenses.

It is anticipated that the available funds will be sufficient to achieve the Resulting Issuer's objectives over the next 12 months. The Resulting Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. Use of funds will be subject to the discretion of management. Until the Resulting Issuer uses the unallocated funds, it will hold them in cash and/or invest them in short-term, interest-bearing, investment-grade securities.

Business Objectives and Milestones

The Company and Springleaf believe that completing the Listing will open up further opportunities for the Resulting Issuer to access capital as well as allow it to use its Common Shares as a currency for potential acquisitions. Operationally, having access to more capital will help the Resulting Issuer expand and diversify both its engineering services and waste management businesses. Doing this requires more human resources both from a sales and product development perspective. The following table outlines key milestones and objectives of the Resulting Issuer upon Listing.

Key Milestones/Objectives	Expected Timing	Estimated Allocation of 2020 Sales and Marketing Expense
Expansion of the Springleaf's client base for EPCM projects in Singapore. Particularly penetrating into food & beverage, medical and waste industry sectors	12 months	S$20,000
Developing and maturing the factory maintenance team; recruiting, training and retaining service engineers and technicians to undertake existing customers' entire facilities management.	12 months	S$30,000
Duplicating business model throughout China. Springleaf expects to fulfill the 50-ton machine order from the public sector pursuant to the Municipal Sales Order, and target sales of 600 ton/day treatment capacity in 2020.	May 31, 2020	S$50,000
Identifying a partner team in North America, especially Canada to explore local EPCM projects and organic waste management system in province such as Ontario and Saskatchewan; continue the initial business development strategies in Canada.	June 30, 2020	S$100,000
Identify a partner team in Malaysia, set up a company to offer sustainable solutions to manage waste generated in the palm oil industry. Expand product offering to include waste management solutions to sell the Rapid Thermophilic Digestion Machine and organic fertiliser sales in Myanmar.	June 30, 2020	S$50,000 (Malaysia) S$50,000 (Myanmar)

Secure Springleaf's first EPCM project in the Chinese semiconductor industry using Springleaf's established Singapore track record.	September 30, 2020	S$30,000
Set-up two new offices in Shanghai for Springleaf Biomax	December 31, 2020	S$70,000

DIVIDEND POLICY

The Resulting Issuer currently intends to retain any future earnings to fund the development and growth of its business and does not currently anticipate paying dividends on the Common Shares. Any determination to pay dividends in the future will be at the discretion of the Board of Directors and will depend on many factors, including, among others, the Resulting Issuer's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board of Directors may deem relevant.

FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Financial Statements and MD&A are included as schedules to this Prospectus:

Schedule "A": Audited Financial Statements of Springleaf for the years ended December 31, 2019, December 31, 2018, and December 31, 2017;

Schedule "B": MD&A for Springleaf for the years ended December 31, 2019 and December 31, 2018;

Schedule "C": Audited Financial Statements of the Company for the period ended December 31, 2019;

Schedule "D": Interim Financial Statements of the Company for the period ended March 31, 2020;

Schedule "E": MD&A for the Company for the periods ended March 31, 2020 and December 31, 2019;

Schedule "F": Unaudited *Pro Forma* Financial Statements for the Resulting Issuer as at December 31, 2019; and

Schedule "G": Audit Committee Charter.

The Financial Statements and the financial data derived therefrom and included in this Prospectus have been prepared in accordance with IFRS.

The Company's and Springleaf's MD&A included herein should be read in conjunction with the Financial Statements and the disclosure contained in this Prospectus. The discussions of results are as of the dates stated in the applicable MD&A.

SUMMARY OF FINANCIAL INFORMATION

The following table sets forth selected *pro forma* financial information for the Resulting Issuer as at December 31, 2019, after giving effect to the Acquisition, and should be read in conjunction with the *pro forma* financial statements of the Resulting Issuer attached hereto as Schedule "F".

Balance Sheet	Company as at March 31, 2020 (C$)	Springleaf as December 31, 2019 (S$)	*Pro Forma* as at December 31, 2019[(1)] (S$)
Current Assets	33,787	7,760,980	7,332,884
Total Assets	33,787	12,223,640	11,805,544
Current Liabilities	8,688	4,287,288	3,603,485
Total Liabilities	8,688	7,388,438	6,704,635
Shareholders' Equity	25,099	4,845,202	5,100,909

Note:
(1) The financials of the Company were converted to Singaporean Dollars at an exchange rate of 1.0355 Singapore Dollar per 1 Canadian Dollar.

For further details, see the *Unaudited Pro Forma Financial Statements of the Resulting Issuer as at December 31, 2019* included as Schedule "F" to this Prospectus and "*Management's Discussion and Analysis for Springleaf for the years ended December 31, 2019 and December 31, 2018*" included as Schedule "B" to this Prospectus.

DESCRIPTION OF SHARE CAPITAL

The following describes material terms of the share capital of the Resulting Issuer. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Articles.

Common Shares

The Resulting Issuer's authorized share structure consists of an unlimited number of Common Shares

Upon Listing, 48,552,082 Common Shares will be issued and outstanding. Each Common Share entitles the holder to receive notice of and attend all meetings of the shareholders. Each Common Share carries the right to one vote. The holders of Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares at such time and in such amount as may be determined by the Board of Directors, in its discretion. In the event of the liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary, holders of Common Shares are also entitled to participate, rateably, in the distribution of the assets of the Company, subject to the rights of the holders of any other class of shares ranking in priority to the Common Shares.

Special Warrants

Prior to the Listing, 800,000 Special Warrants were issued and outstanding which were issued by the Company pursuant to the Private Placement Financing. Each Special Warrant will automatically be converted or exchanged, without payment of additional consideration and without any further action on the part of the holder, into one Common Share upon the exercise of deemed exercise of the Special Warrant, subject to adjustment in certain circumstances. The Special Warrants will be exercisable by the holders thereof at any time after the Private Placement Closing Date for no additional consideration. All unexercised Special Warrants shall be deemed to be exercised on the later of: (i) the date that is four months and a day following the Private Placement Closing Date: and (ii) the third business day after a receipt is issued for a final prospectus qualifying the Common Shares to be issued upon the exercise of the Special Warrants.

The Company granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires another security of the Company on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation:

1. the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the Private Placement Financing transaction under which the Special Warrant was initially acquired,

2. the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company, as the case may be, on the acquisition of the Special Warrant, and

3. if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

CONSOLIDATED CAPITALIZATION

The following table sets forth the Resulting Issuer's consolidated capitalization on a pro forma as adjusted basis effective upon the Closing of the Acquisition. This table is presented and should be read in conjunction with the Financial Statements included elsewhere in this Prospectus and with the information set forth under "*Summary of Financial Information*", "*Financial Statements and Management's Discussion and Analysis*", and "*Description of Share Capital*".

The following table sets out the anticipated fully-diluted share capital of the Resulting Issuer upon Listing:

Designation of Security	**Authorized**	**Amount Outstanding upon Listing**
Common Shares	Unlimited	48,552,082
Special Warrants(1)	N/A	Nil
Options	N/A	Nil
Total	N/A	48,552,082

Note:
(1) All outstanding Special Warrants of the Company are expected to be deemed to convert to Common Shares upon Listing.

OPTIONS TO PURCHASE SECURITIES

The Board of Directors intends to adopt a 10% rolling stock option plan (the "**Stock Option Plan**") under which options to purchase Common Shares (the "**Options**") may be granted to the Resulting Issuer's directors, officers, employees, and consultants. For further details, see "*Executive Compensation"*.

The following is a summary of the material terms of the Stock Option Plan:

1. the maximum number of Options which may be granted to a related person under the Stock Option Plan within any 12-month period shall be 5% of the number of issued and outstanding Common Shares (unless the Resulting Issuer has obtained disinterested shareholder approval if required by applicable laws);

2. if required by applicable laws, disinterested shareholder approval is required to the grant to related persons, within a 12-month period, of a number of Options which, when added to the number of outstanding Options granted to related persons within the previous 12 months, exceed 10% of the issued Common Shares;

3. the expiry date of an Option shall be no later than the tenth anniversary of the grant date of such Option;

4. the maximum number of Options which may be granted within any 12-month period to employees or consultants engaged in investor relations activities must not exceed 1% of the number of issued and outstanding Common Shares;

5. the exercise price of any Option issued under the Stock Option Plan shall not be less than the Market Value (as defined in the Stock Option Plan) of the Common Shares as of the grant date; and

6. the Board of Directors, or any committee to whom the Board delegates, may determine the vesting schedule for any Option.

As of the date of this Prospectus, no Options have been granted by either the Company or Springleaf and none are expected to be granted until after the Listing.

PRIOR SALES

The following table summarizes issuances of Common Shares, or securities convertible into Common Shares, during the 12-month period preceding the date of this Prospectus.

Date of Issuance	Type of Security	Number of Securities Issued	Issuer Price per Security
August 23, 2019	Springleaf Shares	30,495[(1)]	S$3.26
October 25, 2019	Common Shares	3,800,000	C$0.005
October 31, 2019	Special Warrants	240,200	C$0.05
November 4, 2019	Special Warrants	54,000	C$0.05
December 17, 2019	Special Warrants	254,000	C$0.05
January 3, 2020	Springleaf Shares	11,815	S$53.32
March 11, 2020	Special Warrants	251,800	C$0.05

Note:

(1) Springleaf Shares issued to Springleaf Director and Chief Corporate Officer, Michelle Neo San San, in consideration for services and a one-time cash payment of S$99,403.

ESCROWED SECURITIES

Certain of the Common Shares held by the new directors and officers of the Resulting Issuer will be subject to escrow (the "**Escrow**") that prohibits transfer for up to a three-year period following the Listing pursuant to the policies of the CSE and Form 46-201 Escrow Agreement. In the event that the Common Shares become listed on the CSE, the Resulting Issuer anticipates that it will be classified as an "emerging issuer", as defined under NP 46-201 upon such listing. Each of the persons named below (collectively, the "**Escrow Holders**") would fall within the definition of "Principal" of an emerging issuer under NP 46-201. In accordance with applicable securities rules, the Escrow Holders will execute an escrow agreement with the Resulting Issuer and Computershare Investor Services Inc. (the "**Escrow Agent**") substantially in the form attached as an Appendix to NP 46-201 (Form 46-201F1) (the "**CSE Escrow Agreement**") in respect of an aggregate of 36,265,510 Common Shares prior to the filing of a final prospectus and the Listing.

10% of such securities held in escrow will be released from escrow on the date the Common Shares are listed on the CSE, and 15% every six months thereafter, subject to acceleration provisions provided for in NP 46-201.

Common Shares held by the following persons will be subject to escrow pursuant to the CSE Escrow Agreement:

Name of the Securityholder	Designation of Securities	Number of Securities to be held in escrow	% of class at the date of Prospectus(1)
Lim Chor Ghee (Vincent Lim)	Common Shares	24,942,709	51.37%
Lim Hong Beng (Ben Lim)	Common Shares	7,026,116	14.47%
Michelle Neo San San	Common Shares	3,826,097	7.88%
Lai Jun Wah	Common Shares	470,588	0.97%

Note:
(1) Percentage is based on 48,552,082 Common Shares issued and outstanding upon the Closing of the Acquisition.

The CSE Escrow Agreement provides that the CSE Escrow Securities are held in escrow pursuant to its terms and the beneficial ownership thereof may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with other than in accordance with the terms of the CSE Escrow Agreement. In the event of the bankruptcy of an escrow shareholder, in accordance with the CSE Escrow Agreement, the CSE Escrow Securities held by such escrow shareholder may be transferred to the trustees in the bankruptcy or such person legally entitled to the CSE Escrow Securities, which shares will remain in escrow subject to the CSE Escrow Agreement. In the event of the death of an escrow shareholder, in accordance with the CSE Escrow Agreement, the CSE Escrow Securities held by the escrow shareholder will be released from escrow.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the Company's and Springleaf's directors and executive officers, the following persons beneficially will own or exercise, directly or indirectly, control or have discretion over 10% or more Common Shares upon Listing:

Name	Type of Ownership	Number of Springleaf Shares currently owned	Number of Common Shares owned upon completion of the Acquisition	Percentage of Common Shares owned upon completion of the Acquisition
Lim Chor Ghee (Vincent Lim)	Direct	198,800 Springleaf Shares	24,942,709 Common Shares	51.37%
Lim Hong Beng (Ben Lim)	Direct	56,000 Springleaf Shares	7,026,116 Common Shares	14.47%

DIRECTORS AND EXECUTIVE OFFICERS

The Board of Directors was reconstituted in conjunction with the Closing of the Acquisition whereas the previous directors and officers of the Company resigned, and the Board consists of five (5) directors: Lim Chor Ghee (Vincent Lim), Lim Hong Beng (Ben Lim), Michelle Neo San San, Robert Lee, and Patrick Sapphire. In addition, following the Closing of the Acquisition, the constitution of the Resulting Issuer's senior management includes: Lim Chor Ghee (Vincent Lim) as Chief Executive Officer, Lai Jun Wah as Chief Financial Officer, Lim Hong Beng (Ben Lim) as Chief Operating Officer, Michelle Neo San San as Chief Corporate Officer, and Raj Dewan as Corporate Secretary.

The following table sets out, for each of the Resulting Issuer's directors and executive officers, the person's name, Province or State and country of residence, position with us, principal occupation, age and, if a director, the date on which the person became a director. Directors are expected to hold office until the next annual general meeting of shareholders and are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders. As a group, the directors and executive officers will beneficially own, or control or direct, directly or indirectly, a total of 36,265,510 Common Shares, representing 74.69% of the Common Shares outstanding upon Listing:

Name and Province or State and Country of Residence	Age	Position with Springleaf	Director of Springleaf Since	Principal Occupation
Lim Chor Ghee (Vincent Lim)	48	Chief Executive Officer and Director (Chairman)	2014	Springleaf's Chief Executive Officer
Lim Hong Beng (Ben Lim)	51	Chief Operating Officer and Director	2014	Springleaf's Chief Operating Officer
Michelle Neo San San(1)	45	Chief Corporate Officer, Director	2019	Springleaf's Chief Corporate Officer
Robert Lee(1)(2)	70	Director	N/A	Senior Partner, Robert Lee Law Offices
Patrick Sapphire(1)(2)	30	Director	N/A	Partner, Principle Capital Partners Corp.
Lai Jun Wah	33	Chief Financial Officer	N/A	Springleaf's Chief Financial Officer
Rajeev Dewan	46	Corporate Secretary	N/A	Partner, McMillan LLP

Notes:
(1) Proposed member of Audit Committee.
(2) Independent director.

Biographies of Directors and Executive Officers

The following are brief profiles of the Resulting Issuer's executive officers and directors, including a description of each individual's principal occupation within the past five years:

Lim Chor Ghee (Vincent Lim), Chief Executive Officer and Director

Mr. Vincent Lim is responsible for the management, overall strategic planning and direction of Springleaf. He was appointed as Managing Director in 2015. Mr. Vincent Lim has had more than 24 years of experience in the design, installation and commissioning of Factory Facilities System, such as Water Treatment system, Air Treatment System, Chemical Distribution System, Cleanroom and specialist air conditioning and mechanical ventilation systems, both as a Consultant at CH2M/IDC, USA and as Project Engineer, Manager and Project Director and Managing Director at Archer Daniel Midland and Wilmar Trading. Some of his core competencies are in the Design, Construction and Commissioning of Semiconductor Process and Industrial Cleanrooms (up to Class 1000), with special emphasis on the associated critical and complex M&E services and systems. Some of his past projects includes, but are not limited to designing and building cleanrooms and chemical warehouses, designing and building cleanrooms and process utilities distribution piping systems, designing and building process systems.

Mr. Vincent Lim graduated from the National Taiwan University with Bachelor of Engineering in Chemical Engineering.

Mr. Vincent Lim will be a full-time employee of the Resulting Issuer. It is expected that Mr. Vincent Lim will devote 100% of his time to the business of the Resulting Issuer to effectively fulfill his duties as the Chief Executive Officer and Director of the Resulting Issuer.

Lim Hong Beng (Ben Lim), Chief Operating Officer and Director

Mr. Ben Lim joined Springleaf in 2013 and was appointed as Project Director since then. Ben has had more than 26 years of experience in the operation, design, installation and commissioning of Factory Facilities System, such as Slurry System, Both Bulk and Specialise Chemical, Chemical Distribution, Waste Water Treatment system. Over the years Mr. Ben Lim has acquired many certifications for EHS, Energy, CMP, HACCP and Chemical license. He has gained not only Design but Operation experience in his various working experience in different industries.

Mr. Ben Lim obtained Diploma in Mechanical Engineering and subsequently Bachelor of Science in Electronic at the Singapore Institute of Management.

Mr. Ben Lim will be a full-time employee of the Resulting Issuer. It is expected that Mr. Ben Lim will devote 100% of his time to the business of the Resulting Issuer to effectively fulfill his duties as the Chief Operating Officer and Director of the Resulting Issuer.

Michelle Neo San San, Chief Corporate Officer and Director

Ms. Michelle Neo heads the Corporate and Business department of Springleaf and has over 25 years of experience in Finance, Administration, Human Resources and Procurement. In Springleaf, she assists Mr. Vincent Lim in running the day-to-day operation as well as all business plans, expansion and execution. Prior to joining Springleaf, Ms. Michelle Neo was assigned to various departments and was appointed the director and one of the authorised cheque signatories for two subsidiaries companies of a publicly listed company in Singapore. She worked closely with company secretaries, tax agents, legal advisors, auditors, registrar, corporate bankers, consultants and authorities and had gain significant experience in handling all related corporate functions.

Ms. Michelle Neo obtained Diploma in Accounting from Association of Accounting Technician.

Ms. Michelle Neo will be a full-time employee of the Resulting Issuer. It is expected that Ms. Michelle Neo will devote 100% of her time to the business of the Resulting Issuer to effectively fulfill her duties as the Chief Corporate Officer and Director of the Resulting Issuer.

Lai Jun Wah, Chief Financial Officer

Mr. Lai heads the finance division of Springleaf, in charge of annual financial reporting and quarterly reporting, budgetary control, fundraising exercise, group taxation and planning. Prior to joining Springleaf, he was Group Accountant with a publicly listed company on Bursa Malaysia, managed a team of 10 to ensure compliance with relevant accounting standards and listing requirements of stock exchange and securities commission. He had more than six years of audit experience in international accounting and auditing firms.

Mr. Lai graduated from Northern University of Malaysia with Bachelor Degree (Hons) in Accounting.

Mr. Lai will be a full-time employee of the Resulting Issuer. It is expected that Mr. Lai will devote 100% of his time to the business of the Resulting Issuer to effectively fulfill his duties as the Chief Financial Officer of the Resulting Issuer.

Robert Lee, Director

Mr. Lee is a Senior Partner and founder of Robert Lee Law Offices in Hong Kong. He has been offering legal and business services to clients in Japan, China and Hong Kong for over thirty years. He began practicing as a lawyer in Toronto, Canada in 1979. In 1981 he joined the international law firm Baker & Mckenzie and came to Hong Kong with that firm in 1984. After becoming a partner in 1986, he resigned to establish Robert Lee & Co. in 1988, which is the originating company of what has now become the InterAsia Law Group. He has concentrated on the general practice of corporate and commercial law in Hong Kong, Japan and China, with significant transactional experience in London, Thailand, Vietnam, Canada and the United States. His clientele comprises individuals and corporations from diverse nationalities.

Originally trained as a Canadian lawyer, he is also qualified in England (1983), California (1984), Hong Kong (1984), and Australia (1986). He was based in Hong Kong from 1984-95, in Tokyo from 1986-2001, and Shanghai from 2001-04. He currently spends half his time in Singapore and the other half of his time in Hong Kong and Tokyo.

It is expected that Mr. Lee will devote approximately 5% of his time to the business of the Resulting Issuer to effectively fulfill his duties as an independent director of the Resulting Issuer.

Patrick Sapphire, Director

Mr. Sapphire is currently a director of Yuhua International Capital Inc. and Partner of Principle Capital Partners Corporation, a private merchant bank focusing on the mining industry. He is an experienced professional in dealing with Canadian-Chinese cross-boarder transactions and has worked with multiple large state owned enterprises. Mr. Sapphire also serves as Chairman of the board of Gold Miner Split Corp.

Mr. Sapphire graduated from University of Toronto with a Bachelors of Arts Degree (Hons) and is a Chartered Financial Analyst Charterholder.

It is expected that Mr. Sapphire will devote approximately 5% of his time to the business of the Resulting Issuer to effectively fulfill his duties as an independent director of the Resulting Issuer.

Rajeev Dewan, Corporate Secretary

Rajeev (Raj) Dewan is a partner in the Capital Markets and M&A group at McMillan LLP, a business law firm. Raj advises on all facets of corporate and securities law, with a particular emphasis on structuring financings and acquisitions. Mr. Dewan holds a Bachelor of Arts degree from the University of Toronto, a Bachelor of Law degree from York University and a Certificate in Islamic Finance from the Rotman School of Management at the University of Toronto.

It is expected that Mr. Dewan will devote approximately 5% of his time to the business of the Resulting Issuer to effectively fulfill his duties as a corporate secretary of the Resulting Issuer.

Cease Trade Orders and Bankruptcies

None of the Company's, Springleaf's, or the Resulting Issuer's directors or executive officers have, within the ten years prior to the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets, been a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets.

Penalties or Sanctions

None of the Company's, Springleaf's, or the Resulting Issuer's directors or executive officers or shareholders holding sufficient securities of the Company, Springleaf, or the Resulting Issuer to affect materially the control of the Company, Springleaf, or the Resulting Issuer has been:

- subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

To the best of the Company's and Springleaf's knowledge, there are no known existing or potential conflicts of interest among the Resulting Issuer and its directors, officers, or other members of management as a result of their outside business interests except that certain of directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as a director or officer of such other companies.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and will be charged with the day-to-day management of the Resulting Issuer. The Board of Directors of the Resulting Issuer will be committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision-making.

The Resulting Issuer's anticipated corporate governance practices are summarized below:

Board of Directors

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment. Based on information provided by each director concerning his or her background, employment and affiliations, the Board has determined that of the five (5) directors on the Board upon Listing, three (3) will not be considered independent as a result of their respective relationships with us. Certain members of the Board are also members of the board of directors of other public companies. The Board has not adopted a director interlock policy, but is keeping informed of other public directorships held by its members.

Directorships

The following table sets out the directors and officers of the Resulting Issuer that are directors, officers or promoters of other reporting issuers:

Name of Director, Officer or Promoter	Name of Reporting Issuer	Exchange	Position	Term
Patrick Sapphire	Gold Miners Split Corp.	NEX	Director	May 2019 to Present
Raj Dewan	Victory Capital Corp.	TSX-V	Corporate Secretary	May 2017 to Present
	Antera Ventures I Corp.	TSX-V	Corporate Secretary and Director	December 2018 to Present

Orientation and Continuing Education

The CEO and/or the CFO are responsible for providing an orientation for new directors. Director orientation and ongoing training includes presentations by senior management to familiarize directors with the Resulting Issuer's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors. On occasions where it is considered advisable, the Board provides individual directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board ensures that each director is up to date with current information regarding the business of the Resulting Issuer, the role the director is expected to fulfill and basic procedures and operations of the Board. The Board members are given access to management and other employees and advisors, who can answer any questions that may arise. Regular technical presentations are made to the directors to keep them informed of the Resulting Issuer's operations.

Nomination of Directors

The Board will not have a nominating committee. The Board will consider its size each year when it passes a resolution determining the number of directors to be appointed at each annual general meeting of shareholders. The Board determined that the configuration of five (5) directors is the appropriate number of directors, taking into account the number required to carry out duties effectively while maintaining a diversity of views and experience. The Board will evaluate new nominees to the Board, although a formal process has not been adopted. The nominees will generally be the result of recruitment efforts by the Board, including both formal and informal discussions among Board members, the Chairman and CEO. The Board monitors but will not formally assess the performance of individual Board members or committee members or their contributions.

Compensation

There are no current plans for the Resulting Issuer to pay any cash compensation to its directors for services rendered in their capacity as directors. This matter will be reconsidered by the Board upon completion of the Listing.

It is also expected that the Resulting Issuer will grant options to the directors in recognition of the time and effort that such directors devote to the Resulting Issuer. The timing, amounts, exercise price of these future option based and share based awards are not yet determined.

Other Board Committees

Other than the Audit Committee, the Resulting Issuer anticipates that it will have no other standing committees upon Listing. Following the Listing, the Board will consider addition of other committees as appropriate.

Assessments

The Board anticipates that it will not conduct any formal evaluation of the performance and effectiveness of the members of the Board. The Board as a whole or any committee of the Board, however, will consider the effectiveness and contribution of the Board, its members and the Audit Committee on an ongoing basis. The directors and the independent directors of the Resulting Issuer will be free to discuss specific situations from time to time among themselves and/or with the CEO and, if need be, steps are taken to remedy the situation, which steps may include a request for resignation. Furthermore, the management and directors of the Resulting Issuer will communicate with shareholders on an ongoing basis, and shareholders will be regularly consulted on the effectiveness of Board members and the Board as a whole.

AUDIT COMMITTEE

The Audit Committee will meet with the CEO and CFO of the Resulting Issuer and the independent auditors to review and inquire into matters affecting financial reporting matters, the system of internal accounting and financial controls and procedures, and the audit procedures and audit plans. The Audit Committee will recommend to the Board the independent registered public accounting firm to be appointed. In addition, the Audit Committee will review and recommend to the Board for approval the annual financial statements, the annual report and certain other documents required by regulatory authorities.

The Board has not developed a written position description for the Chairman of the Audit Committee but considers the Chairman to be responsible for setting the tone for the committee work, ensuring that members have the information needed to do their jobs, overseeing the logistics of the Audit Committee's operations, reporting to the Board on the Audit Committee's decisions and recommendations, setting the agenda and running and maintaining minutes of the meetings of the Audit Committee.

The Audit Committee's Charter

A copy of the Resulting Issuer's anticipated Audit Committee Charter is attached here to as Schedule "G" hereto.

Composition of the Audit Committee

The Audit Committee will be composed of the following members:

Name	Independent	Financially Literate
Robert Lee(1)	Yes	Yes
Michelle Neo San San	No	Yes
Patrick Sapphire (1)	Yes	Yes

Note:
(1) Independent within the meaning of NI 52-110.

Relevant Education and Experience

All proposed members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer's financial statements, and have an understanding of internal controls. All proposed members of the Audit Committee intend to maintain their currency by periodically taking continuing education courses.

Reliance on Certain Exemptions

Since the Resulting Issuer will be a "Venture Issuer" pursuant to applicable Canadian securities legislation, it is relying upon the exemption provided for at section 6.1 of NI 52-110 in respect of the composition of the Audit Committee.

At no time since the commencement of the Resulting Issuer's most recently completed financial year has the Resulting Issuer relied on the exemptions provided for in subsections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted pursuant to Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee Charter sets out responsibilities regarding the provision of non-audit services by the Resulting Issuer's external auditors. The Audit Committee will be responsible for the pre-approval of all audit services and permissible non-audit services to be provided to the Resulting Issuer by the external auditors, subject to any exceptions provided in NI 52-110.

Details of the composition and function of the remaining standing committees to be formed following the Listing will be discussed at the first meeting of the directors following the Listing.

External Auditor Service Fee

For the period ended December 31, 2019 ("**Fiscal 2019**") and the year ended December 31, 2018 ("**Fiscal 2018**"), Springleaf incurred the following fees by Springleaf's external auditor, Mazars LLP, and for the period from incorporation to December 31, 2019 ("**SLE 2019**"), the Company incurred the following fees by the Company's external auditor, MNP LLP:

	Fiscal 2019 (S$)	Fiscal 2018 (S$)	SLE 2019 (C$)
Audit fees(1)	28,000	28,000	10,000
Audit related fees	47,000(2)	-	6,000
Tax fees(3)	-	-	-
All other fees(4)	-	-	-
Total fees paid	75,000	28,000	16,000

Notes:

(1) Fees for audit service on an accrued basis.

(2) The S$47,000 is comprised of the following amounts incurred by Springleaf in connection with the Listing: (i) S$25,000 incurred for the re-audit and issuance of IFRS audited financial statements with respect to fiscal year 2016, and (ii) S$22,000 incurred for the re-audit and issuance of IFRS audited financial statements with respect to fiscal year 2017.

(3) Fees for tax compliance, tax advice and tax planning.

(4) All other fees not included above.

EXECUTIVE COMPENSATION

Prior to receiving the anticipated final receipt for the Prospectus, neither the Company nor Springleaf were a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6V – Statement of Executive Compensation – Venture Issuers ("**Form 51-102F6V**") has been omitted pursuant to Section 1.3(8) of Form 51-102F6V.

The following discussion describes the significant elements of the compensation of the named executive officers of the Resulting Issuer (collectively, the "N**amed Executive Officers**" or "**NEOs**").

"Named Executive Officers" or "NEOs" means each of the following individuals: (i) each CEO; (ii) each CFO; (iii) the most highly compensated executive officer other than CEO and CFO at the end of the most recently completed financial year whose total compensation was more than C$150,000; (iv) each individual who would be a named executive officer under (iii) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

The following will be the NEOs: Lim Chor Ghee (Vincent Lim) as Chief Executive Officer, Lai Jun Wah as Chief Financial Officer, and Lim Hong Beng (Ben Lim) as Chief Operating Officer, and Michelle Neo San San as Chief Corporate Officer.

As of the date of the Prospectus, and other than as disclosed below, the anticipated compensation for each of the NEOs, for the 12-month period following the Listing is not known.

Compensation Objectives and Principles

The compensation program for the senior management of the Resulting Issuer is designed to ensure that the level and form of compensation achieves certain objectives, including:

1. attracting and retaining qualified executives;

2. motivating the short and long-term performance of these executives; and

3. better aligning their interests with those of the Resulting Issuer's shareholders.

In compensating its senior management, the Resulting Issuer will employ a combination of base salary, bonus compensation and equity participation through its Stock Option Plan. The Resulting Issuer will not provide any retirement benefits for its directors or officers.

Elements of Compensation

Base Salary

It will be the Board's view, that paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Resulting Issuer operates is a first step to attracting and retaining qualified and effective executives. Competitive salary information on comparable companies[28] within the Resulting Issuer's industries in Singapore will be used to benchmark the salaries of the executive officers of the Resulting Issuer.

Bonus Incentive Compensation

The Board will consider executive bonus compensation dependent upon the Resulting Issuer meeting its strategic objectives and performance goals and sufficient cash resources being available for the granting of bonuses. If the forgoing are not met by the Resulting Issuer, or sufficient cash resources are not available, then bonuses will not be awarded to the officers of the Resulting Issuer for that respective year.

Equity Participation

The Board of the Resulting Issuer believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Stock Option Plan. Options may be granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted will be determined by the Board.

Compensation Risks

The Board of the Resulting Issuer will be keenly aware of the fact that compensation practices can have unintended risk consequences. The Board will continually review the Resulting Issuer's compensation policies to identify any practice that might encourage an employee to expose the Resulting Issuer to unacceptable risk. At the present time the Board of the Resulting Issuer is satisfied that the anticipated executive compensation program will not encourage the executives to expose the business to inappropriate risk. The Board intends to take a conservative approach to executive compensation rewarding individuals for the success of the Resulting Issuer once that success has been demonstrated and incenting them to continue that success through the grant of long-term incentive awards.

Hedging Policy

The Resulting Issuer will have no policy on whether an NEO or director is permitted to purchase certain financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds which are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Compensation Process

The Resulting Issuer will not have a compensation committee or a formal compensation policy. The Resulting Issuer will rely solely on its directors to determine the compensation of the NEOs. In determining compensation, the directors will consider industry standards and the Resulting Issuer's financial situation, but the Resulting Issuer does not have any formal objectives or criteria. The performance of each executive officer will informally be monitored by the directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

In establishing compensation for executive officers, the Board as a whole will seek to accomplish the following goals:

[28] Riverstone Holdings Ltd.; AEM Holdings Ltd.; and Arcomec Limited.

- To recruit and subsequently retain highly qualified executive officers by competitive offering overall compensation;

- To motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met; and

- To align the interests of executive officers with the long-term interests of shareholders through participation in the Stock Option Plan.

When considering the appropriate executive compensation to be paid to the officers, the Board will have regard to a number of factors including: (i) recruiting and retaining executives critical to the success of the Resulting Issuer and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Resulting Issuer's shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations generally; and (v) available financial resources.

Option-Based Awards

Long-term incentives in the form of Options are intended to align the interests of the directors and executive officers with those of the shareholders and to provide a long-term incentive to reward those individuals for their contribution to the generation of shareholder value, while reducing the burden of cash compensation that would otherwise be payable by the Resulting Issuer.

The Stock Option Plan will be administered by the Board. In determining the number of incentive Options to be granted to the NEOs, the Board will have regard to several considerations including previous grants of Options and the overall number of outstanding Options relative to the number of outstanding Common Shares, as well as the degree of effort, time, responsibility, ability, experience and level of commitment of the executive officer. For details of the Stock Option Plan, see "*Options to Purchase Securities*".

Compensation of Directors

Other than as disclosed, the only arrangements the Company, Springleaf, and the Resulting Issuer have, standard or otherwise, pursuant to which the directors will be compensated for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the most recently completed financial year or subsequently, are by: (i) the issuance of incentive stock options; and (ii) reimbursement for out-of-pocket expenses incurred on behalf of the Resulting Issuer.

Summary Compensation Table

Neither the Company, Springleaf, nor the Resulting Issuer was a reporting issuer at any time during its most recently completed financial year. Accordingly, the following table sets forth information with respect to the anticipated compensation of each NEO and directors of the Resulting Issuer once the Resulting Issuer becomes a reporting issuer:

Table of Compensation Excluding Compensation Securities

Name and Principal Position	Year	Salary, consulting fee, retainer or commission (S$)	Bonus (S$)	Committee or meeting fees (S$)	Value of perquisites (S$)	Long-term incentive plans (S$)	Value of all other compensation (S$)	Total compensation (S$)
Lim Chor Ghee (Vincent Lim), *Director and Chief Executive Officer*	2020	231,000	90,000	1,000	-	-	-	322,000
Lim Hong Beng (Ben Lim), *Director and Chief Operating Officer*	2020	153,000	54,000	1,000	-	-	-	208,000
Michelle Neo San San, *Director and Chief Corporate Officer*	2020	140,000	48,000	1,000	-	-	-	189,000
Robert Lee, *Director* (Independent)	2020	24,000	-	1,000	-	-	-	25,000
Patrick Sapphire, *Director* (Independent)	2020	24,000	-	1,000	-	-	-	25,000
Lai Jun Wah, *Chief Financial Officer*	2020	91,000	42,000	-	-	-	-	133,000

Pension Plan Benefits

In Singapore, the Central Provident Fund ("**CPF**") is a mandatory security savings scheme for Singaporean employees and permanent residents, primarily to fund their retirement, healthcare and housing needs. Both the employee and employer contribute to CPF's pension scheme. All of the Resulting Issuer's employees working in Singapore are eligible to participate under this CPF scheme.

Corporate Bankruptcies

Other than as provided below, none of the directors or executive officers of the Resulting Issuer has, within the ten years prior to the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets, been a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets.

Directors' Compensation

There are no current plans for the Resulting Issuer to pay any cash compensation to its directors for services rendered in their capacity as directors. This matter however, will be reconsidered by the Board upon completion of the Listing.

It is also expected that the Resulting Issuer will grant stock options to its directors in recognition of the time and effort that such directors devote to the Resulting Issuer. The timing, amounts, exercise price of these future option based and share based awards are not yet determined.

Oversight and Description of Director and NEO Compensation

The formal policies or practices of the Resulting Issuer to determine the compensation for its directors and executive officers are not known. It is anticipated that following the Listing, the Resulting Issuer will establish such formal policies or practices.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

None of the Company's, Springleaf's, or the Resulting Issuer's directors, executive officers, employees, former directors, former executive officers or former employees or any of its subsidiaries, and none of their respective Associates, is or has within 30 days before the date of this Prospectus or at any time since the beginning of the most recently completed financial year been indebted to the Company, Springleaf or the Resulting Issuer or any of its subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided us or any of our subsidiaries.

RISK FACTORS

Description of Risk Factors

The following are certain risk factors relating to the business carried on by the Resulting Issuer which prospective investors should carefully consider before deciding whether to purchase Common Shares. The Resulting Issuer will face a number of challenges in the development of its technology and in building its client base. Due to the nature of the Resulting Issuer, the Resulting Issuer's business and present stage of the business, the Resulting Issuer may be subject to significant risks. Readers should carefully consider all such risks, including those set out in the discussion below.

General Business Risks

Resale of Shares

There can be no assurance that the publicly-traded market price of the Common Shares will be high enough to create a positive return for the existing investors. Further, there can be no assurance that the Common Shares will be sufficiently liquid so as to permit investors to sell their position in the Resulting Issuer without adversely affecting the stock price. In such event, the probability of resale of the Common Shares would be diminished.

As well, the continued operation of the Resulting Issuer will be dependent upon its ability to procure additional financing in the short-term and to generate operating revenues in the longer term. There can be no assurance that any such financing can be obtained or that revenues can be generated. If the Resulting Issuer is unable to obtain such additional financing or generate such revenues, investors may be unable to sell their Common Shares and any investment in the Resulting Issuer may be lost.

No prior market for Common Shares

There is currently no public market for the Common Shares and there is no guarantee that the Listing will be completed even following the proposed Listing. If the Listing is not completed, or if an active public market does not develop or is not maintained, investors might have difficulty selling their Common Shares.

Market for Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Resulting Issuer in creating revenues, cash flows or earnings. The value of the Common Shares will be affected by such volatility. An active public market for the Common Shares might not develop or be sustained after the completion, if obtained, of the Listing. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

Dividends

In the past, Springleaf has paid an annual dividend to the Springleaf Shareholders. Neither Springleaf nor the Company have a dividend policy however, and any decision to pay dividends on the Common Shares will be made by the Board of the Resulting Issuer on the basis of its earnings, financial requirements and other conditions. There is no guarantee that the Resulting Issuer will pay out any dividends in the future.

Management of Growth

The Resulting Issuer may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Resulting Issuer's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Risk Associated with Foreign Operations in Other Countries

The Resulting Issuer's primary revenues are expected to be achieved in Singapore, China and Myanmar. However, the Resulting Issuer may expand to markets outside of the aforementioned countries and become subject to risks normally associated with conducting business in other countries. The Resulting Issuer cannot predict government positions on such things as foreign investment, intellectual property rights or taxation. A change in government positions on these issues could adversely affect the Resulting Issuer's business.

Risks Associated with Acquisitions

As part of the Resulting Issuer's overall business strategy, after the completion of the Listing, the Resulting Issuer may pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Resulting Issuer's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Tax Risk

The Resulting Issuer may be considered to have been carrying on business in Canada for purposes of the *Income Tax Act* (the "**Tax Act**"). While the Resulting Issuer does not foresee any adverse tax affects, there is no guarantee that governments will not impose such additional adverse taxes in the future.

Uncertainty and adverse changes in the global economy

Adverse changes in the global economy could negatively impact the Resulting Issuer's business. Future economic distress may result in a decrease in demand for the Resulting Issuer's products, which could have a material adverse impact on the Resulting Issuer's operating results and financial condition. Uncertainty and adverse changes in the economy could also increase costs associated with developing and publishing products, increase the cost and decrease the availability of sources of financing, and increase the Resulting Issuer's exposure to material losses from bad debts, any of which could have a material adverse impact on the financial condition and operating results of the Resulting Issuer.

Increased expenses as a result of being a public company and current resources may not be sufficient to fulfill public company obligations.

The Resulting Issuer expects to incur significant legal, accounting, insurance and other expenses as a result of being a public company, which may negatively impact performance and could cause results of operations and financial condition to suffer. Compliance with applicable securities laws in Canada and the rules of the CSE may substantially increases expenses, including legal and accounting costs, and makes some activities more time consuming and costly. Reporting obligations as a public company and anticipated growth may place a strain on financial and management systems, processes and controls, as well as on personnel.

The Resulting Issuer also expects securities laws, rules and regulations to make it more expensive to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult to attract and retain qualified persons to serve on the Board or as officers. As a result of the foregoing, the Resulting Issuer expects a substantial increase in legal, accounting, insurance and certain other expenses in the future, which will negatively impact financial performance and could cause results of operations and financial condition to suffer.

The Resulting Issuer is responsible for establishing and maintaining adequate internal control over financial reporting, which is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Because of inherent limitations and the fact that the Resulting Issuer is a new public company and is implementing new financial control and management systems, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A failure to prevent or detect errors or misstatements may result in a decline in the market price of the Common Shares and harm the Resulting Issuer's ability to raise capital in the future.

If the management of the Resulting Issuer is unable to certify the effectiveness of its internal controls or if material weaknesses in the internal controls are identified, the Resulting Issuer could be subject to regulatory scrutiny and a loss of public confidence, which could harm the business and cause a decline in the price of the Common Shares. In addition, if the Resulting Issuer does not maintain adequate financial and management personnel, processes and controls, it may not be able to accurately report its financial performance on a timely basis, which could cause a decline in the market price of the Common Shares and harm the Resulting Issuer's ability to raise capital. Failure to accurately report financial performance on a timely basis could also jeopardize its listing on the CSE or any other stock exchange on which Common Shares may be listed. Delisting of the Common Shares on any exchange would reduce the liquidity of the market for the Common Shares, which would reduce the price of and increase the volatility of the market price of the Common Shares.

The Resulting Issuer does not expect that its disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If the Resulting Issuer cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely effected, which could also cause investors to lose confidence in its reported financial information, which in turn could result in a reduction in the trading price of the Common Shares.

Senior management team has limited experience managing a public company, and regulatory compliance may divert its attention from the day to day management of the Resulting Issuer's business.

The individuals who constitute the Resulting Issuer's senior management team have relatively limited experience managing a publicly traded company and limited experience complying with the increasingly complex laws pertaining to public companies compared to senior management of other publicly traded companies. The Resulting Issuer's senior management team may not successfully or efficiently manage the transition to being a public company subject to significant regulatory oversight and reporting obligations under Canadian securities laws. In particular, these new obligations will require substantial attention from senior management and could divert their attention away from the day to day management of the Resulting Issuer's business.

Dilution and future sale of Common Shares

The Resulting Issuer may issue additional Common Shares in the future, which may dilute a Shareholder's holding in the Resulting Issuer. The Resulting Issuer's Articles will permit the issuance of an unlimited number of Common Shares, and Shareholders will have no pre-emptive rights in connection with such further issuances. The Board has the discretion to determine if an issuance of Common Shares is warranted, the price at which such issuance is effected and the other terms of issue of Common Shares. Also, the Resulting Issuer may issue additional Common Shares upon the exercise of options to acquire Common Shares under the Stock Option Plan, which will result in further dilution to the Shareholders. Potential future acquisitions may also divert management's attention and result in further dilution to the Shareholders.

RISKS RELATED TO FINANCIAL REPORTING

The Resulting Issuer may experience adverse impacts on reported results of operations as a result of adopting new accounting standards or interpretations.

The implementation of and compliance with changes in accounting rules, including new accounting rules and interpretations, could adversely affect the Resulting Issuer's reported financial position or operating results or cause unanticipated fluctuations in the reported operating results in future periods.

Failure to adhere to financial reporting obligations and other public company requirements could adversely impact the market price of the Common Shares.

Upon receiving a final receipt for this Prospectus, the Resulting Issuer will become subject to reporting and other obligations under applicable Canadian securities laws and rules of any stock exchange on which the Common Shares are then-listed, including National Instrument 52-102 – *Continuous Disclosure Obligations* and National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. These reporting and other obligations will place significant demands on the Resulting Issuer's management, administrative, operational and accounting resources. If the Resulting Issuer is unable to accomplish any such necessary objectives in a timely and effective manner, its ability to comply with financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause the Resulting Issuer to fail to satisfy its reporting obligations or result in material misstatements in the financial statements. If the Resulting Issuer cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely affected which could also cause investors to lose confidence in its reported financial information, which could result in a reduction in the trading price of the Common Shares.

The Resulting Issuer does not expect that its disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect reported financial results or financial condition.

Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including but not limited to revenue recognition, impairment of goodwill and intangible assets, inventory, income taxes and litigation, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change the Resulting Issuer's reported financial performance or financial condition in accordance with generally accepted accounting principles.

RISKS RELATING TO INDUSTRY AND BUSINESS

Disease outbreak

A local, regional, national or international outbreak of a contagious disease, including COVID-19 coronavirus ("**COVID-19**"), Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu or other similar illnesses, could decrease potential clients' needs for the services and products of the Resulting Issuer, cause shortages of employees or staff at the Resulting Issuer's facilities, interrupt suppliers from third parties upon which the Resulting Issuer will rely on, or result in governmental regulation adversely impacting the Resulting Issuer's business, among other measures. These could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations. Such adverse effect could be rapid and unexpected.

COVID-19 outbreak

The current global uncertainty with respect to the spread of COVID-19 and its effect on the economies of Southeast Asian countries, and the larger global economy, may have negative effects on the Resulting Issuer. While the precise impact of COVID-19 on the Resulting Issuer remains unknown, the rapid spread of COVID-19 around the world and the declaration of a global pandemic by the World Health Organization could have a material adverse effect on supply chains, the mobility of people, and the financial markets – which could materially affect the business, financial condition, and results of operations of the Resulting Issuer, as much of the Resulting Issuer's operations are located in Singapore and China.

Revenue is dependent on the capital expenditure of customers

The Resulting Issuer will design and/or build facilities requiring controlled environments mainly for the electronics, food and beverage, oil and gas, semiconductor and waste management sectors. Consequently, revenue will be adversely affected should there be any slowdown in the growth and development of these sectors which results in a reduction in the capital expenditure budgets of customers in these sectors and a lesser number of projects available for tender. Accordingly, the Resulting Issuer will be dependent on the growth of these sectors in Singapore, specifically and Southeast Asia generally, and any change or slowdown in the growth of these sectors in these geographic markets may have an adverse impact on the business, financial condition, results of operations and prospects. In addition, there can be no assurance that the Resulting Issuer's personnel will not be impacted by the COVID-19 pandemic and may ultimately see its workforce productivity reduced or business operations significantly disrupted.

Business is generally project-based and faces the risk of any delay or premature termination of secured projects and/or the Resulting Issuer may not be able to secure new projects

The Resulting Issuer's business will generally be project-based. Therefore, the Resulting Issuer has to continuously secure new customers and/or new projects. If it is unable to secure new projects of contract values, size and/or margins comparable to existing ones and/or our secured projects are delayed or prematurely terminated because of factors such as changes in customers' businesses, poor market conditions or lack of funds on the part of the project owners, this would create idle or excess capacity and/or may expose the Resulting Issuer to liabilities to sub-contractors and/or suppliers. This may adversely affect business, financial performance and financial condition. The delay or premature termination of any projects or contracts in progress or any customer's decision not to proceed with a contracted project may result in the Resulting Issuer not being adequately compensated. This will have a material adverse effect on business, financial condition and results of operations. In addition, there may be a lapse of time between the completion of existing projects and the commencement of subsequent projects which may materially and adversely affect financial performance and financial position.

Any cost overruns may adversely affect the financial performance of the Resulting Issuer

The Resulting Issuer's revenue will largely be derived from project-based contracts. Contracts for project works are negotiated in advance of the actual project execution and projects can vary in duration from several months to a few years. Profitability will therefore be dependent on the Resulting Issuer's ability to obtain competitive quotations from sub-contractors at or below estimated costs, and the ability to execute the contracts efficiently. The Resulting Issuer will work closely with subcontractors for project execution. However, unforeseen circumstances such as logistic disruptions or unanticipated construction constraints at the work site may arise during the course of project execution. As these circumstances may require additional work which has not been factored into the contract value, they may lead to cost overruns which will erode profit margin for the project. There is no assurance that actual costs incurred will not exceed the estimated costs, due to the under-estimation of costs, excessive wastage, inefficiency, damage or unforeseen additional costs incurred during the course of the contract. Any under-estimation of costs, delays or other circumstances resulting in cost overruns may adversely affect profitability.

Potential Liability for delays in the completion of projects

The contracts that the Resulting Issuer will enter into with customers will typically include a provision for the payment by the Resulting Issuer of pre-determined liquidated damages to customers in the event the project is completed after the date of completion stated in the contract arising from any delay caused by the Resulting Issuer. The liquidated damages payable are determined by the tender terms for public sector projects or through contractual negotiations for private sector projects. Delays in a project could occur from time to time due to factors such as shortages of labour, equipment and construction materials, labour disputes, disputes with sub-contractors, industrial accidents, work stoppages arising from accidents or mishaps at the work site or delays in the delivery of construction materials and/or equipment by suppliers to sub-contractors. In the event of any delay in the completion of a project due to factors within the Resulting Issuer's control, it could be liable to pay liquidated damages under the contract and incur additional overheads that will adversely affect earnings and profit margins, thereby materially and adversely affecting financial condition and results of operations. Although Springleaf has not been made liable to pay any liquidated damages as of the date of this Prospectus, there is no assurance that there will not be any delays in existing and future projects in resulting in the payment of liquidated damages that may have a material and adverse impact on the Resulting Issuer's business, financial condition and results of operations.

Defect claims and disputed variation orders can erode profitability

In the Resulting Issuer's business, claims may be made by customers against contractors or sub-contractors for defective works and/or non-compliance with contract specifications. It is also common for customers to retain a certain percentage of the contract sum as retention monies for the costs of rectifying any defective works which have not been rectified by the Resulting Issuer. Variation orders are usually additional works or changes requested by the customer for specifications not included in the original contract. In such circumstances, additional time would be given to the Resulting Issuer to complete the project. On certain occasions, the parties may agree that variation orders be performed before the costs for such additional works are finalised. Thus, the final values of such variation orders may be subject to dispute by customers. In such an event, additional costs resulting from variation orders that could not be charged to customers due to disputes would have to be absorbed by the Resulting Issuer. As a result of absorbing such costs, the Resulting Issuer may have to suffer lower profits or even losses for that project. As of the date of this Prospectus, the Resulting Issuer has not experienced any material disputed variation orders or defect claims. However, there is no assurance that material disputed variation orders or defect claims will not arise in the future. In the event that the Resulting Issuer is required to bear any part of the variation costs or losses arising from defect claims, its financial performance may be adversely affected.

Reliance on suppliers and sub-contractors

The Resulting Issuer will purchase architectural materials, engineering products, cleanroom, and other hardware and materials from suppliers. The Resulting Issuer will also engage sub-contractors to provide various services at project sites, such as architectural works, mechanical and electrical installation, interior decoration and other specialist works. These suppliers and sub-contractors will be selected based on, amongst others, past working experience with them, their track record, pricing and their ability to meet quality and safety requirements and schedule. The Resulting Issuer cannot be assured that the products and services rendered by suppliers and sub-contractors will continue to be satisfactory to or that they will meet the quality requirements, specifications and time schedule for projects. In the event of any loss which arises from the default of the suppliers or sub-contractors engaged by the Resulting Issuer, it may not be able to pass such loss on to them. Furthermore, if there are any adverse changes in suppliers' and sub-contractors' conditions (financial or otherwise) which affect their ability to supply the products or carry out the work for which they were contracted for, and the Resulting Issuer is unable to find suitable alternative suppliers or sub-contractors in a timely manner and at comparable commercial terms, the Resulting Issuer may not be able to complete the project within the budget and time schedule. As a result, there may be cost overruns or the Resulting Issuer may incur liquidated damages, and financial performance will be affected.

Credit risk in relation to customers' obligations

The Resulting Issuer's credit terms with its customers will typically be 30 to 60 days from the date of invoice. However, actual collection may exceed 30 to 60 days. Customers may not be able to meet their contractual payment obligations to the Resulting Issuer, either in a timely manner or at all. The reasons for payment delays, cancellations or default by customers may include, amongst others, insolvency or insufficient financing or working capital. In the event of default, the Resulting Issuer may have to write-off the entire amount owed, particularly if the customer were to run into financial difficulties or go into liquidation. There is no assurance that the Resulting Issuer will be able to collect its trade receivables fully or within a reasonable period of time and this would adversely affect its financial condition and/or results of operations.

Ability to secure additional financing may affect ability to secure more projects and projects of a larger scale

The Resulting Issuer intends to capitalise on Springleaf's established track record to secure more projects and projects of a larger scale. As some of these projects may require financing such as short-term loans, letters of credit and performance bonds, its ability to secure additional financing would determine its ability to secure and execute such projects. In the event that the Resulting Issuer is unable to secure the requisite financing for any reason, it may not be able to secure and execute such projects and this will materially and adversely affect the Resulting Issuer's future growth, revenue and profitability.

Changes in the relevant laws and regulations may affect operations

Industries in Singapore are highly regulated and there can be no assurance that the regulatory environment in which the Resulting Issuer will operate will not change significantly in the future. The Resulting Issuer is subject to laws and regulations, including the *Building Control Act* (Chapter 29) and *Building Control Regulations*, which require it to engage licensed tradesmen, adhere to applicable codes of practice and meet certain financial requirements.

To the best of the Resulting Issuer's knowledge, it is in compliance with the applicable laws and regulations. Nevertheless, there can be no assurance that a review by the BCA or other regulatory authorities will not result in adverse determinations against the Resulting Issuer upon the Closing of the Acquisition. In addition, there is no assurance that the regulatory environment in which the Resulting Issuer will operate will not become more stringent. For example, the regulatory authorities may increase the financial requirements required. Any change to the relevant laws and regulations may affect the Resulting Issuer's business operations and financial performance.

Dependence on key management personnel

The Resulting Issuer's continued success will be dependent to a large extent on its ability to retain key management personnel, in particular, Chairman and Chief Executive Officer, Lim Chor Ghee (Vincent Lim), Executive Director and Chief Corporate Officer, Michelle Neo San San, and Chief Operating Officer, Lim Hong Beng (Ben Lim) have been instrumental in the growth of Springleaf, and have been providing strategic direction and formulating business strategies for Springleaf. They are collectively responsible for implementing our expansion plans and business strategies and driving Springleaf's current growth. There is no assurance that the Resulting Issuer will be able to retain key management personnel. The loss of any key management personnel without suitable and timely replacement or the inability to attract and retain qualified personnel will have an adverse impact on our operations and performance. Each of Lim Chor Ghee (Vincent Lim), Lim Hong Beng (Ben Lim), and Michelle Neo San San have entered into an employment contract with Springleaf and which will continue with the Resulting Issuer. Notwithstanding this, there can be no assurance that the Resulting Issuer will be successful in retaining them or in hiring qualified management personnel to replace them should the need arise. For further details about the Resulting Issuer's directors and officers, see "*Directors and Executive Officers*".

Failure to attract and retain skilled personnel could materially affect operations and business

The Resulting Issuer's business requires highly skilled personnel such as project managers, site managers and engineers. Skilled personnel with the appropriate experience in the Resulting Issuer's industries are limited and competition for the employment of such personnel is intense. There is no assurance that the Resulting Issuer will be able to attract the necessary skilled personnel or that the Resulting Issuer will be able to retain the skilled personnel whom it will have trained or suitable and timely replacements can be found for skilled personnel who leave. The Resulting Issuer's inability to attract and retain skilled employees would materially affect the quality and timelines of its services and its ability to compete effectively and to grow the business.

Accidents at our work sites or at our premises

Accidents or mishaps may occur at the Resulting Issuer's work sites or at its premises even though it will have put in place safety measures. Such accidents or mishaps may severely disrupt our operations and lead to a delay in the completion of a project. In the event of such a delay, the Resulting Issuer could be liable for liquidated damages under the contract with its customers, resulting in a material adverse effect on our financial performance. Further, the Resulting Issuer may be subject to personal injury claims from workers or other persons involved in such accidents or mishaps and any significant claims which will not be covered by its insurance policies may adversely affect financial performance. In addition, any accidents or mishaps resulting in significant damage to machinery, equipment or premises may have a material adverse effect on the Resulting Issuer's business, financial position and results of operations.

Subject to general safety regulations imposed by the Ministry of Manpower in Singapore

The MOM places considerable emphasis on inculcating a culture of safety and health in all workplaces. The WHSA will require the Resulting Issuer to take reasonably practicable measures to ensure the safety and health of workers at the workplace. In the event that the workplace contravenes the requisite safety and health standards imposed by the regulatory authorities, the Resulting Issuer could be fined. In addition, in the event that its work sites contravene the requisite safety and health standards imposed by the regulatory authorities, these work sites may be issued with partial or full stop-work orders. As at the date of the Prospectus, there was no subsisting stop-work order on the Resulting Issuer. The issuance of such stop-work orders may severely disrupt the Resulting Issuer's operations and lead to a delay in the completion of projects. These circumstances may generate negative publicity and adversely affect market reputation as well as cause a material adverse impact on the business, results of operations and financial position.

Insurance coverage may not indemnify against all potential losses

The Resulting Issuer will have taken up insurance policies for risks such as contractors' all risk, work injury compensation and third party liability. It also will have principal existing properties insurance for specific maintenance contracts. However, there is no assurance that such insurance policies will compensate the Resulting Issuer for all potential losses or that the insurers will pay out on our claims. The Resulting Issuer will have keyman insurance coverage for key personnel, travel insurance for senior team members, group hospitalisation and surgical policies for all employees. These are also certain types of risks that will not be covered by the insurance policies because they are either uninsurable or not economically insurable, including acts of war and acts of terrorism. In addition, the Resulting Issuer will not be insured against business disruption. If such events were to occur, the Resulting Issuer may have to bear the costs of any uninsured risk or uninsured amount, which can have a material and adverse effect on its business, results of operations and financial condition.

Subject to foreign exchange transaction risks

Some of the Resulting Issuer's purchases will be denominated in US dollars (US)$ and Chinese Yuan (RMB¥). On the other hand, its revenue will be denominated in Singaporean dollars (S$) and Chinese Yuan (RMB¥). To the extent that revenue and purchases are not naturally matched in the same currency and to the extent that there are timing differences between the invoicing and receipt of funds from customers or payment to suppliers, the Resulting Issuer will be exposed to foreign exchange rate fluctuations which may result in foreign exchange losses that may adversely affect financial results. The Resulting Issuer will not have any formal policy for hedging against foreign exchange exposure upon Listing. However, it will monitor foreign exchange exposure and may employ a formal policy to manage foreign exchange exposure should the need arise.

May not be able to maintain competitiveness

While the field of controlled environments is a niche industry, the Resulting Issuer will face competition from existing players as well as new entrants, including that from other general engineering services providers. Contracts for services in the industry are generally awarded on the basis of tender and the bidders are pre-qualified mainly based on their track records. Some of the Resulting Issuer's more established competitors will have greater brand recognition, and financial, technical, marketing and other resources, which will enable them to compete more effectively. If competitors bid at reduced prices in order to gain experience or market share, the Resulting Issuer may have to offer more competitive prices to secure projects. There is no assurance that the Resulting Issuer will be able to compete successfully with its competitors and that it will be able to adapt to new market demands and conditions. In the event that the Resulting Issuer is unable to compete successfully against its competitors and to adapt to market conditions, its business, financial performance and financial position may be adversely affected. Competition may result in, among other things, lower profit margins and difficulty in obtaining high quality sub-contractors and qualified employees. Any such consequences may adversely affect the Resulting Issuer's business, financial performance and financial position.

May not be able to successfully implement future plans

As part of its future business plans, the Resulting Issuer intends to capitalize on Springleaf's established track record to secure more projects and projects of a larger scale, vertically integrate our services, expand through acquisitions, joint ventures and/or strategic alliances and venture into new geographical markets (for further details see "*Our Business – Business Strategies and Future Plans*". While the Resulting Issuer will plan such expansion based on the outlook of its business prospects, there is no assurance that the results of such expansion plans will match expectations. The success and viability of the expansion plans are dependent upon, inter alia, the growth and development, and the government's expenditure and support, of the sectors that the Resulting Issuer will serve, the availability of financial, operational and other resources, ability to implement strategic marketing plans effectively, and ability to hire and retain skilled management to carry out our future plans.

Further, the implementation of future plans may also require substantial capital expenditure, increased working capital requirements and additional financial resources and commitment. There is no assurance that these future plans will achieve the expected results or outcomes such as an increase in revenue which will be commensurate with investment costs. In the event that the results or outcome of the Resulting Issuer's future plans does not meet expectations or if it fails to achieve a sufficient level of revenue or manage our costs efficiently, the Resulting Issuer may not be able to recover its investment costs and its future financial performance, business operations and financial condition may be adversely affected.

General risks associated with doing business outside Singapore

The Resulting Issuer is expanding its business beyond Singapore, and in particular, to countries such as mainland China and Myanmar. There are inherent risks in doing business overseas, such as unexpected changes in regulatory requirements, difficulty in staffing and managing foreign operations, social and political instability, labour unrest, potentially adverse tax consequences, legal uncertainty regarding liability, reduced protection for intellectual property rights in some countries, tariffs and other trade barriers, variable and unexpected changes in local law and barriers to the repatriation of capital or profits. In some developing countries, there may be uncertainty in the local regulatory requirements relating to our operations. As the Resulting Issuer embarks on its expansion plans overseas, its exposure to such risks will increase. If any of the aforementioned events were to take place, the proposed overseas operations, financial performance and financial condition may be materially and adversely affected.

PROMOTERS

Mr. Vincent Lim and Mr. Ben Lim may be considered to be Promoters of the Resulting Issuer for the purposes of applicable securities laws, as Mr. Vincent Lim and Mr. Ben Lim were founders of Springleaf and are the Chief Executive Officer and Chief Financial Officer, respectively, of the Resulting Issuer. Following the Closing of the Acquisition, Mr. Vincent Lim owns approximately 24,942,709 (51.37%) Common Shares, and Mr. Ben Lim owns approximately 7,026,115 (14.47%) Common Shares. See "*Directors and Officers*".

Other than as disclosed elsewhere in this Prospectus, no person who was a promoter of the Resulting Issuer within the last two years:

- received anything of value directly or indirectly from the Resulting Issuer or a subsidiary;
- sold or otherwise transferred any asset to the Resulting Issuer or a subsidiary within the last two years;
- has been a director, chief executive officer or chief financial officer of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;
- has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
- has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or

has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no outstanding legal proceedings material to the Company, Springleaf, or the Resulting Issuer to which the Company, Springleaf, or the Resulting Issuer is a party or in respect of which any of its properties are subject, nor are there any such proceedings known to the Company, Springleaf, or the Resulting Issuer to be contemplated.

No penalties or sanctions have been imposed against the Company, Springleaf, or the Resulting Issuer by a court relating to provincial and territorial securities legislation or otherwise or by a securities regulatory body or any other regulatory body within the three years immediately preceding the date of this Prospectus. Management of the Company, Springleaf, or the Resulting Issuer are not aware of any such penalties or sanctions imposed against the Company, Springleaf, or the Resulting Issuer.

Neither the Company, Springleaf, nor the Resulting Issuer has entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Prospectus. Management of the Company, Springleaf, or the Resulting Issuer are not aware of any such settlement agreements entered into by the Company, Springleaf, or the Resulting Issuer.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this Prospectus, there are no material interests, direct or indirect, of any of the Company's, Springleaf's, or the Resulting Issuer's directors or executive officers, any shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of any class or series of the outstanding voting securities, or any Associate or Affiliate of any of the foregoing persons, in any transaction within the three years before the date hereof that has materially affected or is reasonably expected to materially affect the Resulting Issuer or any of its subsidiaries.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Mazars LLP, located at 135 Cecil Street #10-01 MYP Plaza Singapore 069536, is Springleaf's auditor and has confirmed that it is independent of Springleaf within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Singapore.

MNP LLP, located at 111 Richmond Street West, Suite 300, Toronto, Ontario M5H 2G4, is the Company's auditor and has confirmed that it is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

The transfer agent and registrar for the Common Shares will be Computershare Investors Services Inc. at its principal office in 510 Burrard St., 3rd Floor, Vancouver, British Columbia V6C 3B9.

MATERIAL CONTRACTS

This Prospectus includes a summary description of certain of the Company's and Springleaf's material agreements. The summary description discloses all attributes material to an investor in the Common Shares but is not complete and is qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and available on the system for electronic document analysis and retrieval ("**SEDAR**"), at www.sedar.com, under the Resulting Issuer's profile. Investors are encouraged to read the full text of such material agreements.

The following are the only material contracts that will be in effect upon Listing (other than certain agreements entered into in the ordinary course of business):

- the Transfer Agent and Registrar Agreement entered into between the Company and the Transfer Agent;
- the CSE Escrow Agreement to be entered into between the Company and the Escrow Agent;
- the Share Exchange Agreement;
- the Facility Agreement; and
- the Biomax Distribution Agreement.

Copies of the foregoing documents will be available following the Listing on SEDAR at www.sedar.com.

INTEREST OF EXPERTS

The following are persons or companies whose profession or business gives authority to a statement made in this Prospectus as having prepared or certified a part of that document or report described in the Prospectus:

- McMillan LLP is the Company's counsel with respect to Canadian legal matters herein;

- Mazars LLP is the external auditor of Springleaf and reported on Springleaf's audited financial statements for the periods of December 31, 2019, December 31, 2018, and December 31, 2017, attached as Schedule "A"; and

- MNP LLP, is the external auditor of the Company and reported on the Company's audited financial statements for the period from incorporation to December 31, 2019, attached as Schedule "C", and have reviewed the Company's unaudited interim financial statements for the period ending March 31, 2020, attached as Schedule "D".

To the knowledge of management of the Company and Springleaf, as of the date hereof, no expert, nor any Associate or Affiliate of such person has any beneficial interest, direct or indirect, in the property of the Company, Springleaf, or the property of the Resulting Issuer or of an Associate or Affiliate of any of them, and, as of the date hereof, each expert, or any Associate or Affiliate of such person, as a group, beneficially owns, directly or indirectly, less than 1% of the outstanding securities of the Company, Springleaf, or the Resulting Issuer and no such person is or is expected to be elected, appointed or employed as a director, officer or employee of the Company, Springleaf, or the Resulting Issuer or of an Associate or Affiliate thereof.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Certain of the Resulting Issuer's operations and assets will be located outside of Canada, and certain of the Resulting Issuer's directors, including, Lim Chor Ghee (Vincent Lim), Lim Hong Beng (Ben Lim), Michelle Neo San San, and Robert Lee reside outside of Canada. Although the current directors and officers who reside outside of Canada either have an office in Canada or have appointed McMillan LLP at Suite 4400, 181 Bay Street, Toronto, Ontario M5J 2T3, as their agent for service of process in Canada, it may not be possible for investors to enforce against such persons judgments obtained in Canadian courts predicated on the civil liability provisions of applicable securities laws in Canada. Investors are advised that it may not be possible for them to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

Schedule “A”
Audited Financial Statements of Springleaf for the years ended December 31, 2019, December 31, 2018, and December 31, 2017.

See attached.

SPRINGLEAF ENGINEERING PTE. LTD. AND ITS SUBSIDIARIES
(Registration Number: 201229604E)

DIRECTORS' STATEMENT
AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

MAZARS LLP
Public Accountants and
Chartered Accountants
Singapore

SPRINGLEAF ENGINEERING PTE. LTD. AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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The directors of Springleaf Engineering Pte. Ltd. (the "Company") present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2019, the statement of financial position and statement of changes in equity of the Company as at 31 December 2019.

1. Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended in accordance with the provisions of the Singapore Companies Act Chapter 50 (the "Act") and International Financial Reporting Standards ("IFRS"); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Lim Chor Ghee
Lim Hong Beng

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects was, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, the directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations, except as stated below:

Name of the directors and respective companies in which interests are held	At beginning of the financial year	At end of the financial year
The Company		
Lim Chor Ghee	198,800	198,800
Lim Hong Beng	56,000	56,000

5. Share options

There were no share options granted by the Company during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares under option in the Company as at the end of the financial year.

6. Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

"Vincent Lim"	*"Ben Lim"*
Lim Chor Ghee	**Lim Hong Beng**
Director	Director

Singapore
8 May 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPRINGLEAF ENGINEERING PTE. LTD.

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Springleaf Engineering Pte. Ltd. (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 December 2019, the consolidated statements of profit or loss and other comprehensive income, consolidated changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Basis of Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSA"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

135 CECIL STREET, #10-01 MYP PLAZA, SINGAPORE 069536
TEL: (65) 6224 4022 – FAX: (65) 6225 3974 – www.mazars.sg

MAZARS LLP
玛泽有限责任合伙会计师事务所
CHARTERED ACCOUNTANTS OF SINGAPORE

Report on the Audit of Financial Statements (Continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and IFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
8 May 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 S$	2018 S$
Revenue	4	8,325,758	20,168,486
Cost of sales		(5,041,129)	(13,303,457)
Gross profit		3,284,629	6,865,029
Other income	5	249,326	81,512
Administrative expenses		(871,114)	(468,976)
Other operating expenses		(1,706,844)	(2,368,222)
Finance costs	6	(148,590)	(133,407)
Profit before income tax	7	807,407	3,975,936
Income tax	8	(191,033)	(657,739)
Profit for the financial year		616,374	3,318,197
Other comprehensive income:			
Components of other comprehensive income that will be reclassified to profit or loss			
Exchange differences on translating foreign operations		(5,859)	-
Total comprehensive income for the financial year		610,515	3,318,197
Profit attributable to:			
Owners of the Company		689,314	3,318,197
Non-controlling interest	10	(72,940)	-
		616,374	3,318,197
Total comprehensive income attributable to:			
Owners of the Company		683,455	3,318,197
Non-controlling interest	10	(72,940)	-
		610,515	3,318,197

SPRINGLEAF ENGINEERING PTE. LTD. AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	Group 2019 S$	Group 2018 S$	Company 2019 S$	Company 2018 S$
ASSETS					
Non-current assets					
Property, plant and equipment	9	4,472,660	1,773,363	3,453,766	1,773,363
Investment in subsidiaries	10	-	-	599,972	-
Total non-current assets		4,472,660	1,773,363	4,053,738	1,773,363
Current assets					
Contract assets	11	576,809	726,991	576,809	726,991
Trade and other receivables	12	4,986,237	5,221,191	5,639,669	5,221,191
Amount due from a shareholder	13	-	1,000,000	-	1,000,000
Fixed deposit	14	500,000	-	500,000	-
Cash and cash equivalents	15	1,697,934	5,119,555	1,645,602	5,119,555
Total current assets		7,760,980	12,067,737	8,362,080	12,067,737
Total assets		12,233,640	13,841,100	12,415,818	13,841,100
EQUITY AND LIABILITIES					
Equity					
Share capital	16	469,403	370,000	469,403	370,000
Currency translation reserve		(5,859)	-	-	-
Retained earnings		4,454,598	5,765,284	4,568,700	5,765,284
Total equity attributable to owners of the Parent		4,918,142	6,135,284	5,038,103	6,135,284
Non-controlling interest		(72,940)	-	-	-
Total Equity		4,845,202	6,135,284	5,038,103	6,135,284
Non-current liability					
Interest-bearing loans and borrowings	17	3,101,150	1,887,622	3,101,150	1,887,622
Total non-current liability		3,101,150	1,887,622	3,101,150	1,887,622
Current liabilities					
Contract liabilities	11	-	827,226	-	827,226
Trade and other payables	19	2,488,976	2,467,706	2,478,253	2,467,706
Interest-bearing loans and borrowings	17	1,540,134	1,804,431	1,540,134	1,804,431
Finance lease payables	18	-	22,912	-	22,912
Income tax payable	8	258,178	695,919	258,178	695,919
Total current liabilities		4,287,288	5,818,194	4,276,565	5,818,194
Total liabilities		7,388,438	7,705,816	7,377,715	7,705,816
Total equity and liabilities		12,233,640	13,841,100	12,415,818	13,841,100

SPRINGLEAF ENGINEERING PTE. LTD. AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Attributable to owners of the Company					
Group	Share capital S$	Retained earnings S$	Currency translation reserve S$	Total	Non-controlling interest S$	Total S$
As at 1 January 2018	370,000	4,447,087	-	4,817,087	-	4,817,087
Dividends declared (Note 20)	-	(2,000,000)	-	(2,000,000)	-	(2,000,000)
Total comprehensive income for the financial year	-	3,318,197	-	3,318,197	-	3,318,197
Balance at 31 December 2018	370,000	5,765,284	-	6,135,284	-	6,135,284
Issuance shares (Note 16)	99,403	-	-	99,403	-	99,403
Dividends declared (Note 20)	-	(2,000,000)	-	(2,000,000)	-	(2,000,000)
Profit for the financial year	-	689,314	-	689,314	(72,940)	616,374
Other comprehensive income: Exchange differences on translating foreign operations	-	-	(5,859)	(5,859)	-	(5,859)
Balance at 31 December 2019	469,403	4,454,598	(5,859)	4,918,142	(72,940)	4,845,202
Company						
As at 1 January 2018	370,000	4,447,087	-	4,817,087	-	4,817,087
Dividends declared (Note 20)	-	(2,000,000)	-	(2,000,000)	-	(2,000,000)
Total comprehensive income for the financial year	-	3,318,197	-	3,318,197	-	3,318,197
Balance at 31 December 2018	370,000	5,765,284	-	6,135,284	-	6,135,284
Issuance shares (Note 16)	99,403	-	-	99,403	-	99,403
Dividends declared (Note 20)	-	(2,000,000)	-	(2,000,000)	-	(2,000,000)
Total comprehensive income for the financial year	-	803,416	-	803,416	-	803,416
Balance at 31 December 2019	469,403	4,568,700	-	5,038,103	-	5,038,103

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 S$	2018 S$
Operating activities			
Profit before income tax		807,407	3,975,936
Adjustments for:			
Depreciation	9	239,023	210,169
Interest expenses	6	148,590	133,407
Interest income	5	(240,519)	(1,041)
Unrealised exchange gain		(6,219)	(277)
Operating cash flows before movements in working capital		948,282	4,318,194
Changes in working capital:			
Contract assets		150,182	243,541
Trade and other receivables		235,471	(1,871,383)
Contract liabilities		(827,226)	827,226
Trade and other payables		(678,730)	898,556
Cash (used in)/generated from operations		(172,021)	4,416,134
Interest received		240,519	1,041
Income tax paid		(628,774)	(431,799)
Net cash (used in)/generated from operating activities		(560,276)	3,985,376
Investing activities			
Purchase of property, plant and equipment	10	(2,938,320)	(81,954)
Amount due from shareholder		1,000,000	(700,000)
Addition to/(Redemption of) fixed deposit pledged		(500,000)	200,385
Net cash used in investing activities		(2,438,320)	(581,569)
Financing activities			
Proceeds from issuance of shares	16	99,403	-
Dividends paid	20	(1,300,000)	(2,000,000)
Repayment of finance lease payables		(22,912)	(27,504)
Drawdown of Interest-bearing loans and borrowings	18	4,375,663	2,502,801
Repayment of interest-bearing loans and borrowings		(3,426,432)	(80,990)
Interest paid		(148,590)	(133,407)
Net cash (used in)/generated from financing activities		(422,868)	260,900
Net (decrease)/increase in cash and cash equivalents		(3,421,464)	3,664,707
Effect of currency translation on cash and cash equivalents		(157)	-
Cash and cash equivalents at beginning of financial year		5,119,555	1,454,848
Cash and cash equivalents at end of financial year	15	1,697,934	5,119,555

Reconciliation of liabilities arising from financing activities

	1 January 2019	Financing cash inflows	Financing cash outflows	31 December 2019
	S$	S$	S$	S$
Liabilities				
Interest-bearing loans and borrowings	3,692,053	4,375,663	(3,426,432)	4,641,284
Finance lease payables	22,912	-	(22,912)	-

	1 January 2018	Financing cash inflows	Financing cash outflows	31 December 2018
	S$	S$	S$	S$
Liabilities				
Interest-bearing loans and borrowings	1,270,242	2,502,801	(80,990)	3,692,053
Finance lease payables	50,416	-	(27,504)	22,912

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Springleaf Engineering Pte. Ltd. (the "Company") (Registration Number: 201229604E) is incorporated and domiciled in Singapore with its registered and principal place of business located at 421 Tagore Industrial Avenue, #01-28 Tagore 8, Singapore 787805.

The principal activities of the Company are to carry on engineering activities. The Company currently operates in Singapore and Myanmar through a branch office.

The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

The financial statements of the Group for the financial year ended 31 December 2019 were authorised for issue by the Board of Directors on the date of the Directors' Statement.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the provision of the Singapore Companies Act, Chapter 50 and International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB") and the Interpretations to IFRS ("IFRICs") Issued by the International Financial Reporting Interpretations Committee ("IFRIC") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements of the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group are presented in Singapore dollar (the "SGD" or "S$") which is also the functional currency of the Company, unless otherwise indicated.

In the current financial year, the Group has adopted all the new and revised IASs, IFRSs and IFRICs that are relevant to its operations and effective for the current financial year. The adoption of these new and revised IFRSs and IFRICs did not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

IASs, IFRSs and IFRICs issued but not yet effective

At the date of authorisation of these financial statements, the following IASs, IFRSs and IFRICs were issued but not yet effective:

IAS	Title	Effective date (annual periods beginning on or after)
IAS 1, IAS 8	Amendments to IAS and IAS 8: *Definition of Material*	1 January 2020
IFRS 3	Amendments to IFRS 3: *Definition of a Business*	1 January 2020
IFRS 9, IAS 39, IFRS 7	Amendments to IFRS 9, IAS 39 and IFRS 7: *Interest Rate Benchmark Reform*	1 January 2020
IFRS 110, IAS 28	Amendments to IFRS 110 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
Various	Amendments to References to the Conceptual Framework in IFRS Standards Amendments to illustrative examples, implementation guidance and FRS practice statements	1 January 2020

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Group and Company has not early adopted any of the above new or revised standards, interpretations and amendments to the existing standards in the financial year ended 31 December 2019. Management anticipates that the adoption of the aforementioned new or revised standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiaries are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiaries and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2.3 Revenue recognition

The Group is principally in the business of providing engineering services. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

<u>Engineering contracts</u>

The group provides engineering services such as project management and detail design, build and installation of systems.

Revenue from the engineering contracts are recognised over time, using the input method to measure progress towards complete satisfaction of the service, as the customer simultaneously receives and consumes the benefits provided by the Group. In the application of the input method, the Group has used cost-to-cost method (i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated contract costs). Contract costs are mainly driven by labour costs. Accordingly, in view of the nature of the installation service, management considers that this input method is most appropriate in measuring the progress towards complete satisfaction of these performance obligations under IFRS 15.

<u>Rendering of services</u>

The Group provides comprehensive maintenance services after project installation.

Revenue from rendering of services is recognised at a point of time when the services have been performed and rendered.

<u>Trading income</u>

The Group sells a range of engineering spare parts to its customers. Revenue is recognised at a point in time when the control of the goods is transferred to the distributors (i.e. when the goods are delivered in accordance with the applicable incoterms or/and terms and conditions and significant risks and rewards of ownership of the goods have been transferred to the customer).

2. Summary of significant accounting policies (Continued)

2.4 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred, using the effective interest method.

2.5 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2.6 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.7 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

2. Summary of significant accounting policies (Continued)

2.7 Income tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

2.8 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

2.9 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' functional currency at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

2.10 Property, plant and equipment

Leasehold buildings held for use in the production or supply of goods or services, or for administrative purposes, are shown at cost less any subsequent accumulated depreciation, and where applicable, accumulated impairment losses.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

2. Summary of significant accounting policies (Continued)

2.10 Property, plant and equipment (Continued)

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment	3 years
Plant and machinery	3 years
Furniture & fittings	3 – 5 years
Motor vehicles	3 years
Freehold Property	50 years

No depreciation is charged on work in progress as these assets are not yet in use as at the end of the financial year.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

2.11 Impairment of tangible assets

The Group reviews the carrying amounts of its tangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset’s carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2. Summary of significant accounting policies (Continued)

2.11 Impairment of tangible assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets

Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs.

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income (“FVTOCI) and fair value through profit or loss (FVTPL) and fair value through profit or loss (“FVTPL”). The classification at initial recognition depends on the Group’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group’s business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset’s contractual cash flows are solely payments of principal and interest (“SPPI”) on the principal amount outstanding to determine the classification of the financial assets.

2. Summary of significant accounting policies (Continued)

2.12 Financial instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost and debt instruments measured at FVTOCI. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group uses a practical expedient to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivable.

2. Summary of significant accounting policies (Continued)

2.12 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

Other financial liabilities

Trade and other payables

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.4 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Derecognition of financial liabilities

The Group derecognise financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2. Summary of significant accounting policies (Continued)

2.12 Financial instruments (Continued)

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statements of financial position when, and only when, an entity:

(a) Currently has a legally enforceable right to set off the recognised amounts; and
(b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneous.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.14 Leases

The Group as a lessee from 1 January 2019

These accounting policies are applied on and after the initial application date of IFRS 16 (i.e. 1 January 2019).

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under IFRS 16. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

2. Summary of significant accounting policies (Continued)

2.14 Leases (Continued)

The Group as a lessee from 1 January 2019 (Continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

At the lease commencement date, the Group assess and classify each lease as operating lease.

The Group as a lessee before 1 January 2019

Operating Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

2. Summary of significant accounting policies (Continued)

2.15 Provisions

Provisions are recognised when the Group have a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2.16 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events but is not recognised because:
  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

3. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group’s accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.1 Critical judgements made in applying the Group's accounting policies

Determination of functional currency

The Group translates foreign currency items into the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities, judgement is used by the Group to determine the currency of the primary economic environment in which the respective entities operate. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Engineering contracts revenue

The Group recognise engineering contract revenue and contract costs using the percentage-of-completion method based on management's judgement. Significant assumptions are required to estimate the total contract costs which affect the contract costs recognised to date based on the stage of completion. In making these estimates, management has relied on past experience.

The carrying amount of the construction contract work-in-progress as at the end of the reporting period can be subjected to uncertainty in respect of the variation works and estimation of future costs. The Group adopts a conservative approach in evaluating these uncertainties. Refer to Note 11 to the financial statements for the disclosure on the carrying amount of the Group's assets and liabilities arising from contract work-in-progress as at 31 December 2019 and 2018.

Depreciation of property, plant and equipment

The Group depreciated the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Group's property, plant and equipment as at 31 December 2019 was S$4,472,660 (2018: S$1,773,363) (Note 9).

Measurement of ECL of trade receivables and contract assets

The Group used an allowance matrix to measure ECL for trade receivables and contract assets. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables and contract assets. In considering the impact of the economic environment on the ECL rates, the Group assessed, for example, the gross domestic production growth rates of the country and the growth rates of the major industries in which its customers operate. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. No expected loss allowance recognised on the Group's trade receivables and contract assets as at 31 December 2019 (2018: Nil) (Note 11 and 12).

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Provision for income taxes

The Group have exposure to income taxes of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognise liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Group's current tax payable as at 31 December 2019 was S$258,178 (2018: S$695,919).

4. Revenue

	Group 2019 S$	Group 2018 S$
Revenue from contracts with customers (over time)	4,905,052	17,830,612
Service and maintenance income (point in time)	3,409,966	2,294,032
Trading income (point in time)	10,740	43,842
	8,325,758	20,168,486

The Group has applied the practical expedient permitted under IFRS 15 for those performance obligations which are part of contracts that have an original expected duration of one year or less. In addition, variable consideration that is constrained has not been included in the above financial information. Such variable consideration pertains to revenue generated from the contracts with customers.

5. Other income

	Group 2019 S$	Group 2018 S$
Interest income	240,519	1,041
Foreign exchange gain, net	8,797	277
Incentive rebate	10	80,006
Sundry income	-	188
	249,326	81,512

6. Finance costs

	Group 2019 S$	Group 2018 S$
Interest expenses on:		
Interest-bearing loans	123,973	101,735
Trust receipts	23,257	30,028
Hire purchase	1,360	1,644
	148,590	133,407

7. Profit before income tax

The following charges were included in the determination of profit before income tax:

	Group	
	2019 S$	2018 S$
Depreciation	239,023	210,169
Rental of office premise	121,546	89,746
Rental of staff accommodation	6,207	-
Staff costs		
- salaries and related costs	1,416,078	1,342,424
- contributions to defined contribution plan	96,846	131,161

8. Income tax

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17%.

	Group	
	2019 S$	2018 S$
At beginning of the year	695,919	469,979
Payments made during the year	(628,774)	(431,799)
Provision for the year	191,033	657,739
At end of the year	258,178	695,919

	Group	
	2019 S$	2018 S$
- Current year tax	185,925	662,015
- Under/(Over) provision in prior year	5,108	(4,276)
	191,033	657,739

Reconciliation of effective tax rate is as follows:

	2019 S$	2018 S$
Profit before income tax	807,407	3,975,936
Income tax at the rate of 17%	137,259	675,909
Tax effect of:		
- Non-deductible expenses	51,636	19,666
- Timing differences	34,394	35,729
- Tax incentives and rebates	(19,939)	(46,015)
Tax effect statutory stepped income exemption	(17,425)	(25,925)
Under/(Over) provision in prior year	5,108	(4,276)
Others	-	2,651
	191,033	657,739

9. Property, plant and equipment

Group	Office equipment S$	Plant & Machinery S$	Furniture & fittings S$	Motor vehicles S$	Freehold property S$	Work-in-progress S$	Total S$
Cost							
At 1 January 2018	165,369	30,000	262,573	177,000	1,638,360	-	2,273,302
Additions	26,338	-	2,591	53,025	-	-	81,954
At 31 December 2018	191,707	30,000	265,164	230,025	1,638,360	-	2,355,256
Additions	12,246	112,824	7,330	-	1,797,100	1,008,820	2,938,320
At 31 December 2019	203,953	142,824	272,494	230,025	3,435,460	1,008,820	5,293,576
Accumulated depreciation							
At 1 April 2018	123,229	30,000	109,328	87,167	22,000	-	371,724
Depreciation	41,082	-	81,412	76,675	11,000	-	210,169
At 31 December 2018	164,311	30,000	190,740	163,842	33,000	-	581,893
Depreciation	22,699	34,250	76,003	48,508	57,563	-	239,023
At 31 December 2019	187,010	64,250	266,743	212,350	90,563	-	820,916
Carrying amount							
At 31 December 2019	16,943	78,574	5,751	17,675	3,344,897	1,008,820	4,472,660
At 31 December 2018	27,396	-	74,424	66,183	1,605,360	-	1,773,363

9. Property, plant and equipment (Continued)

Company	Office equipment S$	Plant & Machinery S$	Furniture & fittings S$	Motor vehicles S$	Freehold property S$	Total S$
Cost						
At 1 January 2018	165,369	30,000	262,573	177,000	1,638,360	2,273,302
Additions	26,338	-	2,591	53,025	-	81,954
At 31 December 2018	191,707	30,000	265,164	230,025	1,638,360	2,355,256
Additions	12,246	102,750	7,330		1,797,100	1,919,426
At 31 December 2019	203,953	132,750	272,494	230,025	3,435,460	4,274,682
Accumulated depreciation						
At 1 April 2018	123,229	30,000	109,328	87,167	22,000	371,724
Depreciation	41,082	-	81,412	76,675	11,000	210,169
At 31 December 2018	164,311	30,000	190,740	163,842	33,000	581,893
Depreciation	22,699	34,250	76,003	48,508	57,563	239,023
At 31 December 2019	187,010	64,250	266,743	212,350	90,563	820,916
Carrying amount						
At 31 December 2019	16,943	68,500	5,751	17,675	3,344,897	3,453,766
At 31 December 2018	27,396	-	74,424	66,183	1,605,360	1,773,363

Included in freehold property is an office building with an estimated cost of S$550,000 which is depreciated over 50 years. The freehold property with net book value of S$3,344,897 (2018: S$1,605,360) is mortgaged to obtain interest-bearing loans.

The Group had motor vehicles under hire-purchase contracts with net book value of Nil (2018: S$66,183) as disclosed in Note 18.

10. Investments in subsidiaries

	2019 S$	2018 S$
Unquoted equity share, at cost	599,972	-

The details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation and principal place of business	Principal activities	Effective equity held by the Company 2019 %	2018 %
Held directly by the Company				
Shanghai Xin Da Process Engineering Co., Ltd. (1)	Shanghai, China	Engineering services	100	100
Springleaf-Biomax (Shanghai) Pte. Ltd. (1)	Shanghai, China	Provide waste management solutions in China	60	-

(1) Audited by Shanghai Xuanhe Certified Public Accountants, Shanghai, China
(2) Audited by Shanghai Haoyin CPA Partnership, Shanghai, China

On 13 July 2018, Shanghai Xin Da Process Engineering Co. Ltd, a wholly owned subsidiary of the Company, was incorporated in Shanghai, China. The subsidiary company is principally engaged in the business of engineering services and yet to commence business as at end of report date. As at end of report date, no capital injection into the subsidiary.

On 30 May 2019, Springleaf-Biomax (Shanghai) Pte. Ltd. a 60% owned subsidiary of the Company, was incorporated in Shanghai, China. The subsidiary company is principally engaged in the business of providing waste management solutions in China. As at 31 December 2019, the Company has invested S$599,972 into the subsidiary.

The Group has the following subsidiary which have non-controlling interest that are material to the Group:

Subsidiary	Proportion of ownership interest held by NCI 2019 %	2018 %	Profit/(Loss) allocated to NCI during the financial year 2019 S$	2018 S$	Accumulated NCI at the reporting date 2019 S$	2018 S$
Springleaf-Biomax (Shanghai) Pte. Ltd.	40	40	(72,940)	-	(72,940)	-

10. Investments in subsidiaries (Continued)

Summarised financial information (before intercompany eliminations):

	2019 S$
Assets	1,666,604
Non-current	1,018,894
Current	647,710
Liabilities	1,246,667
Current	1,246,667
Net assets	2,913,271
Revenue	-
Profit after taxation	(182,351)
Total comprehensive income	(182,351)

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group except cash and cash equivalents of S$52,322 (2018: Nil) as at 31 December 2019 held in People's Republic of China are subject to local exchange control regulations which restrict the amount of currency to be exported other than through dividends.

11. Contract assets and liabilities from contracts with customers

	Group and Company	
	2019 S$	2018 S$
Contract assets		
Unbilled revenue	576,809	726,991
Contract liabilities		
Advance consideration	-	827,226

The unbilled revenue relates to the revenue recognised to date but has not been invoiced to the customer as at the financial year end and is transferred to trade receivables at the point when it is invoiced to the customers.

Advance consideration relates to advances received for provision of engineering services. Revenue for installation services is recognised over time although the customer pays for the services at the contract inception date. A contract liability is recognised for the advances received from the customers and is derecognised as and when the performance obligation is satisfied.

There is no significant change in the contract assets balances during the reporting period. Contract liabilities for the financial year ended 31 December 2019 decreased due to more advances released with the completion of projects during the financial year.

12. Trade and other receivables

	Group		Company	
	2019 S$	2018 S$	2019 S$	2018 S$
Trade receivables				
- Third parties	1,637,055	4,486,924	1,637,055	4,486,924
Other receivables				
- Third parties	1,498,352	-	1,498,352	-
- Subsidiary	-	-	1,248,820	-
	3,135,407	4,486,924	4,384,227	4,486,924
Deposits	1,681,976	734,267	1,086,588	734,267
Prepayments	168,854	-	168,854	-
Total	4,986,237	5,221,191	5,639,669	5,221,191

Trade receivables are non-interest bearing and the average credit period is 30 (2018: 30) days according to the terms agreed with the customers. These are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the other receivables is a loan to a supplier, with an carrying amount as at 31 December 2019 was S$1,040,000 (2018: Nil). The loan is unsecured and bears interest 2% per month. The loan will be due on 30 June 2020.

Also included in the other receivables is a Keyman insurance purchased where the proposer as well as the premium payer is the Company. The life to be insured is that of the Company's key employee and the benefit, in case of a claim, goes to the Company. As at 31 December 2019, the fair value of the investment amounting to S$458,352 is based on the guaranteed cash surrender value as agreed in the insurance policy.

The non-trade amounts due from a subsidiary are unsecured, interest-free and repayable on demand.

The currency profile of the Group's and Company's trade and other receivables is as follows:

	Group		Company	
	2019 S$	2018 S$	2019 S$	2018 S$
Singapore dollar	2,687,926	4,882,939	2,687,926	4,882,939
United States dollar	1,702,923	338,252	2,951,743	338,252
Chinese renminbi	595,388	-	-	-
Total	4,986,237	5,221,191	5,639,669	5,221,191

13. Amount due from a shareholder

In prior year, amount due from a shareholder is non-trade in nature, unsecured, interest-free, repayable on demand advances for business expenses and denominated in Singapore dollar. The amount has been fully settled in the current financial year.

14. Fixed deposit

In 2019, the fixed deposit is pledged to bank as security for banking facilities extended to the Group. It has a maturity period of 366 days and bears an interest of 1.4% per annum.

15. Cash and cash equivalents

	Group		Company	
	2019 S$	2018 S$	2019 S$	2018 S$
Cash on hand	8,529	3,490	8,529	3,490
Bank balances	1,689,405	5,116,065	1,637,073	5,116,065
Total	1,697,934	5,119,555	1,645,602	5,119,555

The currency profile of the Group's and Company's cash and cash equivalents is as follows:

	Group		Company	
	2019 S$	2018 S$	2019 S$	2018 S$
Singapore dollar	857,414	5,113,171	857,414	5,113,171
United States dollar	788,188	6,384	788,188	6,384
Chinese renminbi	52,332	-	-	-
Total	1,697,934	5,119,555	1,645,602	5,119,555

16. Share capital

	2019		2018	
	Number of shares	S$	Number of shares	S$
Issued and fully paid:				
At beginning of financial year	308,000	370,000	308,000	370,000
Issuance of new shares	30,495	99,403	-	-
At the end of the year	338,495	469,403	308,000	370,000

On 23 August 2019, the Company has issued 30,495 ordinary shares with S$3.26 per share. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company. All issued ordinary shares are fully paid. There are no par values for these ordinary shares.

17. Interest bearing loans and borrowings

	Group and Company	
	2019 S$	2018 S$
Interest bearing loans and borrowings	4,641,284	3,692,053
Less: Amount due for settlement within 12 months (shown under current liabilities)	1,540,134	1,804,431
Amount due for settlement after 12 months	3,101,150	1,887,622

The Interest-bearing term loans are secured by the following:

(i) Joint and personal guarantees by the directors of the Company.
(ii) Mortgage over property located at 421 Tagore Industrial Avenue #01-28 Tagore 8 Singapore 787805.
(iii) Mortgage over property located at 31 Bukit Batok Crescent #01-19 Singapore 658070

The Group's Interest-bearing loans borrowings has an effective interest rate of 3.53% (2018: 4.10%) and were denominated in Singapore dollars as at the reporting date.

18. Finance lease payables

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group and Company			
	2019 S$		2018 S$	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	-	-	23,513	22,912
After one year but within five years	-	-	-	-
Total minimum lease payments	-	-	23,513	22,912
Less: Future finance charges	-	-	(601)	-
Present value of minimum lease payments	-	-	22,912	-

In prior year, the finance lease terms range from 2 to 3 years.

The effective interest rates charged during the financial year range from 2.98% (2018: 2.98%) per annum. Interest rates are fixed at the contract dates, and hence the Group is not exposed to fair value interest rate risk. As at the end of the financial year, the fair values of the Group's finance lease obligations approximate their carrying amounts.

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Finance lease payables are denominated in Singapore dollar as at reporting date.

19. Trade and other payables

	Group		Company	
	2019 S$	2018 S$	2019 S$	2018 S$
Trade payables	622,705	1,502,327	622,705	1,502,327
Dividends payable	700,000	-	700,000	-
Accruals	477,437	712,862	471,310	712,862
GST payables	40,598	252,517	40,598	252,517
Deposit received	645,000	-	15,000	-
Other payables	3,236	-	628,641	-
Total	2,488,976	2,467,706	2,478,254	2,467,706

Trade payables are non-interest bearing and the average credit period on purchases of goods ranges from 30 to 60 (2018: 30 to 60) days according to the terms agreed with the suppliers.

Deposit received mainly consists of advance consideration received from the non-brokered private placement which was completed on 3 January 2020 (Note 26).

19. Trade and other payables (Continued)

The currency profile of the Group's and Company's trade and other receivables is as follows:

	Group		Company	
	2019	2018	2019	2018
	S$	S$	S$	S$
Singapore dollar	2,478,254	2,467,706	2,478,254	2,467,706
Chinese renminbi	10,723	-	-	-
Total	2,488,976	2,467,706	2,478,254	2,467,706

20. Dividends declared

	Company	
	2019	2018
	S$	S$
Declared during the financial year:		
Interim tax-exempt (one-tier) dividend of S$5.91 (2018: S$6.49) per share in respect of the financial year then ended	2,000,000	2,000,000
Dividends were settled as follows:		
Cash paid during the financial year		
Interim tax-exempt (one-tier) dividend in respect of the financial year ended:		
31 December 2019	1,300,000	-
31 December 2018	-	2,000,000

21. Operating lease commitments

The Group as the lessee

During the financial year ended 31 December 2018, the Group lease office space under operating leases. The lease in respect of the space runs for an initial period of 1-2 years, with an option to renew the lease subject to certain conditions being met.

At the end of the reporting date, the Group have commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises and operating facilities as follows:

Group and Company	2018
	S$
Future minimum lease payments payable:	
Within one year	90,000
After 1 year but within 5 years	38,000
	128,000

Operating lease payments represent rents payable by the Company for office space. The lease payment is increased upon renewal to reflect market rentals.

22. Significant related party transactions

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the Company if that person:
- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(ii) An entity is related to the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Company entered into the following transactions with related parties:

	Company	
	2019	2018
	S$	S$
Sale to a subsidiary	1,008,820	-
Loan to a subsidiary	240,000	-

Key management personnel:

	Group and Company	
	2019	2018
	S$	S$
Remuneration		
- Directors' fees	-	40,000
- Directors' remuneration	234,525	283,000
- Central Provident Fund contributions for the Directors	27,935	33,448
	262,460	356,448
Commission		
- Directors	-	400,000

23. Fair value of assets and liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and payables, approximate their respective fair values due to the relative short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair value of the non-current finance lease payables and non-current interest-bearing loans and borrowings approximate their carrying amounts as the borrowings were entered into at market lending rates for similar types of instruments at the end of the reporting period.

24. Financial instruments and financial risks

The Group's activities expose it to credit risk, market risk (including foreign currency risk and interest rate risk) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

Risk management is integral to the whole business of the Group. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposure is measured using sensitivity analysis indicated below.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises mainly from bank balances and trade receivables. Bank balances are mainly deposits with banks with high credit-ratings and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risks, the Group categorises the aforementioned financial assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received for accounts due for more than 90 days.

Due to the nature of the industry that the Group operates in, the Group has rebutted the presumption that default has taken place when a financial asset is more than 30 days past due as per IFRS 9.

In their assessment, the management considers, amongst other factors, historical credit experiences and latest available financial information.

24. Financial instruments and financial risks (Continued)

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group’s future outlook of the industry in which the debtor operates and the most recent news or market talks about the debtor, as applicable.

In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties’ financial condition and generally does not require collateral.

The Group do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

24. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Note 4. Write off

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Trade receivables (Note 12) and contract assets (Note 11)

The Group uses the practical expedient under IFRS 9 in the form of allowance matrix to measure the ECL for trade receivables and contract assets, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables and contract assets are estimated using an allowance matrix by reference to the historical credit loss experience of the receivables for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the respective countries and the growth rates of the major industries which its customers operate in.

Trade receivables and contract assets are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there is no reasonable expectations for recovering the outstanding balances.

In determining the credit risk for trade receivables and contract assets, the management considers, amongst other factors, particularly, its historical credit experiences, its subsequent collection and adjusted for the outlook of industry and economy. Using lifetime ECL, the Group determined that the ECL is insignificant.

The loss allowance for trade receivables and contract assets are determined as follows:

	Current	Past due more than 1 to 30 days	Past due more than 31 to 60 days	Past due more than 61 to 90 days	Past due more than 90 days	Total
31 December 2019						
Group and Company						
Expected credit loss rates	0%	0%	0%	0%	100%	
Trade receivables (gross)	884,609	247,373	164,918	340,155	-	1,637,055
Contract assets (gross)	902,903	-	-	-	-	902,903
Loss allowance	-	-	-	-	-	-
31 December 2018						
Group and Company						
Expected credit loss rates	0%	0%	0%	0%	100%	
Trade receivables (gross)	3,746,878	615,417	117,984	6,645	-	4,486,924
Contract assets (gross)	726,991	-	-	-	-	726,991
Loss allowance	-	-	-	-	-	-

24. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Other receivables (Note 12)

As of 31 December 2019, the Group recorded other receivables totalling S$3,349,182 (2018: S$734,267). The Group assessed the latest performance and financial position of the receivables, adjusted for the future outlook of the industry which the related party operates in, by referring to expert publications on the industry, and for any market talks on the related party's credit reputation and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial asset. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Trade receivables that are past due but not impaired are substantially companies with a good collection track record with the Group.

At the end of the reporting date, trade receivables from 1 (2018: 1) customer accounted for approximately 64% (2018: 85%) of total trade receivables of the Group. The remaining balance is spread over numbers of diversified customers.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Exposure to currency risk

The Group incurs foreign currency risk on sales that are denominated in currencies other than Singapore dollar. The currency giving rise to this primarily is United States dollar ("USD"). Balances denominated in other foreign currencies have inconsequential risks.

The carrying amounts of the Group's and Company's USD denominated monetary assets as at the end of the financial year are as follows:

	Group		Company	
	2019 S$	2018 S$	2019 S$	2018 S$
Trade and other receivables	1,702,923	338,252	2,951,743	338,252
Cash and cash equivalents	788,188	6,384	788,188	6,384
Total	2,491,111	344,636	3,739,931	344,636

24. Financial instruments and financial risks (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

Foreign currency sensitivity analysis

The Group is mainly exposed to United States dollar.

The following table details the Group's sensitivity to a 10% (2018: 10%) change in various foreign currencies against Singapore dollar ("SGD"). The sensitivity analysis assumes an instantaneous 10% (2018: 10%) change in the foreign currency exchange rates from the end of the financial year, with all variables held constant.

	Group		Company	
	2019 S$	2018 S$	2019 S$	2018 S$
Strengthens/weakens against SGD				
United States dollar	249,111	34,464	373,993	34,464

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Group's interest rate risk relates to interest-bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

The Group's interest rate risk arises primarily from the floating rate borrowings with financial institutions.

Group and Company	**Principal** **S$**	**Interest rate range**
2019		
Interest-bearing loans and borrowings	4,641,284	4.20% - 10%
2018		
Interest-bearing loans and borrowings	3,692,053	1.88% - 9.00%

24. Financial instruments and financial risks (Continued)

Market risk (Continued)

Interest rate risk (Continued)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk for both derivatives and non-derivative instruments at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 1% (2018: 1%) change in the interest rates from the end of the financial year, with all variables held constant.

Group and Company	Increase/Decrease in Profit or Loss	
	2019	2018
	S$	S$
Interest bearing loans and borrowings	41,667	24,811

Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle.

The Group's operations are financed mainly through equity and borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required. The ultimate holding company has undertaken to provide financial support to the Group to meet its liabilities as and when due.

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

24. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

Group	1 year or less S$	1 to 5 years S$	More than 5 years S$	Total S$
2019				
Undiscounted financial assets:				
Trade and other receivables (excluding prepayments)	4,817,383	-	-	4,817,383
Fixed deposit	500,000	-	-	500,000
Cash and cash equivalents	1,697,934	-	-	1,697,934
	7,015,317	-	-	7,015,317
Undiscounted financial liabilities:				
Trade and other payables (excluding deposit received)	1,843,976	-	-	1,843,976
Interest-bearing loans and borrowings	1,703,475	3,510,786	1,455,218	6,669,479
	3,547,451	3,510,786	1,455,218	8,513,455
	3,467,866	(3,510,786)	(1,455,218)	(1,498,138)
2018				
Undiscounted financial assets:				
Trade and other receivables (excluding prepayments)	5,221,191	-	-	5,221,191
Amount due from a shareholder	1,000,000	-	-	1,000,000
Cash and cash equivalents	5,119,555	-	-	5,119,555
	11,340,746	-	-	11,340,746
Undiscounted financial liabilities:				
Trade and other payables (excluding deposit received)	2,463,254	-	-	2,467,706
Interest-bearing loans and borrowings	1,934,226	1,159,252	1,643,841	4,737,319
Finance lease payables	22,912	-	-	22,912
	4,424,844	2,803,093	1,643,841	7,227,937
Total net undiscounted financial assets/ (liabilities)	6,915,902	(1,159,252)	(1,643,841)	4,112,809

24. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

Company	1 year or less S$	1 to 5 years S$	More than 5 years S$	Total S$
2019				
Undiscounted financial assets:				
Trade and other receivables (excluding prepayments)	5,470,815	-	-	5,470,815
Fixed deposit	500,000			500,000
Cash and cash equivalents	1,645,602	-	-	1,645,602
	7,616,417	-	-	7,616,417
Undiscounted financial liabilities:				
Trade and other payables (excluding deposit received)	1,833,253	-	-	1,833,253
Interest-bearing loans and borrowings	1,703,475	3,510,786	1,455,218	6,669,479
	3,536,728	3,510,786	1,455,218	8,502,732
Total net undiscounted financial assets/ (liabilities)	4,079,689	(3,510,786)	(1,455,218)	(886,315)
2018				
Undiscounted financial assets:				
Trade and other receivables (excluding prepayments)	5,221,191	-	-	5,221,191
Amount due from a shareholder	1,000,000	-	-	1,000,000
Cash and cash equivalents	5,119,555	-	-	5,119,555
	11,340,746	-	-	11,340,746
Undiscounted financial liabilities:				
Trade and other payables (excluding deposit received)	2,463,254	-	-	2,467,706
Interest-bearing loans and borrowings	1,934,226	1,159,252	1,643,841	4,737,319
Finance lease payables	22,912	-	-	22,912
	4,424,844	2,803,093	1,643,841	7,227,937
Total net undiscounted financial assets/ (liabilities)	6,915,902	(1,159,252)	(1,643,841)	4,112,809

25. Capital management policies and objectives

The Group manages its capital to ensure that the Group is able to continue as a going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Group consists equity attributable to owners of the Group, comprising issued share capital and unappropriated profit as disclosed in the statements of changes in equity.

The Group's management reviews the capital structure on a regularly basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends to shareholders and return capital to shareholders or issue new shares. The Group's overall strategy remains unchanged from 31 December 2018.

26. Subsequent events

a) On 3 January 2020, the Company completed a non-brokered private placement, raising aggregate gross proceeds of S$630,000 through the issuance of 11,815 ordinary shares, at an average price of S$53.32 per share.

b) On 3 January 2020 and 4 March 2020, two tranches of capital injection totaling S$742,673 were made by the Company to its subsidiary, Springleaf-Biomax (Shanghai) Pte Ltd. The additional investment is proportionate to the Company's 60% interest in the subsidiary.

c) On 30 January 2020, the Company entered into a share exchange agreement (the "Share Exchange Agreement") with SLE Synergy Ltd., ("SLE") a company incorporated in British Columbia, which upon completion, will result in the Company becoming a 100% wholly owned subsidiary of SLE. In conjunction with the Transaction, SLE will file a non-offering prospectus ("NOP") that will result in it becoming a reporting issuer and will apply to list (the "Listing") its common shares (the "Common Shares") on the Canadian Securities Exchange ("CSE"). Upon completion of the Transaction, SLE will carry on the business of the Company.

   Pursuant to the Share Exchange Agreement, in consideration for the Transaction, SLE shall, upon completion of the Transaction, issue 43,952,082 Common Shares for the 350,310 Springleaf Shares issued and outstanding, at a deemed price of $0.50 per Common Share.

   The Transaction will constitute a reverse takeover transaction. The closing of the Transaction contemplated by the Share Exchange Agreement is subject to certain conditions, including:

   (i) obtaining all necessary regulatory approvals, including the approval of the CSE (including without limitation the CSE being satisfied that after the closing of the Transaction, SLE will satisfy the CSE's minimum listing requirements;

   (ii) obtaining all necessary shareholder and director approvals and consents;

   (iii) obtaining approval of the listing of the Common Shares on the CSE and filing a final prospectus; and

   (iv) other conditions under the Share Exchange Agreement which are typical for this type of transaction.

26. Subsequent events (Continued)

d) The outbreak of the COVID-19, which started in late January 2020 in Wuhan, China has now become a global pandemic. Financial markets all over the world have fallen hard in recent weeks. Measures to curb the spread of the virus, including lockdowns and movement restrictions have significant negative economic and social impacts as normal daily activities are being disrupted. Therefore, it is challenging now to predict the full extent and duration of its business and economic impact.

The extent and duration of such impacts remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of COVID-19 and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorisation of these financial statements. These developments could impact our future financial results, cash flows and financial condition.

Our operations in Singapore and China though far been free from Convid-19 incidents but the movement restrictions imposed by the Chinese government in early February has slow down our China operations. Singapore government started to impose Circuit Breaker Period in early of April, however our Singapore operation has yet to suffer the direct impact as we are still receiving orders from our clients as of to date. Singapore operation granted exemption to continue operate during this Circuit Breaker Period as most of our clients are under essential services sector.

Our operations, cash flows and financial condition could be negatively affected due to the following:

(i) if employees are quarantined as the result of exposure to COVID-19, this could result to disruption of operations;

(ii) the impact on the Singapore economic environment and Group’s debtors will have to be taken into account in the Company’s estimates of ECL provision in financial year 2020; and

(iii) similarly, travel restrictions or operational issues resulting from the rapid spread of COVID-19 may have material adverse effect on our business and results of operations.

SPRINGLEAF ENGINEERING PTE. LTD. AND ITS SUBSIDIARY
(Registration Number: 201229604E)

DIRECTORS' STATEMENT
AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

MAZARS LLP
Public Accountants and
Chartered Accountants
Singapore

SPRINGLEAF ENGINEERING PTE. LTD. AND ITS SUBSIDIARY

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

TABLE OF CONTENTS

The directors of Springleaf Engineering Pte. Ltd. (the "Company") present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2018, the statement of financial position and statement of changes in equity of the Company as at 31 December 2018.

1. Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Lim Chor Ghee
Lim Hong Beng

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects was, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, the directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations, except as stated below:

Name of the directors and respective companies in which interests are held	At beginning of the financial year	At end of the financial year
The Company		
Lim Chor Ghee	198,800	198,800
Lim Hong Beng	56,000	56,000

5. Share options

There were no share options granted by the Company during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares under option in the Company as at the end of the financial year.

6. Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

"Vincent Lim"
Lim Chor Ghee
Director

"Ben Lim"
Lim Hong Beng
Director

Singapore
10 October 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPRINGLEAF ENGINEERING PTE. LTD.

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Springleaf Engineering Pte. Ltd. (the "Company") and its subsidiary (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 December 2018, the consolidated statements of profit or loss and other comprehensive income, consolidated changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matters

The financial statements of the Company for the financial year ended 31 December 2017 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 4 June 2018.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

135 Cecil Street, #10-01 MYP Plaza, Singapore 069536
Tel: (65) 6224 4022 - Fax: (65) 6225 3974 - www.mazars.sg

Mazars LLP
玛泽有限责任合伙会计师事务所
Chartered Accountants of Singapore

Report on the Audit of Financial Statements (Continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and IFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
10 October 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 S$
Revenue	4	20,168,486
Cost of sales		(13,303,457)
Gross profit		6,865,029
Other income	5	81,512
Administrative expenses		(468,976)
Other operating expenses		(2,368,222)
Finance costs	6	(133,407)
Profit before income tax	7	3,975,936
Income tax	8	(657,739)
Profit for the financial year, representing total comprehensive profit for the financial year		3,318,197

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	Group 2018 S$	Company 2018 S$	Company 2017 S$
ASSETS				
Non-current assets				
Property, plant and equipment	9	1,773,363	1,773,363	1,901,578
Investment in subsidiary	10	-	-	-
Total non-current assets		1,773,363	1,773,363	1,901,578
Current assets				
Contract assets	11	726,991	726,991	970,532
Trade and other receivables	12	5,221,191	5,221,191	3,349,531
Amount due from a shareholder	13	1,000,000	1,000,000	300,000
Fixed deposit	14	-	-	200,385
Cash and cash equivalents	15	5,119,555	5,119,555	1,454,848
Total current assets		12,067,737	12,067,737	6,275,296
Total assets		13,841,100	13,841,100	8,176,874
EQUITY AND LIABILITIES				
Equity				
Share capital	16	370,000	370,000	370,000
Retained earnings		5,765,284	5,765,284	4,447,087
Total equity		6,135,284	6,135,284	4,817,087
Non-current liabilities				
Interest bearing bank loan and borrowings	17	1,887,622	1,887,622	1,186,513
Finance lease payables	18	-	-	22,916
Total non-current liabilities		1,887,622	1,887,622	1,211,900
Current liabilities				
Contract liabilities	11	827,226	827,226	-
Trade and other payables	19	2,467,706	2,467,706	1,569,150
Interest bearing bank loan and borrowings	17	1,804,431	1,804,431	83,729
Finance lease payables	18	22,912	22,912	27,500
Income tax payable	8	695,919	695,919	469,979
Total current liabilities		5,818,194	5,818,194	2,147,887
Total liabilities		7,705,816	7,705,816	3,359,787
Total equity and liabilities		13,841,100	13,841,100	8,176,874

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Group and Company	Share capital S$	Retained earnings S$	Total S$
Balance at 1 January 2017	370,000	3,228,093	3,598,093
Dividends declared and paid (Note 20)	-	(1,227,185)	(1,227,185)
Profit for the financial year, representing total comprehensive loss for the financial year	-	2,446,179	2,446,179
Balance at 31 December 2017	370,000	4,447,087	4,817,087
Dividends declared and paid (Note 20)	-	(2,000,000)	(2,000,000)
Profit for the financial year, representing total comprehensive loss for the financial year	-	3,318,197	3,318,197
Balance at 31 December 2018	370,000	5,765,284	6,135,284

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 S$
Operating activities		
Profit before income tax		3,975,936
Adjustments for:		
Depreciation	9	210,169
Interest expenses	6	133,407
Interest income		(1,041)
Unrealised exchange gain		(277)
Operating cash flows before movements in working capital		4,318,194
Changes in working capital:		
Contract assets		243,541
Trade and other receivables		(1,871,383)
Contract liabilities		827,226
Trade and other payables		898,556
Cash generated from operating activities		4,416,134
Interest received		1,041
Income tax paid		(431,799)
Net cash generated from operating activities		3,985,376
Investing activities		
Purchase of plant and equipment	10	(81,954)
Amount due from shareholder		(700,000)
Redemption of fixed deposit pledged		200,385
Net cash used in investing activities		(581,569)
Financing activities		
Dividends paid	20	(2,000,000)
Repayment of finance lease payables		(27,504)
Drawdown of Interest bearing loans and borrowings	18	2,502,801
Repayment of interest bearing bank loans and borrowings		(80,990)
Interest paid		(133,407)
Net cash generated from financing activities		260,900
Net increase in cash and cash equivalents		3,664,707
Cash and cash equivalents at beginning of financial year		1,454,848
Cash and cash equivalents at end of financial year	15	5,119,555

Reconciliation of assets/(liabilities) arising from financing activities

	1 January 2018	Financing cash inflows	Financing cash outflows	31 December 2018
	S$	S$	S$	S$
Liabilities				
Interest bearing bank loan and borrowings	1,270,242	2,502,801	(80,990)	3,692,053
Finance lease payables	50,416	-	(27,504)	22,912

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Springleaf Engineering Pte. Ltd. (the "Company") (Registration Number: 201229604E) is incorporated and domiciled in Singapore with its registered and principal place of business located at 421 Tagore Industrial Avenue, #01-28 Tagore 8, Singapore 787805.

The principal activities of the Company are to carry on engineering activities. The Company currently operates in Singapore and Myanmar through a branch office.

The principal activities of the subsidiary is disclosed in Note 10 to the financial statements.

The financial statements of the Group for the financial year ended 31 December 2018 were authorised for issue by the Board of Directors on the date of the Directors' Statement.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the provision of the Singapore Companies Act, Chapter 50 and International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB") and the Interpretations to IFRS ("IFRICs") Issued by the International Financial Reporting Interpretations Committee ("IFRIC") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements of the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group are presented in Singapore dollar (the "SGD" or "S$") which is also the functional currency of the Company, unless otherwise indicated.

In the current financial year, the Group has adopted all the new and revised IASs, IFRSs and IFRICs that are relevant to its operations and effective for the current financial year. The adoption of these new and revised IFRSs and IFRICs did not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation

IASs, IFRSs and IFRICs issued but not yet effective

At the date of authorisation of these financial statements, the following IASs, IFRSs and IFRICs were issued but not yet effective:

IASs, IFRSs and IFRICs	Title	Effective date (annual periods beginning on or after)
IAS 19	Amendments to IAS 19: *Plan Amendment, Curtailment or Settlement*	1 January 2019
IAS 28	Amendments to IAS 28: *Long-term Interests in Associates and Joint Ventures*	1 January 2019
IAS 1, IAS 8	Amendments to IAS and IAS 8: *Definition of Material*	1 January 2020
IFRS 3	Amendments to IFRS 3: Definition of a Business	1 January 2020
IFRS 9	Amendments to IFRS 9: *Prepayment Features with Negative Compensation*	1 January 2019
IFRS 10, IAS 28	Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
IFRS 16	Leases	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
Various	Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
	Amendments to illustrative examples, implementation guidance and IFRS practice statements	
Various	Annual Improvements to IFRSs 2015-2017 Cycle - Amendments to IFRS 3 *Business Combinations: Additional guidance for applying the acquisition method to particular types of business combinations* - Amendments to IFRS 11 *Joint Arrangements: Accounting for acquisition of interests in joint operations* - Amendments to IAS 12 *Income taxes: Measurement, Recognition of current and deferred tax and borrowing costs* - Amendments to IAS 23 Borrowing costs: *Borrowing costs eligible for capitalisation*	1 January 2019

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Group and Company has not early adopted any of the above new or revised standards, interpretations and amendments to the existing standards in the financial year ended 31 December 2018. Management anticipates that the adoption of the aforementioned new or revised standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

IFRS 116 Leases

IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives*, and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* to set out the principles for the recognition, measurement, presentation and disclosure of leases. The changes introduced by IFRS 16 will primarily affect the financial statements of the lessees.

IFRS 16 requires, with limited exceptions, the lessee to recognise, at initial recognition, lease liabilities, measured at the present value of lease payments that are not paid as of that date to reflect the present value of the future lease payments, and right-of-use assets at cost, comprising elements including the amount of the initial measurement of the lease liabilities, initial direct costs incurred by the lessee and estimates of other contracted costs to be incurred by the lessee, for its lease contracts. Leases of "low-value" assets and qualifying short-term leases entered into by lessees can be exempted from the new recognition criteria.

Preliminarily, based on the currently known and reasonably estimable information relevant to its assessment, the Company does not expect any significant impact on its financial statements as a lessor in the initial adoption of IFRS 16.

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiary. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2.3 Revenue recognition

The Group is principally in the business of providing engineering services. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

Engineering contracts

The group provides engineering services such as project management and detail design, build and installation of systems.

Revenue from the engineering contracts are recognised over time, using the input method to measure progress towards complete satisfaction of the service, as the customer simultaneously receives and consumes the benefits provided by the Group. In the application of the input method, the Group has used cost-to-cost method (i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated contract costs). Contract costs are mainly driven by labour costs. Accordingly, in view of the nature of the installation service, management considers that this input method is most appropriate in measuring the progress towards complete satisfaction of these performance obligations under IFRS 115.

2. Summary of significant accounting policies (Continued)

2.3 Revenue recognition (Continued)

Rendering of services

The Group provides comprehensive maintenance services after project installation.

Revenue from rendering of services is recognised at a point of time when the services have been performed and rendered.

Trading income

The Group sells a range of engineering spare parts to its customers. Revenue is recognised at a point in time when the control of the goods is transferred to the distributors (i.e. when the goods are delivered in accordance with the applicable incoterms or/and terms and conditions and significant risks and rewards of ownership of the goods have been transferred to the customer).

2.4 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred, using the effective interest method.

2.5 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2.6 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.7 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

2. Summary of significant accounting policies (Continued)

2.7 Income tax (Continued)

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

2.8 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

2.9 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' functional currency at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

2. Summary of significant accounting policies (Continued)

2.9 Foreign currency transactions and translation (Continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

2.10 Property, plant and equipment

Leasehold buildings held for use in the production or supply of goods or services, or for administrative purposes, are shown at cost less any subsequent accumulated depreciation, and where applicable, accumulated impairment losses.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment	3 years
Plant & machinery	3 years
Furniture & fittings	3 – 5 years
Motor Vehicles	3 years
Freehold Property	50 years

No depreciation is charged on building under construction as these assets are not yet in use as at the end of the financial year.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

2. Summary of significant accounting policies (Continued)

2.11 Impairment of tangible assets

The Group reviews the carrying amounts of its tangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial instruments from 1 January 2018

These accounting policies are applied on and after the initial application date of IFRS 9, 1 January 2018.

2. Summary of significant accounting policies (Continued)

2.12 Financial instruments (Continued)

Financial instruments from 1 January 2018 (Continued)

Financial assets

Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs.

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI) and fair value through profit or loss (FVTPL) and fair value through profit or loss ("FVTPL"). The classification at initial recognition depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost and debt instruments measured at FVTOCI. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

2. Summary of significant accounting policies (Continued)

2.12 Financial instruments (Continued)

Financial instruments from 1 January 2018 (Continued)

Financial assets (Continued)

Impairment of financial assets

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group uses a practical expedient to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivable.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

2. Summary of significant accounting policies (Continued)

2.12 Financial instruments (Continued)

Financial instruments from 1 January 2018 (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

Other financial liabilities

Trade and other payables

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and borrowings

Interest-bearing bank loans and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.4 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Derecognition of financial liabilities

The Group derecognise financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statements of financial position when, and only when, an entity:

(a) Currently has a legally enforceable right to set off the recognised amounts; and
(b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

Financial assets before 1 January 2018

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale ("AFS") financial assets. The classification at initial recognition depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

The Group's financial assets consists only loans and receivables.

2. Summary of significant accounting policies (Continued)

2.12 Financial instruments (Continued)

Financial assets before 1 January 2018 (Continued)

Loans and receivables

A financial asset is classified as loans and receivables if the financial asset is non-derivatives with fixed or determinable payments that are not quoted in an active market. The Group's loans and receivables comprise trade and other receivables and bank balances. They are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognise a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2. Summary of significant accounting policies (Continued)

2.14 Leases

Finance leases

Lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is recognised as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to the acquisition, construction of production of qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (Note 2.4).

Operating leases

Lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.15 Provisions

Provisions are recognised when the Group have a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2. Summary of significant accounting policies (Continued)

2.16 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events but is not recognised because:
  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

3. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

Determination of functional currency

The Group translates foreign currency items into the respective functional currencies of the Company and its subsidiary. In determining the functional currencies of the respective entities, judgement is used by the Group to determine the currency of the primary economic environment in which the respective entities operate. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Engineering contracts revenue

The Group recognise engineering contract revenue and contract costs using the percentage-of-completion method based on management's judgement. Significant assumptions are required to estimate the total contract costs which affect the contract costs recognised to date based on the stage of completion. In making these estimates, management has relied on past experience.

The carrying amount of the construction contract work-in-progress as at the end of the reporting period can be subjected to uncertainty in respect of the variation works and estimation of future costs. The Group adopts a conservative approach in evaluating these uncertainties. Refer to Note 11 to the financial statements for the disclosure on the carrying amount of the Group's assets and liabilities arising from contract work-in-progress as at 31 December 2018 and 2017.

Depreciation of property, plant and equipment

The Group depreciated the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Group's property, plant and equipment as at 31 December 2018 was S$1,773,363 (2017: S$1,901,578) (Note 9).

Measurement of ECL of trade receivables and contract assets

The Group used an allowance matrix to measure ECL for trade receivables and contract assets. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables and contract assets. In considering the impact of the economic environment on the ECL rates, the Group assessed, for example, the gross domestic production growth rates of the country and the growth rates of the major industries in which its customers operate. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables and contract assets as at 31 December 2018 is S$Nil (2017: S$Nil) (Note 11).

Provision for income taxes

The Group have exposure to income taxes of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognise liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Group's current tax payable as at 31 December 2018 was S$695,919 (2017: S$469,979).

4. Revenue

	Group 2018 S$
Revenue from contracts with customers (over time)	17,830,613
Service and maintenance income (point in time)	2,294,032
Trading income (point in time)	43,841
	20,168,486

The Group has applied the practical expedient permitted under IFRS 115 for those performance obligations which are part of contracts that have an original expected duration of one year or less. In addition, variable consideration that is constrained has not been included in the above financial information. Such variable consideration pertains to revenue generated from the contracts with customers.

5. Other income

	Group 2018 S$
Incentive rebate	80,006
Interest income	1,041
Sundry income	188
Foreign exchange gain, net	277
	81,512

6. Finance costs

	Group 2018 S$
Interest expenses on:	
Bank term loans	101,735
Hire purchase	1,644
Trust receipts	30,028
	133,407

7. Profit before income tax

The following charges were included in the determination of profit before income tax:

	Group 2018 S$
Depreciation	210,169
Rental of office premise	89,746
Unrealised exchange loss, net	-
Rental of staff accommodation	-
Staff costs	
- salaries and related costs	1,342,424
- contributions to defined contribution plan	131,161

8. Income tax

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17%.

	Group and Company	
	2018	2017
	S$	S$
At beginning of the year	469,979	633,595
Payments made during the year	(431,799)	(622,204)
Provision for the year	657,739	458,588
At end of the year	695,919	469,979

	Group
	2018
	S$
- Current year tax	662,015
- Over provision in prior year	(4,276)
	657,739

Reconciliation of effective tax rate is as follows:

	2018
	S$
Profit before income tax	3,975,936
Income tax at the rate of 17%	675,909
Tax effect of:	
- Non-deductible expenses	19,666
- Timing differences	35,729
- Tax incentives and rebates	(46,015)
Tax effect statutory stepped income exemption	(25,925)
Over provision in prior year	(4,276)
Others	2,651
	657,739

9. Property, plant and equipment

Group and Company	Office equipment S$	Plant & Machinery S$	Furniture & fittings S$	Motor vehicles S$	Freehold property S$	Total S$
Cost						
At 1 January 2017	135,856	30,000	44,485	84,500	1,638,360	1,933,201
Additions	29,513	-	218,088	92,500	-	340,101
At 31 December 2017	165,369	30,000	262,573	177,000	1,638,360	2,273,302
Additions	26,338	-	2,591	53,025	-	81,954
At 31 December 2018	191,707	30,000	265,164	230,025	1,638,360	2,355,256
Accumulated depreciation						
At 1 April 2017	79,279	30,000	26,688	28,167	11,000	175,134
Depreciation	43,950	-	82,640	59,000	11,000	196,590
At 31 December 2017	123,229	30,000	109,328	87,167	22,000	371,724
Depreciation	41,082	-	81,412	76,675	11,000	210,169
At 31 December 2018	164,311	30,000	190,740	163,842	33,000	581,893
Carrying amount						
At 31 December 2018	27,396	-	74,424	66,183	1,605,360	1,773,363
At 31 December 2017	42,140	-	153,245	89,833	1,616,360	1,901,578

Included in freehold property is an office building with an estimated cost of S$550,000 which is depreciated over 50 years. The freehold property with net book value of S$1,605,360 (2017: S$1,616,360) is mortgaged to obtain bank term loans.

The Group had motor vehicles under hire-purchase contracts with net book value of S$66,183 (2017: S$61,667) as disclosed in Note 18.

10. Investments in subsidiary

On 13 July 2018, Shanghai Xin Da Process Engineering Co. Ltd, a wholly owned subsidiary of the Company, was incorporated in Shanghai, China. The subsidiary company is principally engaged in the business of engineering services and yet to commence business as at end of report date.

	2018 S$	2017 S$
Unquoted equity share, at cost	-*	-

* As at end of report date, no capital injection into the subsidiary.

11. Contract assets and liabilities from contracts with customers

	Group and Company	
	2018 S$	2017 S$
Contract assets		
Unbilled revenue	726,991	970,532
Contract liabilities		
Advance consideration	827,226	-

The unbilled revenue relates to the revenue recognised to date but has not been invoiced to the customer as at the financial year end and is transferred to trade receivables at the point when it is invoiced to the customers.

Advance consideration relates to advances received for provision of engineering services. Revenue for installation services is recognised over time although the customer pays for the services at the contract inception date. A contract liability is recognised for the advances received from the customers and is derecognised as and when the performance obligation is satisfied.

There is no significant change in the contract assets balances during the reporting period. Contract liabilities for the financial year ended 31 December 2018 increased due to more advances received from the engineering services contracts during the financial year.

12. Trade and other receivables

	Group and Company	
	2018 S$	2017 S$
Trade receivables	4,486,924	3,293,538
Other receivables	-	1,200
	4,486,924	3,294,738
Deposits	734,267	48,110
Prepayments	-	6,683
Total	5,221,191	3,349,531

12. Trade and other receivables (Continued)

Trade receivables are non-interest bearing and the average credit period is 30 (2017: 30) days according to the terms agreed with the customers. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The currency profile of the Group's trade and other receivables is as follows:

	Group and Company	
	2018	2017
	S$	S$
Singapore dollar	4,882,939	3,349,531
United States dollar	338,252	-
	5,221,191	3,349,531

13. Amount due from a shareholder

Amount due from a shareholder is non-trade in nature, unsecured, interest-free, repayable on demand advances for business expenses and denominated in Singapore dollar.

14. Fixed deposit

In prior year, the fixed deposit is pledged to bank as security for banking facilities extended to the Group.

15. Cash and cash equivalents

	Group and Company	
	2018	2017
	S$	S$
Cash on hand	3,490	3,799
Bank balances	5,116,065	1,451,049
	5,119,555	1,454,848

The currency profile of the Group's cash and cash equivalents is as follows:

	Group and Company	
	2018	2017
	S$	S$
Singapore dollar	5,113,171	1,439,835
United States dollar	6,384	15,013
	5,119,555	1,454,848

16. Share capital

	2018		2017	
	Number of shares	S$	Number of shares	S$
Issued and fully paid				
At beginning and end of financial year	308,000	370,000	308,000	370,000

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company. All issued ordinary shares are fully paid. There are no par values for these ordinary shares.

17. Interest bearing bank loans and borrowings

	Group and Company	
	2018	2017
	S$	S$
Bank term loans and borrowings	3,692,053	1,270,242
Less: Amount due for settlement within 12 months (shown under current liabilities)	1,804,431	83,729
Amount due for settlement after 12 months	1,887,622	1,186,513

The bank term loans are secured by the following:

(i) Joint and personal guarantees by the directors of the Company.
(ii) Mortgage over property located at 421 Tagore Industrial Avenue #01-28 Tagore 8 Singapore 787805

The Group's bank loans borrowings has an effective interest rate of 4.10% (2017: 2.39%) and were denominated in Singapore dollars as at the reporting date.

18. Finance lease payables

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group and company			
	2018 S$		2017 S$	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	23,513	22,912	29,148	27,500
After one year but within five years	-	-	24,272	22,916
Total minimum lease payments	23,513	22,912	53,420	50,416
Less: Future finance charges	(601)	-	(3,004)	-
Present value of minimum lease payments	22,912	-	50,416	-

18. Finance lease payables (Continued)

The finance lease terms range from 2 to 3 (2017: 3 to 5) years.

The effective interest rates charged during the financial year range from 2.98% (2017: 2.98%) per annum. Interest rates are fixed at the contract dates, and hence the Group is not exposed to fair value interest rate risk. As at the end of the financial year, the fair values of the Group's finance lease obligations approximate their carrying amounts.

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Finance lease payables are denominated in Singapore dollar as at reporting date.

19. Trade and other payables

	Group and Company	
	2018	2017
	S$	S$
Trade payables	1,502,327	1,105,003
GST payables	252,517	144,389
Accruals	712,862	319,758
	2,467,706	1,569,150

Trade payables are non-interest bearing and the average credit period on purchases of goods ranges from 30 to 60 (2017: 30 to 60) days according to the terms agreed with the suppliers.

The Group's trade payables are denominated in Singapore dollars.

20. Dividends declared and paid

	Company	
	2018	2017
	S$	S$
Interim tax exempt (one-tier) dividend of S$6.49 (2017: S$3.98) per share in respect of the financial year then ended	2,000,000	1,227,185

21. Operating lease commitment – as lessee

At the end of the reporting date, the Group have commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises and operating facilities as follows:

	Group and Company	
	2018	2017
	S$	S$
Future minimum lease payments payable:		
Within one year	90,000	31,000
After 1 year but within 5 years	38,000	-
	128,000	31,000

21. Operating lease commitment – as lessee (Continued)

The leases have their tenure from 1 to 2 years, with an option to renew the lease subject to certain conditions being met. Lease payments are increased upon renewal to reflect market rentals. There are no restrictions placed upon the Group by entering into these leases. The lease expenditure charged to profit or loss during the financial year is disclosed in Note 7 to the financial statements.

22. Significant related party transactions

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the Company if that person:
- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(ii) An entity is related to the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

Key management personnel:

	2018 S$	2017 S$
Remuneration		
- Directors' fees	40,000	-
- Directors' remuneration	283,000	259,606
- Central Provident Fund contributions for the Directors	33,448	30,390
	356,448	289,996
Commission		
- Directors	400,000	-

23. Fair value of assets and liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, approximate their respective fair values due to the relative short term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair value of the non-current finance lease payables and non-current interest bearing bank loan and borrowings approximate their carrying amounts as the borrowings were entered into at market lending rates for similar types of instruments at the end of the reporting period.

24. Financial instruments and financial risks

The Group's activities expose it to credit risk, market risk (including foreign currency risk and interest rate risk) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

Risk management is integral to the whole business of the Group. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposure is measured using sensitivity analysis indicated below.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises mainly from bank balances and trade receivables. Bank balances are mainly deposits with banks with high credit-ratings and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risks, the Group categorises the aforementioned financial assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received for accounts due for more than 90 days.

Due to the nature of the industry that the Group operates in, the Group has rebutted the presumption that default has taken place when a financial asset is more than 30 days past due as per IFRS 9.

In their assessment, the management considers, amongst other factors, historical credit experiences and latest available financial information.

24. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates and the most recent news or market talks about the debtor, as applicable.

In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

24. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Note 4. Write off (Continued)

The Group do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Trade receivables (Note 12) and contract assets (Note 11)

The Group uses the practical expedient under IFRS 9 in the form of allowance matrix to measure the ECL for trade receivables and contract assets, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables and contract assets are estimated using an allowance matrix by reference to the historical credit loss experience of the receivables for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the respective countries and the growth rates of the major industries which its customers operate in.

Trade receivables and contract assets are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there is no reasonable expectations for recovering the outstanding balances.

In determining the credit risk for trade receivables and contract assets, the management considers, amongst other factors, particularly, its historical credit experiences, its subsequent collection and adjusted for the outlook of industry and economy. Using lifetime ECL, the Group determined that the ECL is insignificant.

The loss allowance for trade receivables and contract assets are determined as follows:

Group and Company	Current	Past due more than 1 to 30 days	Past due more than 31 to 60 days	Past due more than 61 to 90 days	Past due more than 90 days	Total
31 December 2018						
Expected credit loss rates	0%	0%	0%	0%	100%	
Trade receivables (gross)	3,746,878	615,417	117,984	6,645	-	4,486,924
Contract assets (gross)	726,991	-	-	-	-	726,991
Loss allowance	-	-	-	-	-	-
1 January 2018						
Expected credit loss rates	0%	0%	0%	0%	100%	
Trade receivables (gross)	2,123,778	488,166	518,790	162,804	-	3,293,538
Contract assets (gross)	970,532	-	-	-	-	970,532
Loss allowance	-	-	-	-	-	-

24. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Other receivables (Note 12)

As of 31 December 2018, the Group recorded a refundable deposit placed with a supplier and lessor amount of S$726,307 (S$44,700). The Group assessed the latest performance and financial position of the receivables, adjusted for the future outlook of the industry which the related party operates in, by referring to expert publications on the industry, and for any market talks on the related party's credit reputation and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial asset. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Comparative information under IAS 39

The age analysis of trade receivables neither past due nor impaired and past due but not impaired is as follows:

Group and Company	**2017**
	S$
Current	2,123,778
Past due 0 to 30 days	488,166
Past due 31 to 60 days	518,790
Past due 61 to 90 days	162,804
Past due more than 90 days	-
Total	3,293,538

Trade receivables that are past due but not impaired are substantially companies with a good collection track record with the Group.

At the end of the reporting date, trade receivables from 1 (2017: 3) customer accounted for approximately 85% (2017: 92%) of total trade receivables of the Group. The remaining balance is spread over numbers of diversified customers.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Exposure to currency risk

The Group incurs foreign currency risk on sales that are denominated in currencies other than Singapore dollar. The currency giving rise to this primarily is United States dollar ("USD"). Balances denominated in other foreign currencies have inconsequential risks.

24. Financial instruments and financial risks (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

Exposure to currency risk (Continued)

The carrying amounts of the Group's USD denominated monetary assets as at the end of the financial year are as follows:

Group and Company	2018 S$	2017 S$
Trade and other receivables	338,252	-
Cash and cash equivalents	6,384	15,013
	344,636	15,013

Foreign currency sensitivity analysis

The Group is mainly exposed to United States dollar.

The following table details the Group's sensitivity to a 10% (2017: 10%) change in various foreign currencies against Singapore dollar ("SGD"). The sensitivity analysis assumes an instantaneous 10% (2017: 10%) change in the foreign currency exchange rates from the end of the financial year, with all variables held constant.

Group and Company	Increase/Decrease in Profit or Loss 2018 S$	 2017 S$
Strengthens/weakens against SGD		
United States dollar	34,464	1,501

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Group's interest rate risk relates to interest-bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

The Group's interest rate risk arises primarily from the floating rate borrowings with financial institutions.

Group and Company	Principal S$	Interest rate range
2018		
Interest bearing bank loans and borrowings	3,692,053	1.88% - 9.00%
2017		
Interest bearing bank loans and borrowings	1,270,242	2.08%

24. Financial instruments and financial risks (Continued)

Market risk (Continued)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk for both derivatives and non-derivative instruments at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 1% (2017: 1%) change in the interest rates from the end of the financial year, with all variables held constant.

Group and Company	Increase/Decrease in Profit or Loss 2018 S$	Increase/Decrease in Profit or Loss 2017 S$
Interest bearing bank loans and borrowings	36,920	12,702

Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle.

The Group's operations are financed mainly through equity and borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required. The ultimate holding company has undertaken to provide financial support to the Group to meet its liabilities as and when due.

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

Group and Company	1 year or less S$	1 to 5 years S$	More than 5 years S$	Total S$
2018				
Undiscounted financial assets:				
Trade and other receivables	5,221,191	-	-	5,221,191
Amount due from a shareholder	1,000,000	-	-	1,000,000
Cash and cash equivalents	5,119,555	-	-	5,119,555
	11,340,746	-	-	11,340,746
Undiscounted financial liabilities:				
Trade and other payables	2,467,706	-	-	2,467,706
Interest bearing bank loan and borrowings	1,934,226	1,159,252	1,643,841	4,737,319
Finance lease payables	22,912	-	-	22,912
	4,424,844	1,159,252	1,643,841	7,227,937
Total net undiscounted financial assets/ (liabilities)	6,915,902	(1,159,252)	(1,643,841)	4,112,809
2017				
Undiscounted financial assets:				
Trade and other receivables (excluding prepayments)	3,342,848	-	-	3,342,848
Amount due from a shareholder	300,000	-	-	300,000
Fixed deposit	200,385	-	-	200,385
Cash and cash equivalents	1,454,848	-	-	1,454,848
	5,298,081	-	-	5,298,081
Undiscounted financial liabilities:				
Trade and other payables	1,569,150	-	-	1,569,150
Interest bearing bank loan and borrowings	112,876	359,854	1,734,248	2,206,978
Finance lease payables	29,148	24,272	-	53,382
	1,711,174	384,126	1,734,248	3,829,548
Total net undiscounted financial assets/ (liabilities)	3,586,907	(384,126)	(1,734,248)	1,468,533

24. Financial instruments and financial risks (Continued)

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the Company's statement of financial position and as follows:

	2018 S$	2017 S$
Loans and receivables		
Trade and other receivables (excluding prepayments)	-	3,342,848
Amount due from a shareholder	-	300,000
Fixed deposit	-	200,385
Cash and cash equivalents	-	1,454,848
	-	5,298,081
Financial assets at amortised cost		
Trade and other receivables	5,221,191	-
Amount due from a shareholder	1,000,000	-
Cash and cash equivalents	5,119,555	-
	11,340,746	-
Financial liabilities at amortised cost		
Trade and other payables	2,467,706	1,569,150
Finance lease payables	22,912	50,416
Interest bearing bank loans and borrowings	3,692,053	1,270,242
Total	6,182,671	2,889,808

25. Events after balance sheet date

On 6 August 2019, the Company purchased a leasehold property located at 31 Bukit Batok Crescent #01-19 Singapore 658070 for a total consideration of S$1.80 million.

26. Capital management policies and objectives

The Group manages its capital to ensure that the Group is able to continue as a going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Group consists equity attributable to owners of the Group, comprising issued share capital and unappropriated profit as disclosed in the statements of changes in equity.

The Group's management reviews the capital structure on a regularly basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends to shareholders and return capital to shareholders or issue new shares. The Group's overall strategy remains unchanged from 31 December 2017.

27. Comparative figures

(i) This is the first set of the Group's consolidated financial statements since it has incorporated a subsidiary (Note 10) in the current financial year.

(ii) The financial statements of the Company for the financial year ended 31 December 2017 was audited by another firm of Public Accountants and Chartered Accountants whose report dated 4 June 2018 expressed unmodified audit opinion.

(iii) Certain comparative figures in 2017 Company level financial statements have been reclassified to conform to the current year's financial statement presentation as follows:

	Previously reported S$	After reclassification S$
STATEMENT OF FINANCIAL POSITION		
Current liabilities:		
Interest bearing bank loan and borrowings	1,270,242	83,729
Non-current liabilities:		
Interest bearing bank loan and borrowings	-	1,186,513

SPRINGLEAF ENGINEERING PTE. LTD.
(Registration Number: 201229604E)

DIRECTORS' STATEMENT
AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

MAZARS LLP
Public Accountants and
Chartered Accountants
Singapore

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The directors of Springleaf Engineering Pte. Ltd. (the "Company") present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 December 2017.

1. Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Lim Chor Ghee
Lim Hong Beng

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects was, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, the directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations, except as stated below:

Name of the directors and respective companies in which interests are held	At beginning of the financial year	At end of the financial year
The Company		
Lim Chor Ghee	198,800	198,800
Lim Hong Beng	56,000	56,000

5. Share options

There were no share options granted by the Company during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares under option in the Company as at the end of the financial year.

6. Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

"Vincent Lim"	*"Ben Lim"*
Lim Chor Ghee	**Lim Hong Beng**
Director	Director

Singapore
10 October 2019

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Springleaf Engineering Pte. Ltd. (the "Company") which comprise the statements of financial position of the Company as at 31 December 2017, the statements of profit or loss and other comprehensive income, changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

135 Cecil Street, #10-01 MYP Plaza, Singapore 069536
Tel: (65) 6224 4022 - Fax: (65) 6225 3974 - www.mazars.sg

Mazars LLP
玛泽有限责任合伙会计师事务所
Chartered Accountants of Singapore

Report on the Audit of Financial Statements (Continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and IFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
10 October 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 S$	2016 S$
Revenue	4	13,168,145	18,243,231
Cost of sales		(8,609,621)	(12,651,196)
Gross profit		4,558,524	5,592,035
Other income	5	15,515	62,751
Administrative expenses		(378,491)	(191,719)
Other operating expenses		(1,214,235)	(1,450,666)
Finance costs	6	(76,546)	(151,621)
Profit before income tax	7	2,904,767	3,860,780
Income tax	8	(458,588)	(633,595)
Profit for the financial year, representing total comprehensive income for the financial year		2,446,179	3,227,185

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

SPRINGLEAF ENGINEERING PTE. LTD.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 S$	2016 S$
ASSETS			
Non-current asset			
Property, plant and equipment	9	1,901,578	1,758,067
Total non-current asset		1,901,578	1,758,067
Current assets			
Amounts due from contract customers	10	970,532	1,319,298
Trade and other receivables	11	3,349,531	4,981,472
Amount due from a shareholder	12	300,000	-
Fixed deposit	13	200,385	200,385
Cash and cash equivalents	14	1,454,848	1,870,659
Total current assets		6,275,296	8,371,814
Total assets		8,176,874	10,129,881
EQUITY AND LIABILITIES			
Equity			
Share capital	15	370,000	370,000
Retained earnings		4,447,087	3,228,093
Total equity		4,817,087	3,598,093
Non-current liabilities			
Interest-bearing bank loan and borrowings	16	1,186,513	1,270,312
Finance lease payables	17	22,916	-
Total non-current liabilities		1,209,429	1,270,312
Current liabilities			
Amounts due to contract customers	10	-	891,718
Trade and other payables	18	1,569,150	3,441,109
Interest-bearing bank loan and borrowings	16	83,729	295,054
Finance lease payables	17	27,500	-
Income tax payable	8	469,979	633,595
Total current liabilities		2,150,358	5,261,476
Total liabilities		3,359,787	6,531,788
Total equity and liabilities		8,176,874	10,129,881

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

SPRINGLEAF ENGINEERING PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Share capital S$	Retained earnings S$	Total S$
Balance at 1 January 2016	370,000	771,908	1,141,908
Dividends declared and paid (Note 19)	-	(771,000)	(771,000)
Profit for the financial year, representing total comprehensive income for the financial year	-	3,227,185	3,227,185
Balance at 31 December 2016	370,000	3,228,093	3,598,093
Dividends declared and paid (Note 19)	-	(1,227,185)	(1,227,185)
Profit for the financial year, representing total comprehensive income for the financial year	-	2,446,179	2,446,179
Balance at 31 December 2017	370,000	4,447,087	4,817,087

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

SPRINGLEAF ENGINEERING PTE. LTD.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 S$	2016 S$
Operating activities			
Profit before income tax		2,904,767	3,860,780
Adjustments for:			
Depreciation	9	196,590	94,210
Interest expense	6	76,546	121,154
Interest income	5	(178)	(669)
Operating cash flows before movements in working capital		3,177,725	4,075,475
Changes in working capital:			
Amount due from contract customers		348,766	3,403,333
Trade and other receivables		1,631,941	(3,698,567)
Amount due to contract customers		(891,718)	891,718
Trade and other payables		(1,871,959)	(537,956)
Cash generated from operating activities		2,394,755	4,134,003
Interest received		178	669
Income tax paid	8	(622,204)	(138,079)
Net cash generated from operating activities		1,772,729	3,996,593
Investing activity			
Purchase of plant and equipment	9	(340,101)	(1,794,834)
Amount due from shareholder	12	(300,000)	-
Addition of fixed deposit - pledged		-	(200,385)
Net cash used in investing activities		(640,101)	(1,995,219)
Financing activities			
Dividends paid	19	(1,227,185)	(771,000)
Drawdown of finance lease payable		55,000	-
Repayment of finance lease payable		(4,584)	-
Drawdown of interest-bearing loans and borrowings		1,990,946	1,280,000
Repayment of interest-bearing loans and borrowings		(2,286,070)	(1,772,921)
Interest paid		(76,546)	(121,154)
Net cash used in financing activities		(1,548,439)	(1,385,075)
Net (decrease) / increase in cash and cash equivalents		(415,811)	616,299
Cash and cash equivalents at beginning of financial year		1,870,659	1,254,360
Cash and cash equivalents at end of financial year	14	1,454,848	1,870,659

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Springleaf Engineering Pte. Ltd. (the "Company") (Registration Number: 201229604E) is incorporated and domiciled in Singapore with its registered and principal place of business located at 421 Tagore Industrial Avenue, #01-28 Tagore 8, Singapore 787805.

The principal activities of the Company are to carry on engineering activities. The Company currently operates in Singapore and Myanmar through a branch office.

The financial statements of the Company for the financial year ended 31 December 2017 were authorised for issue by the Board of Directors on the date of the Directors' Statement.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the provision of the Singapore Companies Act, Chapter 50 and International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB") and the Interpretations to IFRS ("IFRICs") Issued by the International Financial Reporting Interpretations Committee ("IFRIC") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements of the Company are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Company are presented in Singapore dollar (the "SGD" or "S$") which is also the functional currency of the Company, unless otherwise indicated.

In the current financial year, the Company has adopted all the new and revised IASs, IFRSs and IFRICs that are relevant to its operations and effective for the current financial year. The adoption of these new and revised IFRSs and IFRICs did not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation

IFRSs and IFRICs issued but not yet effective

At the date of authorisation of these financial statements, the following IFRSs, IFRICs were issued but not yet effective:

IASs, IFRSs and IFRICs	**Title**	**Effective date (annual periods beginning on or after)**
IAS 40	Amendments to IAS 40: *Transfers of Investment Property*	1 January 2018
IFRS 2	Amendments to IFRS 2: *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
IFRS 4	Amendments to IFRS 4: Applying IFRS 9 *Financial Instruments* to IFRS 4 *Insurance Contracts*	1 January 2018
IFRS 9	Financial Instruments	1 January 2018
IFRS 9	Amendments to IFRS 9: *Prepayment Features with Negative Compensation*	1 January 2019
IFRS 10, IAS 28	*Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
IAS 28	Amendments to IAS 28: *Long-term Interests in Associates and Joint Ventures*	1 January 2019
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 15	Amendments to IFRS 15: *Effective Date of IFRS 15*	1 January 2018
IFRS 15	Amendments to IFRS 15: *Clarifications to IFRS 15 Revenue from Contracts with Customers*	1 January 2018
IFRS 16	Leases	1 January 2019
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
Various	Amendments to References to the Conceptual Framework in IFRS Standards Amendments to illustrative examples, implementation guidance and IFRS practice statements	1 January 2020
Various	Annual Improvements to FRSs 2015-2017 Cycle - Amendments to IFRS 3 *Business Combinations: Additional guidance for applying the acquisition method to particular types of business combinations* - Amendments to IFRS 11 *Joint Arrangements: Accounting for acquisition of interests in joint operations* - Amendments to IAS 12 *Income taxes: Measurement, Recognition of current and deferred tax and borrowing costs* - Amendments to IAS 23 *Borrowing costs: Borrowing costs eligible for capitalisation*	1 January 2019

Consequential amendments were also made to various standards as a result of these new or revised standards.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

The Company has not early adopted any of the above new or revised standards, interpretations and amendments to the existing standards in the financial year ended 31 December 2016. Other than the following standards, management anticipates that the adoption of the aforementioned new or revised standards will not have a material impact on the financial statements of the Company in the period of their initial adoption.

IFRS 9 Financial Instruments

IFRS 9 supersedes *IAS 39 Financial Instruments: Recognition and Measurement* with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Financial assets are classified into financial assets measured at (i) fair value through profit or loss; (ii) amortised cost; or (iii) fair value through other comprehensive income, depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, or as otherwise designated as such upon initial recognition, if allowed.

Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the entity will have a choice to recognise the gains and losses in other comprehensive income if the financial assets are measured at fair value through other comprehensive income.

There have been no changes in the de-recognition requirements of financial assets and liabilities, nor the recognition, classification and measurement requirements for financial liabilities from IAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch.

A new forward-looking impairment model based on expected credit losses, which replaces the incurred loss model in IAS 39, determines the recognition of impairment provisions as well as interest revenue. An entity will recognise (at a minimum of) 12 months of expected credit losses in profit or loss for financial assets measured at amortised cost or fair value through other comprehensive income, unless in the circumstance when there is a significant increase in credit risk after initial recognition which requires the entity to recognise lifetime expected credit losses on the affected assets.

The Company does not intend to early adopt IFRS 9. The Company assessed that the impact of IFRS 9 on its financial statements in the initial year of adoption is not material.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes *IAS 11 Construction contracts*, *IAS 18 Revenue*, *IFRIC 113 Customer Loyalty Programmes*, *IFRIC 115 Agreements for the Construction of Real Estate*, *IFRIC 118 Transfers of Assets from Customers* and *IFRIC 31 Revenue – Barter Transactions Involving Advertising Services* to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

Entities are required to adopt a five-step model which requires (i) their identification of the contract; (ii) their identification of the performance obligations in the contract; (iii) the determination of the transaction price; (iv) allocation of the transaction price; and (v) recognition of revenue when (i.e. at a point in time) or as (i.e. over time) each performance obligation is satisfied.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

IFRS 15 Revenue from Contracts with Customers (Continued)

The core principle is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration which the entity expects to be entitled in exchange for those goods or services.

The Company does not intend to early adopt IFRS 15. The Company assessed that the impact of IFRS 15 on its financial statements in the initial year of adoption is not material.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives*, and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* to set out the principles for the recognition, measurement, presentation and disclosure of leases. The changes introduced by IFRS 16 will primarily affect the financial statements of the lessees.

IFRS 16 requires, with limited exceptions, the lessee to recognise, at initial recognition, lease liabilities, measured at the present value of lease payments that are not paid as of that date to reflect the present value of the future lease payments, and right-of-use assets at cost, comprising elements including the amount of the initial measurement of the lease liabilities, initial direct costs incurred by the lessee and estimates of other contracted costs to be incurred by the lessee, for its lease contracts. Leases of "low-value" assets and qualifying short-term leases entered into by lessees can be exempted from the new recognition criteria.

Preliminarily, based on the currently known and reasonably estimable information relevant to its assessment, the Company does not expect any significant impact on its financial statements as a lessor in the initial adoption of IFRS 16.

2.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Project income

Project income includes the initial amount agreed in the contract plus any variations in project work, claims and incentive payment, to the extent that it is probable that they will result in revenue and can be measured reliably. When the outcome of the project can be estimated reliably, project income is recognised in profit or loss in proportion to the stage of completion of the project. Project expenses are recognised as incurred unless they create an asset related to future project activity.

The stage of completion is determined based on the proportion that the contract costs incurred for work performed to date compared to the estimated total contract costs. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

When project cost incurred to date plus recognised profits less recognised losses exceed progress billing, the surplus is recognised as amount due from contract customers. For contracts where progress billing exceed project costs incurred to date plus recognised profit less recognised losses, the surplus is recognised as amount due to contract customers.

2. Summary of significant accounting policies (Continued)

2.2 Revenue recognition (Continued)

Rendering of services

Revenue from rendering of services is recognised when the services have been performed and rendered.

Trading income

Trading income is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2.3 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred, using the effective interest method.

2.4 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2.5 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.6 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

2. Summary of significant accounting policies (Continued)

2.6 Income tax (Continued)

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Company expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

2.7 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

2.8 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' functional currency at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

2. Summary of significant accounting policies (Continued)

2.9 Property, plant and equipment

Leasehold buildings held for use in the production or supply of goods or services, or for administrative purposes, are shown at cost less any subsequent accumulated depreciation, and where applicable, accumulated impairment losses.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment	3 years
Plant & machinery	3 years
Furniture & fittings	3 – 5 years
Motor vehicles	3 years
Freehold property	50 years

No depreciation is charged on building under construction as these assets are not yet in use as at the end of the financial year.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

2.10 Impairment of tangible assets

The Company reviews the carrying amounts of its tangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2. Summary of significant accounting policies (Continued)

2.10 Impairment of tangible assets (Continued)

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.11 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets

All financial assets are recognised on a trade date – the date on which the Company commits to purchase or sell the asset. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into loans and receivables. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

The Company's loans and receivables comprise trade and other receivables, and cash and cash equivalents.

Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. Loan and receivables are measured at amortized cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

2. Summary of significant accounting policies (Continued)

2.11 Financial instruments (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognized, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

2. Summary of significant accounting policies (Continued)

2.11 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and borrowings

Interest-bearing bank loans and borrowings are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs (see Note 2.3).

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when and only when, an entity:

(a) currently has a legally enforceable right to set-off the recognised amounts; and
(b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2. Summary of significant accounting policies (Continued)

2.13 Leases

Finance leases

Lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is recognised as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to the acquisition, construction of production of qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (Note 2.3).

Operating leases

Lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2. Summary of significant accounting policies (Continued)

2.15 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events but is not recognised because:
  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingencies are not recognised on the statements of financial position of the Company.

3. Critical accounting judgements and key sources of estimation uncertainty

The Company made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Company's accounting policies

Management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

<u>Project revenue</u>

The Company uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract.

Significant assumptions are used to estimate the total contract costs and the recoverable variation works that affect the stage of completion and the contract revenue respectively. In making these estimates, management relied on past experience for projects of a similar nature and its professional judgement.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Depreciation of property, plant and equipment

The Company depreciated the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Company intends to derive future economic benefits from the use of the Company's property, plant and equipment. The residual value reflects management's estimated amount that the Company would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Company's property, plant and equipment as at 31 December 2017 was S$1,901,578 (2016: S$1,758,067) (Note 9).

Impairment of loans and receivables

The Company assesses its loans and receivables on a continuous basis for any objective evidence of impairment by considering factors, including the ageing profile, the creditworthiness and the past collection history of each debtor. If the financial conditions of these debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amount of the Company's loans and receivables as at 31 December 2017 was S$3,342,848 (2016: S$4,585,741) (Note 11).

Provision for income taxes

The Company has exposure to income taxes of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Company's current tax payable as at 31 December 2017 was S$469,979 (2016: S$633,595) (Note 8).

4. Revenue

	2017 S$	2016 S$
Project revenue	11,470,769	16,964,849
Service and maintenance income	1,662,646	1,270,676
Trading income	34,730	7,706
	13,168,145	18,243,231

5. Other income

	2017 S$	2016 S$
Rental income	10,325	-
Temporary Employment credit	2,995	3,244
Wage Credit Scheme	1,939	18,057
Interest income	178	669
Special employment credit	78	16
PIC cash payout	-	40,050
Government Paid Childcare Leave	-	715
	15,515	62,751

6. Finance costs

	2017 S$	2016 S$
Bank charges	16,750	30,467
Interest on bank loan and borrowings	59,522	121,154
Interest on hire purchase	274	-
	76,546	151,621

7. Profit before income tax

The following charges were included in the determination of profit before income tax:

	2017 S$	2016 S$
Depreciation	196,590	94,210
Rental of office premise	42,061	38,400
Staff costs		
- salaries and related costs	950,102	1,231,609
- contributions to defined contribution plan	102,021	103,286

8. Income tax

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17%.

	2017 S$	2016 S$
At beginning of the year	633,595	138,079
Payments made during the year	(622,204)	(138,079)
Provision for the year	458,588	633,595
At end of the year	469,979	633,595

	2017 S$	2016 S$
- Current year tax	469,979	624,718
- (Over) / Under provision in prior year	(11,391)	8,877
	458,588	633,595

8. Income tax (Continued)

Reconciliation of effective tax rate is as follows:

	2017 S$	2016 S$
Profit before income tax	2,904,767	3,860,780
Income tax at the rate of 17%	493,810	656,333
Tax effect of:		
- Non-deductible expenses	23,138	9,921
- Timing differences	(1,300)	5,834
- Tax incentives and rebates	(19,744)	(20,000)
Tax effect statutory stepped income exemption	(25,925)	(25,925)
(Over)/Under provision in prior year	(11,391)	8,877
Others	-	(1,445)
	458,588	633,595

9. Property, plant and equipment

	Office equipment S$	Plant & Machinery S$	Furniture & fittings S$	Motor vehicles S$	Freehold property S$	Total S$
Cost						
At 1 January 2016	68,461	30,000	39,906	-	-	138,367
Additions	67,395	-	4,579	84,500	1,638,360	1,794,834
At 31 December 2016	135,856	30,000	44,485	84,500	1,638,360	1,933,201
Additions	29,513	-	218,088	92,500	-	340,101
At 31 December 2017	165,369	30,000	262,573	177,000	1,638,360	2,273,302
Accumulated depreciation		-				
At 1 January 2016	34,180	30,000	16,744	-	-	80,924
Depreciation	45,099	-	9,944	28,167	11,000	94,210
At 31 December 2016	79,279	30,000	26,688	28,167	11,000	175,134
Depreciation	43,950	-	82,640	59,000	11,000	196,590
At 31 December 2017	123,229	30,000	109,328	87,167	22,000	371,724
Carrying amount						
At 31 December 2017	42,140	-	153,245	89,833	1,616,360	1,901,578
At 31 December 2016	56,577	-	17,797	56,333	1,627,360	1,758,067

Included in freehold property is an office building with an estimated cost of S$550,000 which is depreciated over 50 years. The freehold property with net book value of S$1,616,360 (2016: S$1,627,360) is mortgaged to obtain bank term loans.

The Company had motor vehicles under hire-purchase contracts with net book value of S$61,667 (2016:S$NIL) as disclosed in Note 17.

10. Amounts due from / (to) contract customers

	2017 S$	2016 S$
Amounts due from contract customers		
Unbilled revenue	970,532	1,319,298
Amounts due to contract customers		
Advance consideration	-	(891,718)

The unbilled revenue relates to the revenue recognised to date but has not been invoiced to the customer as at the financial year end and is transferred to trade receivables at the point when it is invoiced to the customers.

Advance consideration relates to advances received for provision of engineering services. Amount due to contract customers is recognised for the advances received from the customers and is derecognised as and when the performance obligation is satisfied.

11. Trade and other receivables

	2017 S$	2016 S$
Trade receivables	3,293,538	4,514,247
Other receivables	1,200	18,704
	3,294,738	4,532,951
Deposits	48,110	52,790
Prepayments	6,683	-
Advance payment to suppliers	-	395,731
Total	3,349,531	4,981,472

Trade receivables are non-interest bearing and the average credit period is 30 (2016: 30) days according to the terms agreed with the customers. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Company's trade and other receivables is denominated in Singapore dollar.

12. Amount due from a shareholder

Amount due from a shareholder is non-trade in nature, unsecured, interest-free, repayable on demand advances for business expenses and denominated in Singapore dollar.

13. Fixed deposit

The fixed deposit is for a tenure of 1-year and has been pledged to bank as security for banking facilities extended to the Company.

14. Cash and cash equivalents

	2017 S$	2016 S$
Cash on hand	3,798	579
Bank balances	1,451,050	1,870,080
	1,454,848	1,870,659

The currency profile of the Company's cash and cash equivalents is as follows:

	2017 S$	2016 S$
Singapore dollar	1,439,835	1,870,659
United States dollar	15,013	-
	1,454,848	1,870,659

15. Share capital

	2017 Number of shares	2017 S$	2016 Number of shares	2016 S$
Issued and fully paid				
At beginning of year/end of financial year	308,000	370,000	308,000	370,000

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company. All issued ordinary shares are fully paid. There are no par values for these ordinary shares.

16. Interest-bearing bank loans and borrowings

	2017 S$	2016 S$
Bank term loans and borrowings	1,270,242	1,565,366
Less: Amount due for settlement within 12 months (shown under current liabilities)	83,729	295,054
Amount due for settlement after 12 months	1,186,513	1,270,312

The bank term loans are secured by the following:

(i) Joint and personal guarantees by the directors of the Company.
(ii) Mortgage over property located at 421 Tagore Industrial Avenue #01-28 Tagore 8 Singapore 787805

The Company's bank loans borrowings has an effective interest rate of 1.88% to 10.88% (2016: 1.88% to 10.88%) and is denominated in Singapore dollar as at the reporting date.

17. Finance lease payables

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	2017 S$ Minimum lease payments	2017 S$ Present value of minimum lease payments
Within one year	29,148	27,500
After one year but within five years	24,272	22,916
Total minimum lease payments	53,420	50,416
Less: Future finance charges	(3,004)	-
Present value of minimum lease payments	50,416	-

The finance lease terms range from 3 to 5 years.

The Company's finance lease payables have an effective interest rate of 2.98% per annum. Interest rates are fixed at the contract dates, and hence the Company is not exposed to fair value interest rate risk. As at the end of the financial year, the fair values of the Company's finance lease obligations approximate their carrying amounts.

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Finance lease payables are denominated in Singapore dollar as at reporting date.

18. Trade and other payables

	2017 S$	2016 S$
Trade payables	1,105,003	734,454
GST payables	144,389	222,853
Accruals	319,758	2,483,802
	1,569,150	3,441,109

Trade payables are non-interest bearing and the average credit period on purchases of goods ranges from 30 to 60 (2016: 30 to 60) days according to the terms agreed with the suppliers.

The Company's trade payables are denominated in Singapore dollars.

19. Dividends declared and paid

	2017 S$	2016 S$
Interim tax exempt (one-tier) dividend of S$3.98 (2016: S$2.08) per share in respect of the financial year then ended	1,227,185	771,000

20. Operating lease commitment – as lessee

At the end of the reporting date, the Company has commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises and operating facilities as follows:

	2017 S$	2016 S$
Future minimum lease payments payable:		
Within one year	31,000	28,664
After 1 year but within 5 years	-	-
	31,000	28,664

The leases have their tenure from 1 to 2 years, with an option to renew the lease subject to certain conditions being met. Lease payments are increased upon renewal to reflect market rentals. There are no restrictions placed upon the Company by entering into these leases. The lease expenditure charged to profit or loss during the financial year is disclosed in Note 7 to the financial statements.

21. Significant related party transactions

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the Company if that person:
- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(ii) An entity is related to the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

21. Significant related party transactions (Continued)

The effect of the Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

Key management personnel:

	2017 S$	2016 S$
Remuneration		
- Directors' remuneration	259,606	671,896
- Central Provident Fund contributions for the Directors	30,390	39,240
	289,996	711,136

22. Fair value of assets and liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and current interest-bearing bank loan and borrowings, approximate their respective fair values due to the relative short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair value of the non-current interest-bearing bank loan and borrowings approximate their carrying amounts as the borrowings were entered into at market lending rates for similar types of instruments at the end of the reporting period.

23. Financial instruments and financial risks

The Company's activities expose it to credit risk, market risk (including foreign currency risk and interest rate risk) and liquidity risk. The Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Company's financial performance.

Risk management is integral to the whole business of the Company. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

There have been no changes to the Company's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposure is measured using sensitivity analysis indicated below.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter-party to settle its financial and contractual obligations to the Company, as and when they fall due.

23. Financial instruments and financial risks (Continued)

Credit risk (Continued)

The Company's exposure to credit risk is mainly influenced by the individual characteristics of each customer. The Company had established credit limits for each customer under which these customers are analysed for credit worthiness before the Company's standard payment, and delivery terms are offered. The Company's review include external ratings, where available and in some cases bank references. Customers that fail to meet the Company's benchmark are only allowed to transact with the Company on a pre-payment or cash basis. Most of the customers have been with the Company for many years and losses have occurred infrequently. In most cases, the Company does not require collateral in respect of trade and other receivables. The Company monitors their balances regularly.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company has concentrations of credit risk to certain customers. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

At 31 December 2017, the Company's trade receivable balances were concentrated on 1 customer (2016: 1 customer) who accounted for 77% (2016: 97%) of the total trade receivables outstanding. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the reporting date.

Cash is placed with financial institutions with good credit ratings.

Similarly, investments and transactions involving financial instruments are entered into only with counterparties that are of high credit quality. As such, management does not expect any counterparty to fail to meet their obligations.

The aged analysis of trade receivables past due but not impaired are as follows:

	2017 S$	2016 S$
Not past due	2,123,778	3,113,148
Past due 1 to 30 days	488,166	1,401,099
Past due 31 to 60 days	518,790	-
More than 60 days	162,804	-
	3,293,538	4,514,247

The past due trade receivables relate to customers that the Company assessed to be credit worthy based on credit evaluation process performed by management.

Management has individually assessed and determined that no impairment is required for these receivables that are past due at the reporting date as management is confident of their recoverability.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

23. Financial instruments and financial risks (Continued)

Market risk (Continued)

Foreign currency risk

The Company is not exposed to significant foreign currency risk. The Company financial asset or liability denominated in foreign currency is not insignificant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Company's interest rate risk relates to interest-bearing liabilities.

The Company's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

The Company's interest rate risk arises primarily from the floating rate borrowings with financial institutions.

	Principal	Interest rate range
	S$	
2017		
Interest-bearing bank loans and borrowings	1,270,242	1.88% - 10.88%
2016		
Interest-bearing bank loans and borrowings	1,565,366	1.88% - 10.88%

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk for both derivatives and non-derivative instruments at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 1% (2016: 1%) change in the interest rates from the end of the financial year, with all variables held constant.

	Increase/Decrease in Profit or Loss	
	2017	2016
	S$	S$
Interest-bearing bank loans and borrowings	12,702	15,654

Liquidity risk

Liquidity risk refers to the risk in which the Company encounters difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle.

The Company's operations are financed mainly through equity and borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required. The ultimate holding company has undertaken to provide financial support to the Company to meet its liabilities as and when due.

23. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

The following table details the Company's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Company is expected to receive or (pay). The table includes both interest and principal cash flows.

	1 year or less S$	1 to 5 years S$	More than 5 years S$	Total S$ S$
2017				
Undiscounted financial assets:				
Trade and other receivables (excluding prepayments)	3,342,848	-	-	3,342,848
Amount due from a shareholder	300,000	-	-	300,000
Fixed deposit	200,385	-	-	200,385
Cash and cash equivalents	1,454,848	-	-	1,454,848
	5,298,081	-	-	5,298,081
Undiscounted financial liabilities:				
Trade and other payables	1,569,150	-	-	1,569,150
Interest-bearing bank loan and borrowings	112,876	359,854	1,734,248	2,206,978
Finance lease payables	29,148	24,272	-	53,420
	1,711,174	384,126	1,734,248	3,829,548
Total net undiscounted financial assets/ (liabilities)	3,586,907	(384,126)	(1,734,248)	1,468,533
2016				
Undiscounted financial assets:				
Trade and other receivables (excluding prepayments)	4,585,741	-	-	4,585,741
Fixed deposit	200,385	-	-	200,385
Cash and cash equivalents	1,870,659	-	-	1,870,659
	6,656,785	-	-	6,656,785
Undiscounted financial liabilities:				
Trade and other payables	3,441,109	-	-	3,441,109
Interest-bearing bank loan and borrowings	338,573	379,585	1,832,715	2,550,873
	3,779,682	379,585	1,832,715	5,991,982
Total net undiscounted financial assets/ (liabilities)	2,877,103	(379,585)	(1,832,715)	664,803

24. Events after balance sheet date

On 6 August 2019, the Company purchased a leasehold property located at 31 Bukit Batok Crescent #01-19 Singapore 658070 for a total consideration of S$1.80 million.

25. Capital management policies and objectives

The Company manages its capital to ensure that the Company is able to continue as a going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists equity attributable to owners of the Company, comprising issued share capital and unappropriated profit as disclosed in the statements of changes in equity.

The Company's management reviews the capital structure on a regularly basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Company will balance its overall capital structure through the payment of dividends to shareholders and return capital to shareholders or issue new shares. The Company's overall strategy remains unchanged from 31 December 2016.

Schedule "B"
Management's Discussion & Analysis for Springleaf for the years ended December 31, 2019 and December 31, 2018.

See attached.

SPRINGLEAF ENGINEERING PTE. LTD. AND ITS SUBSIDIARIES

Management's Discussion and Analysis

For the years ended December 31, 2019 and December 31, 2018

Introduction

Springleaf Engineering Pte Ltd. (the "Company" or "Springleaf") was incorporated in Singapore on December 3, 2012, and is committed to provide integrated engineering services under the contractual frameworks of engineering, procurement, and construction management ("EPCM").

The Company currently has operations in Singapore, China and Myanmar (collectively, the "Group"), and has developed expertise in Cleanrooms, Controlled Environments and Organic Waste Management.

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of the Group constitutes management's review of the factors that affected the Group's financial and operating performance for the financial year ended December 31, 2019. This discussion should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended December 31, 2019, together with the notes thereto. Results are reported in Singapore dollars, unless otherwise noted. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Information contained herein is presented as of May 8, 2020, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the board of directors ("the Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's ordinary shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A and financial statements of the Company for the period ended December 31, 2019 have been reviewed and approved by the Board on May 8, 2020.

Caution Regarding Forward-Looking Statements

This MD&A contains certain "forward-looking information" and "forward-looking statements" (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors referenced in the "Risk Factors" section below. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Company Overview and Recent Developments

The Company currently has operations in Singapore, China and Myanmar, and has developed expertise in cleanrooms, controlled environments and organic waste management. The Company's focus is to provide one-stop turnkey EPCM solutions that range from consultancy and design right, through to the realization of projects involving the construction of high technology production facilities while pairing cost-effective and innovative technologies alongside good operational practices. The Company integrates architectural, civil, mechanical, electrical, instrumentation/control and process engineering into its team's service execution. The Company's Factory Maintenance Services division was setup in 2017 to further enhance the Company's commitment to quality through customer service to its customers.

The Company has also introduced custom works and products, giving customers the flexibility to obtain tailor-made outcomes that are appropriate for their unique business use-cases. Allowing for custom projects assists in the creation of value-add and project success for the client - positively contributing to the Company's priority of maintaining long-term commercial relationships with customers.

Recently, the Company has been preparing itself to capitalize in a shift from selling beyond its core competencies to expand into new revenue streams that offer measurable positive outcomes that directly influence customer satisfaction and retention rates. This emphasis on operations and maintenance (“O&M”) is an emerging trend, as bundled O&M services ensure quick turnarounds for repairs.

During the last quarter of 2018, the Company secured an exclusive distributorship within China, for rapid thermophilic technology – technology that is able to convert daily waste into organic fertilizer within 24 hours. This prompted the establishment of the Company’s new waste management division with the goal to provide green and eco-friendly solutions for the handling and disposing of waste. The Company is currently looking to integrate various waste management solutions with its engineering services.

The Company continues to serve a diverse set of clients from various industries, spreading across semiconductors, electronics, food & beverage, waste management, oil and gases.

The Transaction

In early 2019, the Board and management of Springleaf determined that the best course of action to secure additional capital, grow the Company’s brand, and expand the Company’s reach was to secure a public listing on a reputable exchange. During the fourth quarter of 2019, the Company continued taking steps towards obtaining a listing for its ordinary shares (the "Listing") on the Canadian Securities Exchange (the "CSE") through a reverse takeover transaction (the “Transaction”).

Following the Transaction, and pursuant to completion of certain conditions precedent, including receipt of all necessary director, shareholder, regulatory and the CSE’s approvals, the Company is targeting to be listed on CSE in second quarter of 2020. The Company will incur significant listing expenses to complete the process, but expects to be well positioned to execute on its business plan.

Years Ended December 31, 2019 and December 31, 2018 – Key Developments

1. **Accumulated total revenue for 2019 in the amount of S$8,325,758, with contract engineering revenue of S$4,905,052.**

Accumulated total revenue in 2019 decreased by S$11,842,728 or 58.7%, as compared to 2018. The decrease in revenue was due to a lower order book carried forward as at the end of the previous financial year and a decrease in contract acquisition from new and existing customers, amid a slowdown in the global semiconductor industry in 2019.

2. **The Factory Maintenance Division recorded S$3,409,966 in revenue versus S$2,294,032 in 2018.**

The Factory Maintenance Division, which set up in January 2017, with aim to diversify revenue streams and increase recurring income, experienced a 48.7% growth in service and maintenance revenue in 2019 as compared with 2018

3. **Net decrease in cash and cash equivalents of S$3,421,464 in 2019 versus a net increase in cash and cash equivalents of S$3,664,707 in 2018.**

There was a net decrease in cash and cash equivalents in the amount of S$3,421,464 as at 2019, mainly due to the decrease in revenue, largely due to the Company expanding its business in Shanghai, China during the 2019 financial year.

4. **Purchase of a new warehouse in Singapore.**

On August 6, 2019, the Company purchased a four-storey warehouse with an office for $1.75 million for purposes of expanding Singapore's operating team and to serve as a solid waste training centre and workers dormitory.

5. **New Waste Management Contracts in Shanghai**

On August 28, 2019, Springleaf's Shanghai-based subsidiary, Springleaf-Biomax (Shanghai) Pte Ltd. ("Springleaf Biomax") entered into a sales order with Shanghai Feng Xin Second Construction Company to provide waste treatment solutions to treat two tons of wet waste inside a residential space in Shanghai on a daily basis for an aggregate sum of RMB¥1,900,000 (approximately $380,000). Springleaf is permitted to bring its treatment facilities within the proximity of the residential area as its treatment process does not produce odours and pollution. The waste from the space is converted into high-value organic fertilizer for use in the community's garden.

On August 29, 2019, Springleaf Biomax signed a contract to provide a waste treatment facility with Shanghai Qun Xin Municipal Development Company, which includes treating at least 50 tons of wet waste in Shanghai, China on a daily basis for a minimum fee of RMB¥10,000 (approximately $2,000) per day, for a period of five years. Springleaf became the first entity in China to provide a low carbon dioxide emission, high-tech waste treatment facility for treating wet waste. The service begins from November 1, 2019 and runs to October 30, 2024, and the Shanghai Qun Xin Municipal Development Company is required to buy the waste treatment facility from Springleaf in accordance with pre-agreed to terms and also has the right to renew the contract for a further six months.

Selected Annual Financial Information

The following selected financial data has been extracted from the audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), for the fiscal years indicated and should be read in conjunction with those audited financial statements and the notes thereof.

		December 31, 2019		**December 31, 2018**		December 31, 2017
Total Revenues	**S$**	**8,325,758**	**S$**	**20,168,486**	S$	13,168,145
Gross Profit (as a % of revenues)		**39.5%**		**34.0%**		34.6%
Net Profit	**S$**	**616,374**	**S$**	**3,318,197**	S$	2,446,179
Net Profit per share (S$)						
- Basic		**1.82**		**10.77**		7.94
- Diluted		**1.82**		**10.77**		7.94
Change in cash and cash equivalents	**S$**	**(3,421,464)**	**S$**	**3,664,707**	S$	(415,811)
Total assets	**S$**	**12,233,640**	**S$**	**13,841,100**	S$	8,176,874
Working capital	**S$**	**3,473,692**	**S$**	**6,249,543**	S$	4,124,938
Total Non-current liabilities	**S$**	**3,101,150**	**S$**	**1,887,622**	S$	1,209,429
Shareholder's equity	**S$**	**4,845,202**	**S$**	**6,135,284**	S$	4,817,087
Number of shares outstanding		**338,495**		**308,000**		308,000

Results of Operations

Revenue

For the year ended December 31,		**2019**		**2018**		2017
Revenue						
Contracts with customers	**S$**	**4,905,052**	**S$**	**17,830,612**	S$	11,470,769
Service and maintenance	**S$**	**3,409,966**	**S$**	**2,294,032**	S$	1,662,646
Trading	**S$**	**10,740**	**S$**	**43,842**	S$	34,730
Total revenue	**S$**	**8,325,758**	**S$**	**20,168,486**	S$	13,168,145

Total revenue for the year ended December 31, 2019 decreased by S$11,842,728, or 58.7%, as compared to 2018 (an increase of S$7,000,341 in 2018 compared to the 2017 fiscal year). The decrease in revenue was due to the decrease in contract acquisition from new and existing customers, representing S$12,925,560 of the total decrease (an increase of S$6,359,843 in 2018 compared to the 2017 fiscal year). These contracts with customers mainly consist of the EPCM solutions branch of the Company. EPCM work consists of services, including the installation of cleanrooms and controlled environments, design and implementation of heat-ventilations, air-conditioning systems, mechanical and electrical systems.

Service and maintenance revenue increased by S$1,115,934, or 48.7%, as compared to 2018 (compared to an increase of S$631,386 (or 38.0%) in 2018 from the 2017 fiscal year). The purpose of providing service and maintenance work is to secure long-term contracts that will be ongoing and/or continue onto different projects for the Company's clients. Extracting and securing a recurring income stream from existing client base can be achieved through the frequent and assured engagements that maintenance services entail. This service division helps the Company maintain constant communication with its customers and meet its customers' needs.

Cost of Sales / Gross Profit Margin

For the year ended December 31,		**2019**		**2018**		2017
Cost of sales	**S$**	**5,041,129**	**S$**	**13,303,457**	S$	8,609,621
Gross profit	**S$**	**3,284,629**	**S$**	**6,865,029**	S$	4,558,524
Gross profit margin (%)		**39.5%**		**34.0%**		34.6%

Cost of sales decreased to S$5,041,129 for fiscal year 2019 from S$13,303,457 in fiscal year 2018 (which increased by S$4,693,836 from 2017 to 2018 due to improvement in project revenue). Costs of sales fluctuates in line with revenue, and the Company's trends over fiscal year 2019 and 2018 in cost of sales, exhibit that.

Gross profit is the difference between the revenue received and the direct cost of that revenue. Gross profit margin is gross profit divided by revenue and is often presented as a percent. As a direct result of decreased revenue, the Company's gross profit decreased by S$3,580,400 or 52.2%. However gross profit margin has a slight increase from 34.0% in 2018 to 39.5% in 2019, this is mainly due to higher gross profit contributed by the services and maintenance sector.

Other Income

For the year ended December 31,		**2019**		**2018**		2017
Incentive rebate	**S$**	**10**	**S$**	**80,006**	S$	12,837
Interest income	**S$**	**240,519**	**S$**	**1,041**	S$	178
Sundry income	**S$**	**-**	**S$**	**188**	S$	2,500
Foreign exchange gain, net	**S$**	**8,797**	**S$**	**277**	S$	-
Total	**S$**	**249,326**	**S$**	**81,512**	S$	15,515

Other Income in 2019 increased by S$167,814 as compared to 2018, mainly due to interest income generated in the amount of S$240,000, with respect to a loan made from the Company to a third-party owned company. In 2018 the Company received one-off grants and incentives such as Global Company Partnership Grant from International Enterprise (IE) Singapore, in relation to the Company's expansion into Myanmar.

Operating Expenses

For the year ended December 31,		**2019**		**2018**		2017
Administrative expenses	**S$**	**871,114**	**S$**	**468,976**	S$	378,491
Other operating expenses	**S$**	**1,706,844**	**S$**	**2,368,222**	S$	1,214,235
Finance costs	**S$**	**148,590**	**S$**	**133,407**	S$	76,546
Total	**S$**	**2,726,548**	**S$**	**2,970,605**	S$	1,669,272

Operating Expenses in 2019 decreased by 8.2%, from S$2,970,605 in 2018, to S$2,726,548 in 2019. The decrease was mainly due to decrease in other operating expenses, where there was a payment of a special commission to management and sales team amounting to S$615,000 for exceeding the forecasted sales target in 2018, which is none in 2019.

In addition, increased administrative expenses in 2019 mainly due to professional fees related to the listing exercise amounted to an approximately S$265,000 payment that was not required in 2018.

Net and Total Comprehensive Income

For the year ended December 31,		**2019**		**2018**		2017
Net and Total Comprehensive Income	**S$**	**610,515**	**S$**	**3,318,197**	S$	2,446,179

For the year ended December 31, 2019, the Company recorded a total comprehensive income of S$610,515 compared to total comprehensive income of S$3,318,197 in 2018. This decrease in profit is mainly due to the decrease in total revenues (as discussed above).

Authorized share capital

As of the date of this MD&A, the Company has 350,310 Springleaf Shares issued and outstanding. All Springleaf Shares carry one vote per share and carry a right to dividends as and when declared by the Company. All issued and outstanding Springleaf Shares are fully paid.

Risk Factors

The following are certain risk factors relating to the business carried on by Springleaf which prospective investors should carefully consider. Springleaf will face a number of challenges in the development of its technology and in building its client base. Due to the nature of Springleaf, the present stage of the business, Springleaf may be subject to significant risks. Readers should carefully consider all such risks, including those set out in the discussion below. The below list is not a comprehensive list of all risk factors that may affect the Company.

General Business Risks

Risk Associated with Foreign Operations in Other Countries

The Company's primary revenues are expected to be achieved in Singapore, China and Myanmar. However, the Company may expand to markets outside of the aforementioned countries and become subject to risks normally associated with conducting business in other countries. The Company cannot predict government positions on such things as foreign investment, intellectual property rights or taxation. A change in government positions on these issues could adversely affect the Company's business.

Risks Associated with Acquisitions

As part of the Company's overall business strategy, after the completion of the Listing, the Company may pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Company's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Uncertainty and Adverse Changes in the Global Economy

Adverse changes in the global economy could negatively impact the Company's business. Future economic distress may result in a decrease in demand for the Company's products, which could have a material adverse impact on the Company's operating results and financial condition. Uncertainty and adverse changes in the economy could also increase costs associated with developing and publishing products, increase the cost and decrease the availability of sources of financing, and increase the Company's exposure to material losses from bad debts, any of which could have a material adverse impact on the financial condition and operating results of the Company.

Risks Related to Industry and Business

Revenue is Dependent on the Capital Expenditure of Customers

The Company designs and/or build facilities requiring controlled environments mainly for the electronics, food and beverage, oil and gas, semiconductor and waste management sectors. Consequently, revenue will be adversely affected should there be any slowdown in the growth and development of these sectors which results in a reduction in the capital expenditure budgets of customers in these sectors and a lesser number of projects available for tender. Accordingly, the Company will be dependent on the growth of these sectors in Singapore, specifically and Southeast Asia generally, and any change or slowdown in the growth of these sectors in these geographic markets may have an adverse impact on our business, financial condition, results of operations and prospects.

Business is generally project-based and faces the risk of any delay or premature termination of secured projects and/or the Company may not be able to secure new projects

The Company's business is generally be project-based. Therefore, the Company has to continuously secure new customers and/or new projects. If it is unable to secure new projects of contract values, size and/or margins comparable to existing ones and/or our secured projects are delayed or prematurely terminated because of factors such as changes in customers' businesses, poor market conditions or lack of funds on the part of the project owners, this would create idle or excess capacity and/or may expose the Company to liabilities to sub- contractors and/or suppliers. This may adversely affect business, financial performance and financial condition. The delay or premature termination of any projects or contracts in progress or any customer's decision not to proceed with a contracted project may result in the Company not being adequately compensated. This will have a material adverse effect on business, financial condition and results of operations. In addition, there may be a lapse of time between the completion of existing projects and the commencement of subsequent projects which may materially and adversely affect financial performance and financial position.

Any cost overruns may adversely affect the financial performance of the Company

The Company's revenue is largely derived from project-based contracts. Contracts for project works are negotiated in advance of the actual project execution and projects can vary in duration from several months to a few years. Profitability will therefore be dependent on the Company's ability to obtain competitive quotations from sub-contractors at or below estimated costs, and the ability to execute the contracts efficiently. The Company works closely with subcontractors for project execution. However, unforeseen circumstances such as logistic disruptions or unanticipated construction constraints at the work site may arise during the course of project execution. As these circumstances may require additional work which has not been factored into the contract value, they may lead to cost overruns which will erode profit margin for the project. There is no assurance that actual costs incurred will not exceed the estimated costs, due to under-estimation of costs, excessive wastage, inefficiency, damage or unforeseen additional costs incurred during the course of the contract. Any under-estimation of costs, delay or other circumstances resulting in cost overruns may adversely affect profitability.

Liable for delays in the completion of projects

The contracts that the Company may enter into with customers will typically include a provision for the payment by the Company of pre-determined liquidated damages to customers in the event the project is completed after the date of completion stated in the contract arising from any delay caused by the Company. The liquidated damages payable are determined by the tender terms for public sector projects or through contractual negotiations for private sector projects. Delays in a project could occur from time to time due to factors such as shortages of labour, equipment and construction materials, labour disputes, disputes with sub-contractors, industrial accidents, work stoppages arising from accidents or mishaps at the work site or delays in the delivery of construction materials and/or equipment by suppliers to sub-contractors. In the event of any delay in the completion of a project due to factors within the Company's control, it could be liable to pay liquidated damages under the contract and incur additional overheads that will adversely affect earnings and profit margins, thereby materially and adversely affecting financial condition and results of operations. Although Springleaf has not been made liable to pay any liquidated damages as of the date of this MD&A, there is no assurance that there will not be any delays in existing and future projects in resulting in the payment of liquidated damages that may have a material and adverse impact on the Company's business, financial condition and results of operations.

Defect claims and disputed variation orders can erode profitability

In the Company's business, claims may be made by customers against contractors or sub-contractors for defective works and/or non-compliance with contract specifications. It is also common for customers to retain a certain percentage of the contract sum as retention monies for the costs of rectifying any defective works which have not been rectified by the Company. Variation orders are usually additional works or changes requested by the customer for specifications not included in the original contract. In such circumstances, additional time would be given to the Company to complete the project. On certain occasions, the parties may agree that variation orders be performed before the costs for such additional works are finalised. Thus, the final values of such variation orders may be subject to dispute by customers. In such an event, additional costs resulting from variation orders that could not be charged to customers due to disputes would have to be absorbed by the Company. As a result of absorbing such costs, the Company may have to suffer lower profits or even losses for that project. As of the date of this MD&A, Springleaf has not experienced any material disputed variation orders or defect claims. However, there is no assurance that material disputed variation orders or defect claims will not arise in the future. In the event that the Company is required to bear any part of the variation costs or losses arising from defect claims, its financial performance may be adversely affected.

Reliance on suppliers and sub-contractors

The Company purchases architectural materials, engineering products, cleanroom, and other hardware and materials from suppliers. The Company also engages sub-contractors to provide various services at project sites, such as architectural works, mechanical and electrical installation, interior decoration and other specialist works. These suppliers and sub-contractors will be selected based on, amongst others, past working experience with them, their track record, pricing and their ability to meet quality and safety requirements and schedule. The Company cannot be assured that the products and services rendered by suppliers and sub-contractors will continue to be satisfactory to or that they will meet the quality requirements, specifications and time schedule for projects. In the event of any loss which arises from the default of the suppliers or sub-contractors engaged by the Company, it may not be able to pass such loss on to them. Furthermore, if there are any adverse changes in suppliers' and sub-contractors' conditions (financial or otherwise) which affect their ability to supply the products or carry out the work for which they were contracted for, and the Company is unable to find suitable alternative suppliers or sub-contractors in a timely manner and at comparable commercial terms, the Company may not be able to complete the project within the budget and time schedule. As a result, there may be cost overruns or the Company may incur liquidated damages, and financial performance will be affected.

Securities Issuances

The following table summarizes issuances of the Springleaf Shares, or securities convertible into Springleaf Shares, during the financial year ended December 31, 2019.

Date of Issuance	Type of Security	Number of Securities Issued	Issuance Price per Security
August 23, 2019	Springleaf Shares	30,495[(1)]	$3.26

Notes:
(1) Springleaf Shares issued to Springleaf's director and Chief Corporate Officer, Michelle Neo San San in consideration for services and a one-time cash payment of S$99,403.

Summary of Quarterly Results

The following selected quarterly financial data has been extracted from the financial statements, prepared in accordance with International Financial Reporting Standards.

	2018 Q4	2018 Q3	2018 Q2	2018 Q1
	S$	S$	S$	S$
Revenue	6,826,252	3,491,475	7,986,302	1,864,457
Cost of sales	(4,469,455)	(2,218,777)	(5,415,251)	(1,199,974)
Gross profit	2,356,797	1,272,698	2,571,051	664,483
Gross profit margin - percentage	34.5%	36.5%	32.2%	35.6%
Other income	70,456	7,937	1,094	2,025
Operating and administrative expenses	(1,508,819)	(689,063)	(428,804)	(343,919)
Profit before tax	918,434	591,572	2,143,341	322,589
Income tax	(137,964)	(100,567)	(364,368)	(54,840)
Profit for the period	780,470	491,005	1,778,973	267,749
Net profit per share (basic and diluted)	2.53	1.59	5.78	0.87

	2019 Q4	2019 Q3	2019 Q2	2019 Q1
	S$	S$	S$	S$
Revenue	1,713,464	2,456,502	2,144,876	2,010,916
Cost of sales	(1,273,115)	(1,019,931)	(1,571,765)	(1,176,318)
Gross profit	440,349	1,436,571	573,111	834,598
Gross profit margin - percentage	25.7%	58.5%	26.7%	41.5%
Other income / (expenses)	57,682	131,123	60,361	160
Operating and administrative expenses	(914,691)	(889,653)	(441,612)	(480,592)
Profit before tax	(416,660)	678,041	191,860	354,166
Income tax	21,280	(124,948)	(30,698)	(56,667)
Profit for the period	(395,380)	553,093	161,162	297,499
Profit attributable to:				
Owner of the Company	(367,422)	598,075	161,162	297,499
Minority interest	(27,958)	(44,982)	-	-
Profit for the period	(395,380)	553,093	161,162	297,499
Net profit per share (basic and diluted)	(1.17)	1.63	0.52	0.97

The 2019 Fourth Quarter

In 2019 Q4, the Group recorded revenues of S$1,713,464, a decrease of S$5,112,788 or 74.9% as compared to the equivalent quarter in 2018. Most of this decrease was attributed to the lower billings on contracted customers. The Company's gross profit margin has maintained within the range of 25% to 40% over the past few fiscal years.

Other Operating Expenses decreased during 2019 Q4 (S$914,691 compared to S$1,508,819 on the same period last year) as these were largely due to the special commission paid and other business development initiatives in 2018, which is none during 2019 Q4. Other Operating Expenses increased during 2019 Q4 (S$914,691 compared to S$889,653 on 2019 Q3) mainly due to some year-end adjustment such as tax fees, audit fees, company secretary fees & staff bonus were adjusted as at 2019 Q4.

Liquidity and Capital Resources

The Company's liquidity risk is on its loans, accounts payable and accrued liabilities. The Company's operations are financed mainly through equity and borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required. As at December 31, 2019, the Company has a net working capital of S$3,473,692 (December 31, 2018: S$6,249,543).

The Company manages its capital structure and makes routine adjustments that accounts for new developments within economic and business conditions; financing environment; and the risk characteristics of the underlying assets. The Company may issue new Springleaf Shares, new debt, or scale back the size and nature of its operations. As per its plans to go public, the Company will restructure and repay most of its outstanding debts upon its anticipated listing. The Company is not subject to externally imposed capital requirements. As at December 31, 2019, shareholder's equity was S$4,845,202 as at December 31, 2018, shareholder's equity was S$6,135,284).

Financial Instruments

The Company's activities expose it to financial risks, including credit risk, foreign currency risk, interest rate risk, and liquidity risk. The Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Company's financial performance.

Risk management is integral to the whole business of the Company. The management of Springleaf continually monitors the Company's risk management processes to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

There have been no changes to the Company's exposure to these financial risks or the manner in which it manages and measures the risk during the financial year ended December 31, 2019.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents. All the Company's cash is held at financial institutions or is held in trust with legal counsel in which management believes that the risk of loss is minimal, but the Company is subject to concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis.

There have been no changes in the Company's strategy with respect to credit/liquidity risk in the period.

Foreign currency risk

The Company's functional currency is denominated in Singaporean Dollars. The Company currently expects that sales will be incurred primarily in Singaporean Dollars, United States Dollar and the Chinese Renminbi and may, in the future, have sales denominated in the currencies of additional countries in which it establishes sales offices. In addition, the Company incurs most of its operating expenses in Singaporean Dollars. In the future, the proportion of the Company's sales that are derived outside of the Company's main operating jurisdiction, Singapore, may increase. Such sales may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the exchange rates of foreign currencies may negatively impact the Company's business, financial condition and results of operations. The Company has not previously engaged in foreign currency hedging. If the Company decides to hedge its foreign currency exposure, it may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets. In addition, those activities may be limited in the protection they provide Springleaf from foreign currency fluctuations and can themselves result in losses.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any material undisclosed off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of its operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources.

Commitments

The following table disclosed the Company's contractual undiscounted cash flows of financial instruments based on the earlier of: (i) the contractual date, and (ii) when the Company is expected to make the payment. The below table includes both interest and principal cash flows.

As at December 31, 2019

Contractual Obligation	Total Due	Payment Due: Less than 1 year	Payment Due: 1-5 years	Payment Due: After 5 years
	S$	S$	S$	S$
Borrowings	6,669,479	1,703,475	3,510,786	1,455,218
Operating lease	128,000	128,000	-	-

Related Party Transactions

During the financial year ended December 31, 2019, the Company had the following related party transactions:

1. Issuance of 30,495 Springleaf Shares to Michelle Neo San San, director of Springleaf and Chief Corporate Officer of SLE Synergy Ltd. in consideration for services and a one-time cash payment of S$99,403. There are no agreements regarding any further issuances of Springleaf Shares to Michelle Neo San San.

Other than the above, the Company was not involved in any related party transactions with the insiders of the Company other than remuneration paid to management personnel during the years ended December 31, 2019 and December 31, 2018.

Key Management Remuneration

Remuneration awarded to key management for the years ended December 31, 2019 and 2018 included:

For the year ended December 31,		**2019**		**2018**		2017
Directors' fees	**S$**	**-**	**S$**	**40,000**	S$	-
Directors' remuneration	**S$**	**234,525**	**S$**	**283,000**	S$	259,606
Central Provident Fund	**S$**	**27,935**	**S$**	**33,448**	S$	30,390
Commissions	**S$**	**-**	**S$**	**400,000**	S$	-
Total	**S$**	**262,460**	**S$**	**756,448**	S$	289,996

Changes in Accounting Policies

IFRS 16 Leases

IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives*, and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* to set out the principles for the recognition, measurement, presentation and disclosure of leases. The changes introduced by IFRS 16 will primarily affect the financial statements of the lessees.

IFRS 16 requires, with limited exceptions, the lessee to recognize, at initial recognition, lease liabilities, measured at the present value of lease payments that are not paid as of that date to reflect the present value of the future lease payments, and right-of-use assets at cost, comprising elements including the amount of the initial measurement of the lease liabilities, initial direct costs incurred by the lessee and estimates of other contracted costs to be incurred by the lessee, for its lease contracts. Leases of “low-value” assets and qualifying short-term leases entered into by lessees can be exempted from the new recognition criteria.

On January 1, 2019, the Company adopted this standard and there was no material impact on the Company’s consolidated financial statements as the Company has no material lease contracts that fall under IFRS 16.

Other Information

Additional information about the Company is available at http://www.springleaf.com.sg/.

Subsequent Events

The following reportable events occurred subsequent to the year ended December 31, 2019.

On January 3, 2020, Springleaf completed a non-brokered private placement, raising aggregate gross proceeds of $630,000 through the issuance of 11,815 Springleaf Shares, at an average price of $53.32 per Springleaf Share.

On January 3, 2020 and March 4, 2020, two tranches of capital injection totaling S$742,673 were made by the Company to its subsidiary, Springleaf-Biomax (Shanghai) Pte Ltd. The additional investment is proportionate to the Company's 60% interest in the subsidiary.

On January 30, 2020, SLE and the Company entered into a share exchange agreement (the "Share Exchange Agreement") which upon completion, will result in the Company becoming a 100% wholly owned subsidiary of SLE. In conjunction with the Transaction, SLE will file a non-offering prospectus ("NOP") that will result in it becoming a reporting issuer and will apply to list (the "Listing") its common shares (the "Common Shares") on the CSE. Pursuant to the Share Exchange Agreement, upon completion of the Transaction, SLE will carry on the business of the Company.

Pursuant to the Share Exchange Agreement, the closing of the Transaction was subject to certain conditions, including: (a) obtaining all necessary regulatory approvals, including the approval of the CSE (including without limitation the CSE being satisfied that after the closing of the Transaction, SLE will satisfy the CSE's minimum listing requirements; (b) obtaining all necessary shareholder and director approvals and consents; (c) obtaining approval of the listing of the Common Shares on the CSE and filing a final prospectus; (d) and other conditions under the Share Exchange Agreement which are typical for this type of transaction.

On February 11, 2020, SLE filed the preliminary NOP with the British Columbia Securities Commission ("BCSC") and on February 13, 2020 received a receipt from the BCSC for its preliminary NOP.

On April 20, 2020, the CSE issued SLE its conditional approval letter to SLE to list the Common Shares on the CSE upon closing of the Transaction.

On May 8, 2020, SLE and Springleaf closed the Transaction. Pursuant to the Share Exchange Agreement, in consideration for the Transaction, SLE issued 43,952,082 Common Shares for the 350,310 Springleaf Shares issued and outstanding, at a deemed price of $0.50 per Common Share.

The Transaction constitutes a reverse takeover transaction and SLE will carry on the business of Springleaf going forward.

COVID-19

Subsequent to year-end, there was a global outbreak of COVID-19 coronavirus ("COVID-19"), which has had a significant impact on the global economy and individual businesses as isolation restrictions were imposed by governments and organizations all over the world, including in Singapore and China. At this time, the extent of the impact that the COVID-19 outbreak may have on the operations of Springleaf is unknown and will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak – including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation rules and regulations that are currently, or may be put, in place by countries to fight the spread of the virus.

Our operations in Singapore and China thus far have been free from COVID-19 incidents but the movement restrictions imposed by the Chinese government in early February has slowed down the Company's operations in China. The Singaporean government has started to impose a Circuit Breaker Period in early April, however, the Company's Singaporean operation have yet to suffer a direct impact, as the Company is still receiving orders from clients as of to date of this MD&A. The Company's Singaporean operations were granted an exemption to continue and operate during this Circuit Breaker Period as most of Springleaf's clients are considered part of an essential services sector.

If lockdowns or quarantine periods are extended in the countries in which Springleaf primarily operates, its operations, cash flows and financial condition could be negatively affected due to, but not limited to, the following: (i) if employees are quarantined as the result of exposure to COVID-19, this could result to disruption of operations; (ii) the impact on the Singapore economic environment and Company's debtors will have to be taken into account in the Company's estimates of its expected credit loss provision for financial year 2020; and (iii) similarly, travel restrictions or operational issues resulting from the rapid spread of COVID-19 may have material adverse effect on our business and results of operations.

SPRINGLEAF ENGINEERING PTE. LTD.

Management's Discussion and Analysis

For the years ended December 31, 2018 and December 31, 2017

Introduction

Springleaf Engineering Pte Ltd. (the “Company” or “Springleaf”) was incorporated in Singapore on December 3, 2012, and is committed to provide integrated engineering services under the contractual frameworks of engineering, procurement, and construction management (“EPCM”).

The following management’s discussion and analysis (“MD&A”) of the financial condition and results of the operations of the Company constitutes management’s review of the factors that affected the Company’s financial and operating performance for the three and nine months ended September 30, 2019. This discussion should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2019, together with the notes thereto. Results are reported in Singaporean dollars, unless otherwise noted. The Company’s financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”). Information contained herein is presented as of February 11, 2020, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the board of directors (“the Board”), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company’s ordinary shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

The unaudited condensed interim consolidated financial statements and this MD&A have been reviewed and approved by the Board on February 11, 2020.

Caution Regarding Forward-Looking Statements

This MD&A contains certain “forward-looking information” and “forward-looking statements” (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors referenced in the "Risk Factors" section below. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Company Overview and Recent Developments

The Company currently has operations in Singapore, China and Myanmar, and has developed expertise in cleanrooms, controlled environments and organic waste management. The Company's focus is to provide one-stop turnkey EPCM solutions that range from consultancy and design right, through to the realization of projects involving the construction of high technology production facilities while pairing cost-effective and innovative technologies alongside good operational practices. The Company integrates architectural, civil, mechanical, electrical, instrumentation/control and process engineering into its team's service execution. The Company's Factory Maintenance Services division was setup in 2017 to further enhance the Company's commitment to quality through customer service to its customers.

The Company has also introduced custom works and products, giving customers the flexibility to obtain tailor-made outcomes that are appropriate for their unique business use-cases. Allowing for custom projects assists in the creation of value-add and project success for the client - positively contributing to the Company's priority of maintaining long-term commercial relationships with customers.

Recently, the Company has been preparing itself to capitalize in a shift from selling beyond its core competencies to expand into new revenue streams that offer measurable positive outcomes that directly influence customer satisfaction and retention rates. This emphasis on operations and maintenance ("O&M") is an emerging trend, as bundled O&M services ensure quick turnarounds for repairs.

During the last quarter of 2018, the Company secured an exclusive distributorship within China, for rapid thermophilic technology – technology that is able to convert daily waste into organic fertilizer within 24 hours. This prompted the establishment of the Company's new waste management division with the goal to provide green and eco-friendly solutions for the handling and disposing of waste. The Company is currently looking to integrate various waste management solutions with its engineering services.

The Company continues to serve a diverse set of clients from various industries, spreading across semiconductors, electronics, food & beverage, waste management, oil and gases.

Years Ended December 31, 2018 and December 31, 2017 – Key Developments

1. **The Company receives the Market Readiness Assistance and Global Company Partnership Grants**

On April 10, 2017, received both the Market Readiness Assistance ("MRA") and Global Company Partnership ("GCP") grants worth a total of $77,000 from International Enterprise Singapore – a statutory board under the Ministry of Trade and Industry of the Singapore government that facilitates the overseas growth of Singapore based companies and promotes international trade. MRA and GCP are government grants that aim to support Singapore's small and medium-sized enterprises in the expansion of their business profiles into international markets through defraying eligible costs in capability building, market access and manpower development.

2. **2018 total revenues reached S$20,168,486, with contract engineering revenue of S$17,830,613**

Fiscal 2018 was a milestone year for the Company, as it hit above S$20mil in revenue. Contract engineering revenue from new and existing customers increased by S$6,359,844, from S$11,470,769 in 2017 to S$17,830,613 in 2018. Part of the revenue increase stems from a contract entered into with a local semiconductor company on March 11, 2018 valued at $4.5 million, in which Springleaf completed the delivery of services on July 16, 2018.

3. **The Company incorporates a Chinese subsidiary with the intention of eventually providing its engineering services in China.**

Springleaf incorporated Shanghai Xin Da Process Engineering Co., Ltd. ("Springleaf Xin Shanghai"). The principal activities of Springleaf Xin Shanghai are to provide EPCM services that range from consultancy and design to the realization of projects involving the construction of high technology production facilities in Shanghai, China.

4. **The Factory Maintenance Division recorded S$2,294,032 in revenue versus S$1,662,646 in 2017**

The Factory Maintenance Division, which set up in January 2017, experienced 38% growth in service and maintenance revenue in 2018.

5. Net increased in cash and cash equivalents of S$3,664,707 in 2018 versus a decrease in cash and cash equivalents of S$415,811 in 2017

The Company recorded a positive cash flow in 2018 and an significant increase in its cash flow position as compared to 2017 due to better cash flow generated from the Company's core operating activities.

6. Secured exclusive distributorship of Rapid Thermophilic Technology, within China region and set up new waste management division

Springleaf signed an exclusive distribution agreement (the "Biomax Distribution Agreement") with Biomax Green Pte. Ltd. ("Biomax") for a term of five years to sell Biomax's Rapid Thermophilic Digestion Machine and formulated bacterial enzymes mix ("BM1") exclusively in China. The Biomax Distribution Agreement requires Springleaf to achieve purchase orders in the amount of (the "Agreed Targets"): (i) US$10 million in the second year of the Biomax Distribution Agreement; (ii) US$50 million in aggregate for the first three years of the Biomax Distribution Agreement; (iii); US$25 million for the fourth year of the Biomax Distribution Agreement; and (iv) US$30 million for the fifth year of the Biomax Distribution Agreement. Springleaf may exercise its right to renew the Biomax Distribution Agreement in which case, both Biomax and Springleaf will discuss new territories, revenue targets, and terms of such an agreement. Springleaf's right to renew the Biomax Distribution Agreement is subject to Springleaf achieving the Agreed Targets.

If Springleaf fails to meet an Agreed Target, Biomax has a right to terminate the Biomax Distribution Agreement.

Springleaf shall make payments to Biomax by way of a 30% down payment based on quotation acceptance, followed by 40% two weeks before delivery and the balance 30% upon the billing date.

The Biomax Distribution Agreement may be terminated: (i) if Springleaf accepts exclusivity from a similar product to that of Biomax's, (ii) if Springleaf seeks to transfer the exclusivity, or (iii) if Springleaf violates any terms of the agreement. The Biomax Distribution Agreement is governed by the laws of Singapore.

Biomax's Rapid Thermophilic Digestion Machine and BM1 convert organic waste into 100% pure solid organic fertilizer. The end-product has substantial nitrogen, phosphorus, and potassium that provides nutrition for plants. The end-product's low carbon to nitrogen ratio also helps restore soil structure and fertility. Therefore, the technology is able to convert wet waste into reusable organic fertilizer that consists of low carbon dioxide emissions released into China's air.

Biomax is a leading biotechnology company built around the belief that the world is their community and Biomax has the responsibility to put the needs of people, communities, and the environment first. Through its research and development efforts, Biomax has produced innovative technology with respect to the global organic waste treatment industry.

Selected Annual Financial Information

The following selected financial data has been extracted from the audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), for the fiscal years indicated and should be read in conjunction with those audited financial statements and the notes thereof.

		December 31, 2018		**December 31, 2017**		December 31, 2016
Total Revenues	**S$**	**20,168,486**	S$	**13,168,145**	S$	18,243,231
Gross Profit (as a % of revenues)		**34.0%**		**34.6%**		30.7%
Net Profit	**S$**	**3,318,197**	S$	**2,446,179**	S$	3,227,185
Net Profit per share (S$)						
- Basic		**10.77**		**7.94**		10.48
- Diluted		**10.77**		**7.94**		10.48
Change in cash and cash equivalents	**S$**	**3,664,707**	S$	**(415,811)**	S$	616,299
Total assets	**S$**	**13,841,100**	S$	**8,176,874**	S$	10,129,881
Working capital	**S$**	**6,249,543**	S$	**4,124,938**	S$	3,110,338
Total Non-current liabilities	**S$**	**1,887,622**	S$	**1,209,429**	S$	1,270,312
Shareholder's equity	**S$**	**6,135,284**	S$	**4,817,087**	S$	3,598,093
Number of shares outstanding		**308,000**		**308,000**		308,000

Results of Operations

Revenue

For the year ended December 31,		2018		2017		2016
Revenue						
Contracts with customers	**S$**	**17,830,613**	S$	**11,470,769**	S$	16,964,849
Service and maintenance	**S$**	**2,294,032**	S$	**1,662,646**	S$	1,270,676
Trading	**S$**	**43,841**	S$	**34,730**	S$	7,706
Total revenue	**S$**	**20,168,486**	S$	**13,168,145**	S$	18,243,231

Total revenue for the year ended December 31, 2018 increased by S$7,000,341, or 53.2%, as compared to the same period in 2017 (compared to a decrease of S$5,075,086 in 2017 from the 2016 fiscal year). The increase in revenue was due to the increase in contract acquisition from new and existing customers, contributing S$6,359,844 of the total increase (compared to a decrease of S$5,224,080 in 2017 from the 2016 fiscal year). These contracts with customers mainly consist of the EPCM solutions branch of the Company. EPCM work consists of services, including the installation of cleanrooms and controlled environments, design and implementation of heat-ventilations, air-conditioning systems, mechanical and electrical systems.

Service and maintenance revenue increased by S$631,386, or 38%, as compared to the same period in 2017 (compared to an increase of S$391,970 (or 30.8%) in 2017 from the 2016 fiscal year). The purpose of providing service and maintenance work is to secure long-term contracts that will be ongoing and/or continue onto different projects for the Company's clients. Extracting and securing a recurring income stream from existing client base can be achieved through the frequent and assured engagements that maintenance services entail. This service division helps the Company maintain constant communication with its customers and meet its customers' needs.

Cost of Sales / Gross Profit Margin

For the year ended December 31,		2018		2017		2016
Cost of sales	**S$**	**13,303,457**	S$	**8,609,621**	S$	12,651,196
Gross profit	**S$**	**6,865,029**	S$	**4,558,524**	S$	5,592,035
Gross profit margin (%)		**34.0%**		**34.6%**		30.7%

Cost of sales increased from S$13,3030,475 for fiscal year 2018 from S$8,609,621 in fiscal year 2017 (which decreased by S$4,041,575 from 2016 to 2017 due to a slowdown in project revenue). Costs of sales fluctuates in line with revenue, and the Company's trends over fiscal year 2018 and 2017 in cost of sales, exhibit that.

Gross profit is the difference between the revenue received and the direct cost of that revenue. Gross profit margin is gross profit divided by revenue and is often presented as a percent. As a direct results of increased revenue, the Company's gross profit increased by S$2,306,505 or 50.6%. Gross profit margin has a slight decrease from 34.6% in 2017 to 34.0% in 2018.

Other Income

For the year ended December 31,		**2018**		**2017**		2016
Incentive rebate	**S$**	**80,006**	S$	**12,837**	S$	62,082
Interest income	**S$**	**1,041**	S$	**178**	S$	669
Sundry income	**S$**	**188**	S$	**2,500**	S$	-
Foreign exchange gain, net	**S$**	**277**	S$	**-**	S$	-
Total	**S$**	**81,512**	S$	**15,515**	S$	62,751

Other Income in 2018 increased by S$65,997 as compared to 2017, due to one-off grants and incentives such as Global Company Partnership Grant received from International Enterprise (IE) Singapore, in relation to the Company's expansion into Myanmar.

Operating Expenses

For the year ended December 31,		**2018**		**2017**		2016
Administrative expenses	**S$**	**468,976**	S$	**378,491**	S$	191,719
Other operating expenses	**S$**	**2,368,222**	S$	**1,214,235**	S$	1,450,666
Finance costs	**S$**	**133,407**	S$	**76,546**	S$	151,621
Total	**S$**	**2,970,605**	S$	**1,669,272**	S$	1,794,006

Operating Expenses in 2018 increased by 78.0%, up from S$1,669,272 in 2017, to S$2,970,605 in 2018. The increase was mainly attributed to the increase in Other Operating Expenses, where there was a payment of a special commission to management and sales team amounting to S$615,000 for exceeding the forecasted sales target – such payment was not required in 2017.

In addition, staff costs for 2018 increased by S$421,462 as compared to 2017. This increase was a natural consequence of the Company's headcount expansion as the Company has further increased its operational capacities for the mid-to-long term.

Net and Total Comprehensive Income

For the year ended December 31,		**2018**		**2017**		2016
Net and Total Comprehensive Income	**S$**	**3,318,197**	S$	**2,446,179**	S$	3,227,185

For the year ended December 31, 2018, the Company recorded a total comprehensive income of S$3,318,197 compared to total comprehensive income of S$2,446,179 in 2017. This increase in profit is mainly due to the increase in total revenues (as discussed above).

Authorized share capital

As of the date of this MD&A, the Company has 350,310 Springleaf Shares issued and outstanding. All Springleaf Shares carry one vote per share and carry a right to dividends as and when declared by the Company. All issued and outstanding Springleaf Shares are fully paid.

Risk Factors

The following are certain risk factors relating to the business carried on by Springleaf which prospective investors should carefully consider. Springleaf will face a number of challenges in the development of its technology and in building its client base. Due to the nature of Springleaf, the present stage of the business, Springleaf may be subject to significant risks. Readers should carefully consider all such risks, including those set out in the discussion below. The below list is not a comprehensive list of all risk factors that may affect the Company.

General Business Risks

Risk Associated with Foreign Operations in Other Countries

The Company's primary revenues are expected to be achieved in Singapore, China and Myanmar. However, the Company may expand to markets outside of the aforementioned countries and become subject to risks normally associated with conducting business in other countries. The Company cannot predict government positions on such things as foreign investment, intellectual property rights or taxation. A change in government positions on these issues could adversely affect the Company's business.

Risks Associated with Acquisitions

As part of the Company's overall business strategy, after the completion of the Listing, the Company may pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Company's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Uncertainty and Adverse Changes in the Global Economy

Adverse changes in the global economy could negatively impact the Company's business. Future economic distress may result in a decrease in demand for the Company's products, which could have a material adverse impact on the Company's operating results and financial condition. Uncertainty and adverse changes in the economy could also increase costs associated with developing and publishing products, increase the cost and decrease the availability of sources of financing, and increase the Company's exposure to material losses from bad debts, any of which could have a material adverse impact on the financial condition and operating results of the Company.

Risks Related to Industry and Business

Revenue is Dependent on the Capital Expenditure of Customers

The Company designs and/or build facilities requiring controlled environments mainly for the electronics, food and beverage, oil and gas, semiconductor and waste management sectors. Consequently, revenue will be adversely affected should there be any slowdown in the growth and development of these sectors which results in a reduction in the capital expenditure budgets of customers in these sectors and a lesser number of projects available for tender. Accordingly, the Company will be dependent on the growth of these sectors in Singapore, specifically and Southeast Asia generally, and any change or slowdown in the growth of these sectors in these geographic markets may have an adverse impact on our business, financial condition, results of operations and prospects.

Business is generally project-based and faces the risk of any delay or premature termination of secured projects and/or the Company may not be able to secure new projects

The Company's business is generally be project-based. Therefore, the Company has to continuously secure new customers and/or new projects. If it is unable to secure new projects of contract values, size and/or margins comparable to existing ones and/or our secured projects are delayed or prematurely terminated because of factors such as changes in customers' businesses, poor market conditions or lack of funds on the part of the project owners, this would create idle or excess capacity and/or may expose the Company to liabilities to sub- contractors and/or suppliers. This may adversely affect business, financial performance and financial condition. The delay or premature termination of any projects or contracts in progress or any customer's decision not to proceed with a contracted project may result in the Company not being adequately compensated. This will have a material adverse effect on business, financial condition and results of operations. In addition, there may be a lapse of time between the completion of existing projects and the commencement of subsequent projects which may materially and adversely affect financial performance and financial position.

Any cost overruns may adversely affect the financial performance of the Company

The Company's revenue is largely derived from project-based contracts. Contracts for project works are negotiated in advance of the actual project execution and projects can vary in duration from several months to a few years. Profitability will therefore be dependent on the Company's ability to obtain competitive quotations from sub-contractors at or below estimated costs, and the ability to execute the contracts efficiently. The Company works closely with subcontractors for project execution. However, unforeseen circumstances such as logistic disruptions or unanticipated construction constraints at the work site may arise during the course of project execution. As these circumstances may require additional work which has not been factored into the contract value, they may lead to cost overruns which will erode profit margin for the project. There is no assurance that actual costs incurred will not exceed the estimated costs, due to under-estimation of costs, excessive wastage, inefficiency, damage or unforeseen additional costs incurred during the course of the contract. Any under-estimation of costs, delay or other circumstances resulting in cost overruns may adversely affect profitability.

Liable for delays in the completion of projects

The contracts that the Company may enter into with customers will typically include a provision for the payment by the Company of pre-determined liquidated damages to customers in the event the project is completed after the date of completion stated in the contract arising from any delay caused by the Company. The liquidated damages payable are determined by the tender terms for public sector projects or through contractual negotiations for private sector projects. Delays in a project could occur from time to time due to factors such as shortages of labour, equipment and construction materials, labour disputes, disputes with sub-contractors, industrial accidents, work stoppages arising from accidents or mishaps at the work site or delays in the delivery of construction materials and/or equipment by suppliers to sub-contractors. In the event of any delay in the completion of a project due to factors within the Company's control, it could be liable to pay liquidated damages under the contract and incur additional overheads that will adversely affect earnings and profit margins, thereby materially and adversely affecting financial condition and results of operations. Although Springleaf has not been made liable to pay any liquidated damages as of the date of this MD&A, there is no assurance that there will not be any delays in existing and future projects in resulting in the payment of liquidated damages that may have a material and adverse impact on the Company's business, financial condition and results of operations.

Defect claims and disputed variation orders can erode profitability

In the Company's business, claims may be made by customers against contractors or sub-contractors for defective works and/or non-compliance with contract specifications. It is also common for customers to retain a certain percentage of the contract sum as retention monies for the costs of rectifying any defective works which have not been rectified by the Company. Variation orders are usually additional works or changes requested by the customer for specifications not included in the original contract. In such circumstances, additional time would be given to the Company to complete the project. On certain occasions, the parties may agree that variation orders be performed before the costs for such additional works are finalised. Thus, the final values of such variation orders may be subject to dispute by customers. In such an event, additional costs resulting from variation orders that could not be charged to customers due to disputes would have to be absorbed by the Company. As a result of absorbing such costs, the Company may have to suffer lower profits or even losses for that project. As of the date of this MD&A, Springleaf has not experienced any material disputed variation orders or defect claims. However, there is no assurance that material disputed variation orders or defect claims will not arise in the future. In the event that the Company is required to bear any part of the variation costs or losses arising from defect claims, its financial performance may be adversely affected.

Reliance on suppliers and sub-contractors

The Company purchases architectural materials, engineering products, cleanroom, and other hardware and materials from suppliers. The Company also engages sub-contractors to provide various services at project sites, such as architectural works, mechanical and electrical installation, interior decoration and other specialist works. These suppliers and sub-contractors will be selected based on, amongst others, past working experience with them, their track record, pricing and their ability to meet quality and safety requirements and schedule. The Company cannot be assured that the products and services rendered by suppliers and sub-contractors will continue to be satisfactory to or that they will meet the quality requirements, specifications and time schedule for projects. In the event of any loss which arises from the default of the suppliers or sub-contractors engaged by the Company, it may not be able to pass such loss on to them. Furthermore, if there are any adverse changes in suppliers' and sub-contractors' conditions (financial or otherwise) which affect their ability to supply the products or carry out the work for which they were contracted for, and the Company is unable to find suitable alternative suppliers or sub-contractors in a timely manner and at comparable commercial terms, the Company may not be able to complete the project within the budget and time schedule. As a result, there may be cost overruns or the Company may incur liquidated damages, and financial performance will be affected.

Securities Issuances

There was no issuance of securities of the Company during the years ended December 31, 2018 and December 31, 2017.

Summary of Quarterly Results

The following selected quarterly financial data has been extracted from the financial statements, prepared in accordance with International Financial Reporting Standards.

	2018 Q4	**2018 Q3**	**2018 Q2**	**2018 Q1**
	S$	**S$**	**S$**	**S$**
Revenue	6,826,252	3,491,475	7,986,302	1,864,457
Cost of sales	(4,469,455)	(2,218,777)	(5,415,251)	(1,199,974)
Gross profit	2,356,797	1,272,698	2,571,051	664,483
Gross profit margin - percentage	34.5%	36.5%	32.2%	35.6%
Other income	70,456	7,937	1,094	2,025
Operating expenses	(1,508,819)	(689,063)	(428,804)	(343,919)
Profit before tax	918,434	591,572	2,143,341	322,589
Income tax	(137,964)	(100,567)	(364,368)	(54,840)
Net and total comprehensive income	780,470	491,005	1,778,973	267,749

Net profit per share (basic and diluted)	2.53	1.59	5.78	0.87

	2017 Q4	**2017 Q3**	**2017 Q2**	**2017 Q1**
	S$	**S$**	**S$**	**S$**
Revenue	5,323,917	3,598,580	2,136,938	2,108,710
Cost of sales	(3,173,131)	(2,507,464)	(1,466,683)	(1,462,343)
Gross profit	2,150,786	1,091,116	670,255	646,367
Gross profit margin - percentage	40.4%	30.3%	31.4%	30.7%
Other income	9,061	40	4,339	2,075
Operating expenses	(825,806)	(316,583)	(269,896)	(256,987)
Profit before tax	1,334,041	774,573	404,698	391,455
Income tax	(207,272)	(123,932)	(64,752)	(62,632)
Net and total comprehensive income	1,126,769	650,641	339,946	328,823
Net profit per share (basic and diluted)	3.66	2.11	1.10	1.07

In Q4, 2018, the Company recorded revenues of S$6,826,252, an increase of S$1,502,335 or 28.2% as compared to the equivalent quarter in 2017. Most of this increase was attributed to the higher billings on contracted customers. The Company's gross profit margin has maintained within the range of 30% to 40% over the past few fiscal years.

Other Operating Expenses increased during Q4 2018 (S$1,508,819 compared to S$825,806 on the same period last year) as these expenses were largely due to the higher staff cost (increased headcounts), special commission paid and other business development initiatives in 2018. In addition, some year-end adjustment such as tax fees, audit fees, company secretary fees & staff bonus were adjusted as at Q4 2018.

Liquidity and Capital Resources

The Company's liquidity risk is on its loans, accounts payable and accrued liabilities. The Company's operations are financed mainly through equity and borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required. As at December 31, 2018, the Company has a net working capital of S$6,249,543 (December 31, 2017: S$4,124,938).

The Company manages its capital structure and makes routine adjustments that accounts for new developments within economic and business conditions; financing environment; and the risk characteristics of the underlying assets. The Company may issue new Springleaf Shares, new debt, or scale back the size and nature of its operations. As per its plans to go public, the Company will restructure and repay most of its outstanding debts upon its anticipated listing. The Company is not subject to externally imposed capital requirements. As at December 31, 2018, shareholder's equity was S$6,135,284 and as at December 31, 2017, shareholder's equity was S$4,817,087).

Financial Instruments

The Company's activities expose it to financial risks, including credit risk, foreign currency risk, interest rate risk, and liquidity risk. The Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Company's financial performance.

Risk management is integral to the whole business of the Company. The management of Springleaf continually monitors the Company's risk management processes to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

There have been no changes to the Company's exposure to these financial risks or the manner in which it manages and measures the risk during the period ended September 30, 2019.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents. All the Company's cash is held at financial institutions or is held in trust with legal counsel in which management believes that the risk of loss is minimal, but the Company is subject to concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. There have been no changes in the Company's strategy with respect to credit/liquidity risk in the period.

Foreign currency risk

The Company's functional currency is denominated in Singaporean Dollars. The Company currently expects that sales will be incurred primarily in Singaporean Dollars and the Chinese Renminbi and may, in the future, have sales denominated in the currencies of additional countries in which it establishes sales offices. In addition, the Company incurs most of its operating expenses in Singaporean Dollars. In the future, the proportion of the Company's sales that are derived outside of the Company's main operating jurisdiction, Singapore, may increase. Such sales may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the exchange rates of foreign currencies may negatively impact the Company's business, financial condition and results of operations. The Company has not previously engaged in foreign currency hedging. If the Company decides to hedge its foreign currency exposure, it may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets. In addition, those activities may be limited in the protection they provide Springleaf from foreign currency fluctuations and can themselves result in losses.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any material undisclosed off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of its operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources.

Commitments

The following table disclosed the Company's contractual undiscounted cash flows of financial instruments based on the earlier of: (i) the contractual date, and (ii) when the Company is expected to make the payment. The below table includes both interest and principal cash flows.

As at December 31, 2018

Contractual Obligation	Total Due	Payment Due: Less than 1 year	Payment Due: 1-5 years	Payment Due: After 5 years
	S$	S$	S$	S$
Borrowings	4,737,319	1,934,226	1,252,397	1,550,696
Finance lease	22,912	22,912	-	-
Operating lease	128,000	90,000	38,000	-

Related Party Transactions

The Company was not involved in any related party transactions with the insiders of the Company other than remuneration paid to management personnel during the years ended December 31, 2018 and December 31, 2017.

Key Management Remuneration

Remuneration awarded to key management for the years ended December 31, 2018 and 2017 included:

For the year ended December 31,		2018		2017		2016
Directors' fees	S$	40,000	S$	-	S$	-
Directors' remuneration	S$	283,000	S$	259,606	S$	671,896
Central Provident Fund	S$	33,448	S$	30,390	S$	39,240
Commissions	S$	400,000	S$	-	S$	-
Total	S$	756,448	S$	289,996	S$	711,136

Changes in Accounting Policies

IFRS 16 Leases

IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives*, and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* to set out the principles for the recognition, measurement, presentation and disclosure of leases. The changes introduced by IFRS 16 will primarily affect the financial statements of the lessees.

IFRS 16 requires, with limited exceptions, the lessee to recognize, at initial recognition, lease liabilities, measured at the present value of lease payments that are not paid as of that date to reflect the present value of the future lease payments, and right-of-use assets at cost, comprising elements including the amount of the initial measurement of the lease liabilities, initial direct costs incurred by the lessee and estimates of other contracted costs to be incurred by the lessee, for its lease contracts. Leases of “low-value” assets and qualifying short-term leases entered into by lessees can be exempted from the new recognition criteria.

On January 1, 2019, the Company adopted this standard and there was no material impact on the Company’s condensed interim consolidated financial statements as the Company has no material lease contracts that fall under IFRS 16.

Other Information

Additional information about the Company is available at http://www.springleaf.com.sg/.

Subsequent Events

The following reportable events occurred subsequent to the year ended December 31, 2018.

On May 30, 2019, the Company incorporated a subsidiary, Springleaf-Biomax (Shanghai) Pte Ltd. (“Springleaf Biomax”) in Shanghai, China. The principal activity of Springleaf Biomax is to provide waste management solutions in China.

On June 14, 2019, Springleaf entered into a share subscription facility agreement (the “Facility Agreement”) with a syndicate of lenders, consisting of GEM Global Yield Fund LLC SCS (“GEM Global”), GEM Investments America, LLC (“GEMIA”), and Secoya Group International, Inc. (“Secoya” and together with GEMIA and GEM Global, the “GEM Lenders”) totalling $28 million (US$20 million) over five years (the “Subscription Facility”). The Subscription Facility can be drawn down only after the completion of a listing of the Springleaf Shares on a securities exchange and Springleaf issuing Springleaf Shares to the GEM Global and such Springleaf Shares have been listed on a securities exchange for at least a three month period.

The amount of Springleaf Shares to be issued to GEM Global (the “Subscription Shares”) upon a drawdown of the Subscription Facility (a “Draw Down”) are subject to the following conditions: (i) the aggregate number of Subscription Shares shall not exceed 1,000% of the average daily trading volume of the listed Springleaf Shares during the 15 trading days immediately preceding the relevant notice date of the Draw Down; (ii) 200% of the number of Subscription Shares in any notice of a Draw Down shall not exceed the number of unissued Springleaf Shares which the directors of Springleaf are permitted to allot and issue to GEM Global at the date of the Draw Down; and (iii) number of Subscription Shares shall not exceed such number that, when multiplied by 90% of the closing trading price on the trading day immediately prior to the issuance of the relevant Draw Down, and then added to the purchase prices for all the previously issued Subscription Shares, would exceed $28,000,000.

The subscription price of the Subscription Shares issued pursuant each Draw Down will be equal to 90% of the average closing price of past 15 consecutive trading days of the listed Springleaf Shares. Springleaf views the Subscription Facility as a potential source of working capital in which it may draw upon if required.

Upon the listing of the Springleaf Shares on a securities exchange, and in accordance the terms of the Facility Agreement, Springleaf shall issue warrants to purchase Springleaf Shares (the "Springleaf Warrants") to GEM Global and Secoya in the amount of 7% of the issued and outstanding Springleaf Shares at the time of the listing of the Springleaf Shares, with an exercise price equivalent to 135% of the five-day volume weighted average of the trading price of such shares following the Listing. The Springleaf Warrants will have a term of five years from the signing of the Facility Agreement, June 14, 2024. If Springleaf fails to issue the Springleaf Warrants within 90 days of a listing, it may be liable to pay up to an aggregate amount of $349,000 to GEM Global.

Irrespective of whether Springleaf chooses to utilize the Subscription Facility, Spring shall be liable to pay to GEMIA and Secoya a collective 2% commitment fee (the "Commitment Fee"), subject to any adjustments due to tax deductions, in the amount of $560,000 with $280,000 payable in cash to be deducted from Springleaf's first drawdowns of the Subscription Facility and the balance payable through the issuance Springleaf Shares. The Commitment Fee is payable on the earlier of: (i) the one-year anniversary of the Facility Agreement, and (ii) when Springleaf makes it first draw down from the Subscription Facility. Springleaf has provided GEMIA and Secoya with a promissory note in the amount of $280,000 with respect to each parties' portion of the Commitment Fee.

The Facility Agreement may be terminated by the mutual consent of Springleaf and GEM Global. In addition, GEM Global can terminate the Facility Agreement if, and among other reasons: (i) there has been a material adverse change in Springleaf; (ii) there is a change of control where the directors and officers of Springleaf as of June 14, 2019, control or own less than 5% of the issued and outstanding Springleaf Shares, or (iii) an exchange does not grant unconditional approval to list the Springleaf Shares that GEM Global would be subscribing for under the terms of the Facility Agreement.

During the term of the Facility Agreement, Springleaf is prohibited from entering into another subscription facility that is of similar terms to that contained in the Facility Agreement.

Pursuant to the Facility Agreement, GEM Global cannot hold in excess of 9.9% of the issued and outstanding share capital of Springleaf on a non-fully diluted basis at any point in time.

Schedule “C”
Audited Financial Statements of the Company for the period ended December 31, 2019.

See attached.

SLE Synergy Ltd.
(formerly 1223423 B.C. Ltd.)

Financial Statements

For the period from September 16, 2019 (Date of incorporation) to December 31, 2019

Expressed in Canadian Dollars

SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.)

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Financial Statements

Independent Auditor’s Report

To the Shareholders of SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.):

Opinion

We have audited the financial statements of SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.) (the “Company”), which comprise the statement of financial position as at December 31, 2019, and the statements of loss and comprehensive loss, changes in equity and cash flows, for the period from September 16, 2019 (date of incorporation) to December 31, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the period from September 16, 2019 to December 31, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management’s Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MNP LLP

Toronto, Ontario
May 11, 2020

Chartered Professional Accountants
Licensed Public Accountants

MNP

SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.)

Statement of Financial Position
(Expressed in Canadian Dollars)

	Notes		December 31, 2019
Assets			
Current assets:			
Cash	4	$	40,467
		$	40,467
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities		$	15,642
		$	15,642
Shareholders' equity:			
Capital stock	5	$	19,000
Special warrants	5		22,710
Deficit			(16,885)
		$	24,825
		$	40,467

Nature of business (Note 1)
Proposed business transaction (Note 9)
Subsequent events (Note 10)

Approved on behalf of the board of directors:

"Karamveer Thakur"	*"Ravinder Kang"*
Karamveer Thakur, Director	**Ravinder Kang, Director**

The accompanying notes form an integral part of these financial statements.

SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.)

Statement of Changes in Equity
(Expressed in Canadian Dollars)

		Share capital												
	Notes	Shares		Amount		Special warrants		Subscription receipts		Reserves		Deficit		Total Equity
Balance, September 16, 2019 (date of incorporation)		**–**	**$**	**–**	**$**	**–**	**$**	**–**	**$**	**–**	**$**	**–**	**$**	**–**
Issued on incorporation		1		1										1
Repurchase of incorporator's share		(1)		(1)										(1)
Common shares issued for cash	5	3,800,000		19,000		-		-		-		-		19,000
Special warrants issued for cash		-		-		27,410		-		-		-		27,410
Special warrants issuance costs		-		-		(4,700)		-		-		-		(4,700)
Net loss for the period		-		-		-		-		-		(16,885)		(16,885)
Balance, December 31, 2019		3,800,000	**$**	19,000	**$**	22,710	**$**	-	**$**	-	**$**	(16,885)	**$**	24,825

The accompanying notes form an integral part of these financial statements

SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.)

Statement of Loss and Comprehensive Loss
For the period from September 16, 2019 (date of incorporation) to December 31, 2019
(Expressed in Canadian Dollars)

		2019
Expenses:		
Office and administration	$	**1,710**
Professional fees		**15,175**
Net and comprehensive loss	$	**16,885**
Loss per common share – basic and diluted	$	**0.01**
Weighted average number of common shares outstanding – basic and diluted		**2,401,887**

The accompanying notes form an integral part of these financial statements.

SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.)

Statement of Cash Flows
For the period from September 16, 2019 (date of incorporation) to December 31, 2019
(Expressed in Canadian Dollars)

		2019
Cash provided by (used in):		
Operating activities		
Net loss for the period	$	(16,885)
Changes in non-cash working capital:		
Accounts payable and accrued liabilities		15,642
		(1,243)
Financing activities		
Proceeds from common share issuances		19,000
Net proceeds from special warrant issuances		22,710
		41,710
Change in cash		40,467
Cash, beginning of period		-
Cash, end of period	$	40,467

The accompanying notes form an integral part of these financial statements.

1. NATURE OF BUSINESS

SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.) (the "Company") was incorporated on September 16, 2019 under the laws of the Province of British Columbia, Canada by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) and changed its name from 1223423 B.C. Ltd. to SLE Synergy Ltd. on December 23, 2019. The Company's head office and principal address is Suite 1570 – 505 Burrard Street, Vancouver BC, V6E 3P3. The registered and records office is 1500-1055 West Georgia Street, Vancouver, BC, V6E 4N7.

The Company was incorporated for the sole purpose of completing financings in anticipation of completing the acquisition of Springleaf Engineering Pte. Ltd., ("Springleaf") and concurrently applying for a listing on the Canadian Securities Exchange (the "CSE"). On October 31, 2019, the Company entered into a letter of intent ("LOI") with Springleaf, whereby the Company will acquire all of the issued and outstanding ordinary shares in the capital of Springleaf (Note 9).

Springleaf is a private limited company incorporated under the laws of the Republic of Singapore pursuant to the Companies Act (Cap. 50) (Singapore) (the "Singapore Companies Act"). Springleaf's business is to provide one-stop turnkey engineering, procurement, and construction management ("EPCM") solutions that range from consultancy and design to the realization of projects involving the construction of high technology production facilities and the conducting of waste management processes.

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2019, the Company has not generated any revenues from operations and has an accumulated deficit of $16,885.

2. BASIS OF PRESENTATION

These financial statements were reviewed, approved and authorized for issue by the Company's Board of Directors on January 30, 2020.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. These financial statements are presented for the stub period from incorporation on September 16, 2019 to December 31, 2019. The Company's fiscal year end is December 31. All amounts in the financial statements are presented in Canadian dollars, unless otherwise noted, which is also the Company's functional currency.

2. BASIS OF PRESENTATION (cont'd)

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES

Share capital

Common shares and special warrants are classified as equity. Transaction costs directly attributable to the issue of common shares and special warrants are recognized as a deduction from equity as share issue costs, net of any tax effects. Common shares issued for consideration other than cash are valued based on their fair value at the date the shares are issued.

Share issue costs and other legal fees related to and incurred in advance of share subscriptions are recorded as deferred financing costs. Share issue costs related to uncompleted share subscriptions are charged to profit or loss.

Loss per share

Basic earnings (loss) per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income taxes

Income tax expense is comprised of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

Going concern

Management applies judgment in its evaluation of the Company's ability to continue as a going concern.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

Financial instruments

The Company recognizes financial assets and financial liabilities at fair value on the date the Company becomes a party to the contractual provisions of the instruments.

The Company classifies its financial assets into the following categories: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI"), or amortized cost.

The Company classifies its financial liabilities at amortized cost. Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Interest expense is recorded to profit or loss.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (an irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or accumulated other comprehensive income (loss).

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Company's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Measurement Category	Subsequent Measurement
Cash	FVTPL	Fair value
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

Standards issued but not yet effective

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2020. These updates are not applicable or consequential to the Company and have been omitted from discussion herein.

4. CASH

		December 31, 2019
Cash	$	2,255
Funds held in trust		38,212
	$	40,467

5. SHARE CAPITAL

a. Authorized

Unlimited number of common shares without par value.

b. Issued and outstanding

During the period from September 16, 2019, date of incorporation, to December 31, 2019, the Company completed the following transactions:

i) On September 16, 2019, 1 common share was issued to the incorporator of the Company for $1.00 and repurchased by the Company for $1.00 on October 25, 2019.

ii) On October 25, 2019, 3,800,000 common shares were issued for aggregate gross proceeds of $19,000.

(Expressed in Canadian Dollars)

c. Special warrants

i) The Company issued 548,200 special warrants ("Special Warrant") at a price of $0.05 per Special Warrant for total gross proceeds of $27,410. Each Special Warrant will entitle the holder to receive one common share of the Company (each a "Share") at no additional consideration on the exercise or deemed exercise of each Special Warrant.

The Special Warrants will be exercisable by the holders thereof at any time after the closing date determined by the Company. All unexercised Special Warrants will be deemed to be exercised on the earlier of: (a) the date that is four months and a day following the closing date, and (b) the third business day after a receipt is issued for a (final) prospectus by the securities regulatory authorities in each of the Provinces of Canada where the Special Warrants are sold qualifying the Shares to be issued upon the exercise of the Special Warrants.

6. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2019
Loss for the period	$	(16,885)
Statutory rate		27%
Expected income tax recovery at statutory rate		(4,559)
Tax benefits on losses and share issue costs not recognized		3,544
Unrecognized items for tax purposes and other		1,015
Income tax recovery		-

As at December 31, 2019 the Company has unused non-capital losses of approximately $17,825, which will expire in 2039 and may be carried forward to reduce taxable income in future years. The tax benefit of approximately $5,000 on the losses has not been recognized for tax purposes as there is no certainty that there will be adequate taxable income to utilize the losses.

As at December 31, 2019, the Company has share issue costs totaling approximately $4,700 which have not been claimed for income tax purposes.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31, 2019, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy. The Company's financial instruments consist of cash, and accounts payable and accrued liabilities. The carrying values of accounts payable and accrued liabilities approximate fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed.

As at December 31, 2019, the Company had cash on hand of $40,467, which is sufficient to settle its current liabilities of $15,642.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty.

(b) Foreign currency risk
The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(c) Price risk
The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices. The Company closely monitors individual equity movements to determine the appropriate course of action to be taken by the Company.

8. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at December 31, 2019, the Company's shareholders' equity was $24,825 and it had current liabilities of $15,642. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its future liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The Company currently is not subject to externally imposed capital requirements.

9. PROPOSED BUSINESS TRANSACTION

On October 31, 2019, the Company entered into an LOI with Springleaf whereby the Company will acquire all of the issued and outstanding ordinary shares in the capital of Springleaf (the "Transaction"). It is contemplated that the Transaction will take place by way of a share exchange which will result in Springleaf becoming a 100% wholly-owned subsidiary of the Company or by business combination. In conjunction with the Transaction, the Company will file a non-offering prospectus ("NOP") that will result in it becoming a reporting issuer and will apply to list (the "Listing") its common shares on the CSE. Upon completion of the Transaction, the Company will carry on the business of Springleaf.

In consideration for the Transaction, the Company shall, upon completion of the Transaction (the "Closing"), issue 43,952,082 Purchaser Shares, pro rata, to the Springleaf Shareholders at a deemed price of $0.50 per share.

Intended Financings

In conjunction with, and prior to the closing of the Transaction, the Company will complete a private placement of special warrants with each special warrant being convertible upon the Listing closing at a price of $0.05 per receipt ("Special Warrant Financing"). Each special warrant entitles the holder to one common share at no additional consideration and will be deemed to be exercised on the earlier of: (i) the date that is four months and one day following the closing date of the Special Warrant Financing, and (ii) the third business day after a final receipt is issued for a final NOP.

In addition, Springleaf shall complete a private placement financing prior to Listing for aggregate gross proceeds of approximately S$630,000.

10. SUBSEQUENT EVENTS

Share Capital

On March 11, 2020, the Company issued 251,800 Special Warrants (Note 5(c)) for gross proceeds of $12,590.

Global outbreak of COVID-19

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Schedule "D"
Interim Financial Statements of the Company for the period ended March 31, 2020.

See attached.

SLE Synergy Ltd.
(formerly 1223423 B.C. Ltd.)

Interim Financial Statements

(Unaudited)

For the three months ended March 31, 2020

Expressed in Canadian Dollars

SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.)
(Unaudited)

Index	**Page**

Interim Financial Statements

SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.)

Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes		March 31, 2020		December 31, 2019
			(Unaudited)		(Audited)
Assets					
Current assets:					
Cash	4	**$**	**28,787**	**$**	40,467
Subscription receivable	5		**5,000**		-
		$	**33,787**	**$**	40,467
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities		**$**	**8,688**	**$**	15,642
		$	**8,688**	**$**	15,642
Shareholders' equity:					
Capital stock	5	**$**	**19,000**	**$**	19,000
Special warrants	5		**35,300**		22,710
Deficit			**(29,201)**		(16,885)
		$	**25,099**	**$**	24,825
		$	**33,787**	**$**	40,467

Nature of business and going concern (Note 1)
Proposed business transaction (Note 9)

Approved on behalf of the board of directors:

"Karamveer Thakur"
Karamveer Thakur, Director

"Ravinder Kang"
Ravinder Kang, Director

The accompanying notes form an integral part of these interim financial statements.

SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.)

Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Notes	Share capital		Special warrants	Subscription receipts	Reserves	Deficit	Total Equity
		Shares	Amount					
Balance, September 16, 2019 (date of incorporation)		**–**	$ **–**	$ **–**	$ **–**	$ **–**	$ **–**	$ **–**
Issued on incorporation		1	1					1
Repurchase of incorporator's share		(1)	(1)					(1)
Common shares issued for cash	5	3,800,000	19,000	-	-	-	-	19,000
Special warrants issued for cash		-	-	27,410	-	-	-	27,410
Special warrants issuance costs		-	-	(4,700)	-	-	-	(4,700)
Net loss for the period		-	-	-	-	-	(16,885)	(16,885)
Balance, December 31, 2019		3,800,000	$ 19,000	$ 22,710	$ -	$ -	$ (16,885)	$ 24,825
Special warrants issued for cash		-	-	12,590	-	-	-	12,590
Net loss for the period		-	-	-	-	-	(12,316)	(12,316)
Balance, March 31, 2020		3,800,000	$ 19,000	$ 35,300	$ -	$ -	$ (29,201)	$ 25,099

The accompanying notes form an integral part of these interim financial statements

SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.)

Interim Statement of Loss and Comprehensive Loss
For the three months ended March 31, 2020
(Expressed in Canadian Dollars)

		Three months ended March 31, 2020
Expenses:		
Office and administration	$	80
Professional fees		12,236
Net and comprehensive loss	$	12,316
Loss per common share – basic and diluted	$	0.00
Weighted average number of common shares outstanding – basic and diluted		3,800,000

The accompanying notes form an integral part of these interim financial statements.

SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.)

Interim Statement of Cash Flows
For the three months ended March 31, 2020
(Expressed in Canadian Dollars)

		Three months ended March 31, 2020
Cash provided by (used in):		
Operating activities		
Net loss for the period	$	(12,316)
Changes in non-cash working capital:		
Accounts payable and accrued liabilities		(6,954)
		(19,270)
Financing activities		
Net proceeds from special warrant issuances		7,590
		7,590
Change in cash		(11,680)
Cash, beginning of period		40,467
Cash, end of period	$	28,787

The accompanying notes form an integral part of these interim financial statements.

1. NATURE OF BUSINESS AND GOING CONCERN

SLE Synergy Ltd. (the “Company”) was incorporated on September 16, 2019 under the laws of the Province of British Columbia, Canada by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) and changed its name from 1223423 B.C. Ltd. to SLE Synergy Ltd. on December 23, 2019. The Company’s head office and principal address is Suite 1570 – 505 Burrard Street, Vancouver BC, V6E 3P3. The registered and records office is 1500-1055 West Georgia Street, Vancouver, BC, V6E 4N7.

The Company was incorporated for the sole purpose of completing financings in anticipation of completing the acquisition of Springleaf Engineering Pte. Ltd., (“Springleaf”) and concurrently applying for a listing on the Canadian Securities Exchange (the “CSE”). On October 31, 2019, the Company entered into a letter of intent (“LOI”) with Springleaf, whereby the Company will acquire all of the issued and outstanding ordinary shares in the capital of Springleaf (Note 9).

Springleaf is a private limited company incorporated under the laws of the Republic of Singapore pursuant to the Companies Act (Cap. 50) (Singapore) (the “Singapore Companies Act”). Springleaf’s business is to provide one-stop turnkey engineering, procurement, and construction management (“EPCM”) solutions that range from consultancy and design to the realization of projects involving the construction of high technology production facilities and the conducting of waste management processes.

These financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2020, the Company has not generated any revenues from operations and has an accumulated deficit of $29,201.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION

These financial statements were reviewed, approved and authorized for issue by the Company's Board of Directors on April 20, 2020.

Statement of compliance

These unaudited interim financial statements have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The unaudited interim financial statements, prepared in conformity with accounting policies consistent with IAS 34, follow the same accounting principles and methods of application as the most recent audited annual financial statements. Since the unaudited interim financial statements do not include all disclosures required by the International Financial Reporting Standards ("IFRS") for annual financial statements, they should be read in conjunction with the Company's audited financial statements for the reporting period ended December 31, 2019.

Basis of presentation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. These financial statements are presented for the three months ended March 31, 2020, since the company was incorporated in September 2019, there is no corresponding prior period for disclosure for the interim statement of loss and comprehensive loss and interim statement of cash flows. The Company's fiscal year end is December 31. All amounts in the financial statements are presented in Canadian dollars, unless otherwise noted, which is also the Company's functional currency.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES

Share capital

Common shares and special warrants are classified as equity. Transaction costs directly attributable to the issue of common shares and special warrants are recognized as a deduction from equity as share issue costs, net of any tax effects. Common shares issued for consideration other than cash are valued based on their fair value at the date the shares are issued.

Share issue costs and other legal fees related to and incurred in advance of share subscriptions are recorded as deferred financing costs. Share issue costs related to uncompleted share subscriptions are charged to profit or loss.

Loss per share

Basic earnings (loss) per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Income taxes

Income tax expense is comprised of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Going concern

Management applies judgment in its evaluation of the Company's ability to continue as a going concern.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

Financial instruments

The Company recognizes financial assets and financial liabilities at fair value on the date the Company becomes a party to the contractual provisions of the instruments.

The Company classifies its financial assets into the following categories: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI"), or amortized cost.

The Company classifies its financial liabilities at amortized cost. Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Interest expense is recorded to profit or loss.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (an irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or accumulated other comprehensive income (loss).

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Company's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Measurement Category	Subsequent Measurement
Cash	FVTPL	Fair value
Subscription receivable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

Standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

(Expressed in Canadian Dollars)

4. CASH

		March 31, 2020		December 31, 2019
Cash	$	985	$	2,255
Funds held in trust		27,082		38,212
	$	28,787	$	40,467

5. SHARE CAPITAL

a. Authorized

Unlimited number of common shares without par value.

b. Issued and outstanding

During the period from September 16, 2019, date of incorporation, to December 31, 2019, the Company completed the following transactions:

i) On September 16, 2019, 1 common share was issued to the incorporator of the Company for $1.00 and repurchased by the Company for $1.00 on October 25, 2019.

ii) On October 25, 2019, 3,800,000 common shares were issued for aggregate gross proceeds of $19,000.

c. Special warrants

i) The Company issued 800,000 special warrants ("Special Warrant") at a price of $0.05 per Special Warrant for total gross proceeds of $40,000 on the following dates:

- 240,200 on October 31, 2019
- 54,000 on November 4, 2019
- 254,000 on December 17, 2019
- 251,800 on March 11, 2020

Each Special Warrant will entitle the holder to receive one common share of the Company at no additional consideration on the exercise or deemed exercise of each Special Warrant. On April 1, 2020, subsequent to the quarter, $5,000 subscription receivable was received for the Special Warrants issued.

The Special Warrants will be exercisable by the holders thereof at any time after the closing date determined by the Company. All unexercised Special Warrants will be deemed to be exercised on the earlier of: (a) the date that is four months and a day following the closing date, and (b) the third business day after a receipt is issued for a (final) prospectus by the securities regulatory authorities in each of the Provinces of Canada where the Special Warrants are sold qualifying the Shares to be issued upon the exercise of the Special Warrants.

(Expressed in Canadian Dollars)

6. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		March 31, 2020		December 31, 2019
Loss of the period	$	(12,316)	$	(16,885)
Statutory rate		27%		27%
Expected income tax recovery at statutory rate		(3,325)		(4,559)
Tax benefits on losses and share issue costs not recognized		2,120		3,544
Unrecognized items for tax purposes and other		1,206		1,015
Income tax recovery	$	-	$	-

As at March 31, 2020 the Company has unused non-capital losses that may be carried forward to reduce taxable income in future years of approximately $17,825, which will expire in 2039, and $12,550, which will expire in 2040. The tax benefit of approximately $3,000 on the losses has not been recognized for tax purposes as there is no certainty that there will be adequate taxable income to utilize the losses.

As at March 31, 2020, the Company has share issue costs totaling approximately $4,700 which have not been claimed for income tax purposes.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at March 31, 2020, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy. The Company's financial instruments consist of cash, subscription receivable and accounts payable and accrued liabilities. The carrying values of subscription receivable, accounts payable and accrued liabilities approximate fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed.

As at March 31, 2020, the Company had cash on hand of $27,787 (December 31, 2019 - $40,467), which is sufficient to settle its current liabilities of $8,688 (December 31, 2019 - $15,642).

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty.

(b) Foreign currency risk
The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(c) Price risk
The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices. The Company closely monitors individual equity movements to determine the appropriate course of action to be taken by the Company.

8. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at March 31, 2020 the Company's shareholders' equity was $25,099 (December 31, 2019 - $24,825) and it had current liabilities of $8,688 (December 31, 2019 - $15,642). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its future liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The Company currently is not subject to externally imposed capital requirements.

9. PROPOSED BUSINESS TRANSACTION

On October 31, 2019, the Company entered into an LOI with Springleaf whereby the Company will acquire all of the issued and outstanding ordinary shares in the capital of Springleaf (the “Transaction”). It is contemplated that the Transaction will take place by way of a share exchange which will result in Springleaf becoming a 100% wholly-owned subsidiary of the Company or by business combination. In conjunction with the Transaction, the Company will file a non-offering prospectus (“NOP”) that will result in it becoming a reporting issuer and will apply to list (the “Listing”) its common shares on the CSE. Upon completion of the Transaction, the Company will carry on the business of Springleaf.

In consideration for the Transaction, the Company shall, upon completion of the Transaction (the “Closing”), issue 43,952,082 Purchaser Shares, pro rata, to the Springleaf Shareholders at a deemed price of $0.50 per share.

Intended Financings

In conjunction with, and prior to the closing of the Transaction, the Company will complete a private placement of special warrants with each special warrant being convertible upon the Listing closing at a price of $0.05 per receipt (“Special Warrant Financing”). Each special warrant entitles the holder to one common share at no additional consideration and will be deemed to be exercised on the earlier of: (i) the date that is four months and one day following the closing date of the Special Warrant Financing, and (ii) the third business day after a final receipt is issued for a final NOP.

In addition, Springleaf shall complete a private placement financing prior to Listing for aggregate gross proceeds of approximately S$630,000.

Schedule "E"
Management's Discussion & Analysis for the Company for the periods ended March 31, 2020 and December 31, 2019.

See attached.

SLE Synergy Ltd.
(formerly 1223423 B.C. Ltd.)

MANAGEMENT DISCUSSION AND ANALYSIS
For the three months ended March 31, 2020

1.1 Date

This Management Discussion and Analysis (“MD&A”) of SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.) (the “Company”) has been prepared by management as of April 20, 2020 and should be read in conjunction with the audited financial statements and related notes thereto of the Company for the period from incorporation on September 16, 2019 to December 31, 2019, which was prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and International Financial Reporting Interpretations Committee (“IFRIC”).

This MD&A contains forward-looking information which reflects management's expectations regarding the Company’s growth, results of operation, performance and business prospects and opportunities. The use of words such as “anticipate”, “continue”, “estimate", "expect”, “may”, “will”, “project”, “should”, believe”, outlook”, “forecast” and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but not limited to, the Company’s expectation of future activities and results, of its working capital needs and its ability to identify, evaluate and pursue suitable business opportunity. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Readers should not put undue reliance on forward-looking information.

All amounts in this MD&A are presented in Canadian dollars (“CAD”). The interim financial statements are presented for the three months ended March 31, 2020. The Company’s fiscal year end is December 31.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations.

1.2 Overall Performance

The Company was incorporated on September 16, 2019 under the laws of the Province of British Columbia, Canada by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) and changed its name from 1223423 B.C. Ltd. to SLE Synergy Ltd. on December 23, 2019. The Company was incorporated for the sole purpose of completing financings in anticipation of completing the acquisition of Springleaf Engineering Pte. Ltd. (“Springleaf”) and applying for a listing on the Canadian Securities Exchange (the “CSE”).

On March 31, 2020, the Company entered into a definitive agreement (the “Agreement”) with Springleaf, whereby the Company will acquire all of the issued and outstanding ordinary shares in the capital of Springleaf.

Springleaf is a private limited company incorporated under the laws of the Republic of Singapore pursuant to the Companies Act (Cap. 50) (Singapore) (the “Singapore Companies Act”). Springleaf’s business is to provide one-stop turnkey engineering, procurement, and construction management (“EPCM”) solutions that range from consultancy and design to the realization of projects involving the construction of high technology production facilities and the conducting waste management processes.

Pursuant to the Agreement, the Company will acquire 100% of the issued and outstanding common shares of Springleaf (the “Transaction”) resulting in Springleaf becoming a wholly owned subsidiary of the Company and the Company will continue on the business of Springleaf. Upon completion of the Transaction, the security holders of Springleaf will become shareholders of the combined entity (the “Resulting Issuer”). See *1.11 Proposed Transaction.*

1.3 Selected Annual Information

	For the three months ended March 31, 2020
Loss for the period	$ (12,316)
Loss per share	$ (0.00)
Current assets	$ 33,787
Total assets	$ 33,787
Total non-current liabilities	$ Nil

Current assets consist of cash in the amount of $28,787, for working capital purposes and subscription receivable of $5,000.

1.4 Results of Operations

For the three months ended March 31, 2020

During the three months ended March 31, 2020, the Company reported a loss $12,316 or $0.00 per share which comprised of office and administration of $80 and professional fees of $12,236.

These expenses are further explained as follows:

- Office and administration comprised of bank fees.
- Professional fees included accruals for audit and legal services.

1.5 Summary of Quarterly Results

	March 31, 2020	December 31, 2019
Revenue	Nil	Nil
Loss for the period	$ (12,316)	$ (16,885)
Loss per share	$ (0.00)	$ (0.01)
Current assets	$ 33,787	$ 40,467
Total assets	$ 33,787	$ 40,467
Total liabilities	$ 8,688	$ 15,642

For the quarter ended March 31, 2020, Revenue was Nil, Loss of the period was $12,316, Loss per share was $0.00, Current assets was $33,787, Total assets were $33,787 and Total liabilities were $8,688.

Quarterly financial information for interim periods preceding December 31, 2019 have been omitted as the Company was incorporated on September 16, 2019.

1.6 Liquidity and Capital Resources

As at March 31, 2020, the Company had working capital of $25,099. As at March 31, 2020, the Company had cash on hand of $28,787 available to settle accounts payable and accrued liabilities of $8,688 and subscription receivable of $5,000.

- During the three months ended March 31, 2020, the Company issued of 251,800 Special Warrants at a price of $0.05 each for gross proceeds of $12,590, of which $5,000 was received subsequent to the quarter. Each Special Warrant will entitle the holder to receive one common share of the Company on the exercise or deemed exercise of each Special Warrant.

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

1.7 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.8 Risk and Uncertainties

The Company's financial performance is likely to be subject to the following risks:

- The Company has not generated any significant revenue and has incurred significant losses since inception.
- Although management of the Company is working diligently to complete the business transaction, there is no assurance that a definitive agreement will be entered into nor completed.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company is exposed to credit risk by holding cash, which is held in trust with Canadian legal counsel, and in a Canadian bank account. Management believes there is no exposure to credit risk with respect to its cash balances.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

Interest rate risk

Interest rate risk is the Company's exposure to changes in results of operations because of fluctuating interest rates. The Company has no variable interest-bearing financial instruments and is therefore not exposed to interest rate risk.

Currency risk

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

1.9 Transactions with Related Parties

None.

1.11 Proposed Transaction

On January 30, 2020, the Company entered into a definitive agreement with Springleaf whereby the Company will acquire all of the issued and outstanding ordinary shares in the capital of Springleaf. The Transaction will take place by way of a share exchange which will result in Springleaf becoming a 100% wholly-owned subsidiary of the Company or by business combination. In conjunction with the Transaction, the Company will file a non-offering prospectus ("NOP") that will result in it becoming a reporting issuer and will apply to list (the "Listing") its common shares on the CSE. Upon completion of the Transaction, the Company will carry on the business of Springleaf.

In consideration for the Transaction, the Company shall, upon completion of the Transaction (the "Closing"), issue 43,952,082 Purchaser Shares, pro rata, to the Springleaf Shareholders at a deemed price of $0.50 per share.

Intended Financings

In conjunction with, and prior to the closing of the Transaction, the Company will complete a private placement of special warrants with each special warrant being convertible upon the Listing closing at a price of $0.05 per receipt ("Special Warrant Financing"). Each special warrant entitles the holder to one common share at no additional consideration and will be deemed to be exercised on the earlier of: (i) the date that is four months and one day following the closing date of the Special Warrant Financing, and (ii) the third business day after a final receipt is issued for a final NOP.

In addition, Springleaf shall complete a private placement financing prior to Listing for aggregate gross proceeds of approximately S$630,000.

1.12 Critical Accounting Estimates

Not applicable to venture issuers.

1.13 Changes in Accounting Policies including Initial Adoption

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are set out in Note 2 of the interim financial statements of the Company, as at and for the period ended March 31, 2020.

1.14 Financial Instruments and Other Instruments

The Company's classifies and measures its financial instruments as follows:

Asset/Liability	Measurement Category	Subsequent measurement
Cash	FVTPL	Fair value
Subscription receivable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

1.15 Other Requirements

Summary of Outstanding Share Data as of date of this MD&A:

Authorized: Unlimited number of common shares without par value.
Issued and outstanding: 3,800,000 common shares.
Special warrants: 800,000

On behalf of the Board of Directors, thank you for your continued support.

As per:

"Ravinder Kang"

Ravinder Kang
Director

SLE Synergy Ltd.
(formerly 1223423 B.C. Ltd.)

MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2019

1.1 Date

This Management Discussion and Analysis ("MD&A") of SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.) (the "Company") has been prepared by management as of January 30, 2020 and should be read in conjunction with the audited financial statements and related notes thereto of the Company for the period from incorporation on September 16, 2019 to December 31, 2019, which was prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC").

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", believe", outlook", "forecast" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but not limited to, the Company's expectation of future activities and results, of its working capital needs and its ability to identify, evaluate and pursue suitable business opportunity. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Readers should not put undue reliance on forward-looking information.

All amounts in this MD&A are presented in Canadian dollars ("CAD"). The financial statements are presented for the stub period from incorporation on September 16, 2019 to December 31, 2019. The Company's fiscal year end is December 31.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations.

1.2 Overall Performance

The Company was incorporated on September 16, 2019 under the laws of the Province of British Columbia, Canada by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) and changed its name from 1223423 B.C. Ltd. to SLE Synergy Ltd. on December 23, 2019. The Company was incorporated for the sole purpose of completing financings in anticipation of completing the acquisition of Springleaf Engineering Pte. Ltd. ("Springleaf") and applying for a listing on the Canadian Securities Exchange (the "CSE").

On October 31, 2019, the Company entered into a letter of intent ("LOI") with Springleaf, whereby the Company will acquire all of the issued and outstanding ordinary shares in the capital of Springleaf.

Springleaf is a private limited company incorporated under the laws of the Republic of Singapore pursuant to the Companies Act (Cap. 50) (Singapore) (the "Singapore Companies Act"). Springleaf's business is to provide one-stop turnkey engineering, procurement, and construction management ("EPCM") solutions that range from consultancy and design to the realization of projects involving the construction of high technology production facilities and the conducting waste management processes.

Pursuant to the LOI, the Company will acquire 100% of the issued and outstanding common shares of Springleaf (the "Transaction") resulting in Springleaf becoming a wholly owned subsidiary of the Company and the Company will continue on the business of Springleaf. Upon completion of the Transaction, the security holders of Springleaf will become shareholders of the combined entity (the "Resulting Issuer"). See *1.11 Proposed Transaction.*

1.3 Selected Annual Information

	For the period from incorporation on September 16, 2019 to December 31, 2019
Loss for the period	$ (16,885)
Loss per share	$ (0.01)
Current assets	$ 40,467
Total assets	$ 40,467
Total non-current liabilities	$ Nil

Current assets consist of cash in the amount of $24,825, for working capital purposes.

1.4 Results of Operations

Period from incorporation on September 16, 2019 to December 31, 2019

During the period from incorporation on September 16, 2019 to December 31, 2019, the Company reported a loss $16,885 or $0.01 per share which comprised of office and administration of $1,710 and professional fees of $15,175.

These expenses are further explained as follows:

- Office and administration included an accrual for business and travel expenses.
- Professional fees included accruals for audit and legal services.

1.5 Summary of Quarterly Results

Quarterly financial information for interim periods preceding the date of this MD&A have been omitted as the Company was incorporated on September 16, 2019.

1.6 Liquidity and Capital Resources

As at December 31, 2019, the Company had working capital of $24,825. As at December 31, 2019, the Company had cash on hand of $40,467 available to settle accounts payable and accrued liabilities of $15,642.

- On October 25, 2019, the Company issued 3,800,000 common shares for aggregate gross proceeds of $19,000.
- As of December 31, 2019, the Company issued of 548,200 Special Warrants at a price of $0.05 each for gross proceeds of $27,410. Each Special Warrant will entitle the holder to receive one common share of the Company (each a “Share”) on the exercise or deemed exercise of each Special Warrant.

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company’s plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

1.7 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.8 Risk and Uncertainties

The Company's financial performance is likely to be subject to the following risks:

- The Company has not generated any significant revenue and has incurred significant losses since inception.
- Although management of the Company is working diligently to complete the business transaction, there is no assurance that a definitive agreement will be entered into nor completed.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company is exposed to credit risk by holding cash, which is held in trust with Canadian legal counsel, and in a Canadian bank account. Management believes there is no exposure to credit risk with respect to its cash balances.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

Interest rate risk

Interest rate risk is the Company's exposure to changes in results of operations because of fluctuating interest rates. The Company has no variable interest-bearing financial instruments and is therefore not exposed to interest rate risk.

Currency risk

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

1.9 Transactions with Related Parties

None.

1.10 Fourth Quarter

Please refer to 1.4 Results of Operations and 1.11 Proposed Transactions.

1.11 Proposed Transaction

On October 31, 2019, the Company entered into an LOI with Springleaf whereby the Company will acquire all of the issued and outstanding ordinary shares in the capital of Springleaf. It is contemplated that the Transaction will take place by way of a share exchange which will result in Springleaf becoming a 100% wholly-owned subsidiary of the Company or by business combination. In conjunction with the Transaction, the Company will file a non-offering prospectus (“NOP”) that will result in it becoming a reporting issuer and will apply to list (the “Listing”) its common shares on the CSE. Upon completion of the Transaction, the Company will carry on the business of Springleaf.

In consideration for the Transaction, the Company shall, upon completion of the Transaction (the “Closing”), issue 43,952,082 Purchaser Shares, pro rata, to the Springleaf Shareholders at a deemed price of $0.50 per share.

Intended Financings

In conjunction with, and prior to the closing of the Transaction, the Company will complete a private placement of special warrants with each special warrant being convertible upon the Listing closing at a price of $0.05 per receipt (“Special Warrant Financing”). Each special warrant entitles the holder to one common share at no additional consideration and will be deemed to be exercised on the earlier of: (i) the date that is four months and one day following the closing date of the Special Warrant Financing, and (ii) the third business day after a final receipt is issued for a final NOP.

In addition, Springleaf shall complete a private placement financing prior to Listing for aggregate gross proceeds of approximately S$630,000.

1.12 Critical Accounting Estimates

Not applicable to venture issuers.

1.13 Changes in Accounting Policies including Initial Adoption

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are set out in Note 2 of the financial statements of the Company, as at and for the period ended December 31, 2019.

1.14 Financial Instruments and Other Instruments

The Company’s classifies and measures its financial instruments as follows:

Asset/Liability	Measurement Category	Subsequent measurement
Cash	FVTPL	Fair value
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

1.15 Other Requirements

Summary of Outstanding Share Data as of date of this MD&A:

Authorized: Unlimited number of common shares without par value.
Issued and outstanding: 3,800,000 common shares.
Special warrants: 548,200

On behalf of the Board of Directors, thank you for your continued support.

As per:

"Ravinder Kang"

Ravinder Kang
Director

Schedule "F"
Unaudited *Pro Forma* Financial Statements for the Resulting Issuer as at December 31, 2019.

See attached.

SLE SYNERGY LTD. (FORMERLY 1223423 B.C. LTD.)
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2019

(UNAUDITED – PREPARED BY MANAGEMENT)
(Expressed in Singapore Dollars)

SLE SYNERGY LTD. (FORMERLY 1223423 B.C. LTD.)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2019 (UNAUDITED)

(Expressed in Singapore Dollars)

	SLE Synergy Ltd CAD December 31, 2019	SLE Synergy Ltd SGD	Springleaf Engineering Pte Ltd SGD December 31, 2019	Adjustments Dr. SGD	Adjustments Cr. SGD	Notes	Acquisition eliminations	Notes	Pro Forma Consolidated SGD December 31, 2019
ASSETS									
Non-current assets									
Property, plant and equipment	-	-	4,472,660	-	-				4,472,660
Total non-current assets	-	-	4,472,660	-	-				4,472,660
Current assets									
Contract assets	-	-	576,809	-	-				576,809
Trade and other receivables	-	-	4,986,237	-	-				4,986,237
Fixed deposit	-	-	500,000	-	-				500,000
Cash and cash equivalents	40,467	41,904	1,697,934	630,000	-	4(a)			
					700,000	4(b)			
					400,000	4(c)			
									1,269,838
Total current assets	40,467	41,904	7,760,980	630,000	1,100,000				7,332,884
Total assets	40,467	41,904	12,233,640	630,000	1,100,000				11,805,544
EQUITY AND LIABILITIES									
Equity									
Share capital	19,000	19,675	469,403	-	630,000	4(a)	(19,675)	4(c)	2,947,350
				-	-		1,847,947	4(c)	
Special Warrants	22,710	23,516	-	-	-		(23,516)	4(c)	-
Foreign reserves	-	(1,061)	(5,859)	-	-		1,061	4(c)	(5,859)
Retained earnings	(16,885)	(16,423)	4,454,598	400,000	-	4(c)			
					-				
				-	-		16,423	4(c)	
				-	-		(1,822,240)	4(c)	
				-	-				2,232,358
	24,825	25,707	4,918,142	400,000	630,000		-		5,173,849
Minority Interest	-	-	(72,940)	-	-				(72,940)
Total equity	24,825	25,707	4,845,202	400,000	630,000				5,100,909
Non-current liabilities									
Borrowings	-	-	3,101,150	-	-				3,101,150
Total non-current liabilities	-	-	3,101,150	-	-				3,101,150
Current liabilities									
Contract liabilities	-	-	-	-	-				-
Trade and other payables	15,642	16,197	2,488,976	-	-				2,505,173
Interest-bearing bank loan and borrowings	-	-	1,540,134	700,000	-	4(b)			840,134
Finance lease payables	-	-	-	-	-				-
Income tax payable	-	-	258,178	-	-				258,178
Total current liabilities	15,642	16,197	4,287,288	700,000	-				3,603,485
Total equity and liabilities	40,467	41,904	12,233,640	1,100,000	630,000				11,805,544

SLE SYNERGY LTD. (FORMERLY 1223423 B.C. LTD.)

PRO FORMA CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

As at December 31, 2019 (UNAUDITED)

(Expressed in Singapore Dollars)

	SLE Synergy Ltd CAD December 31, 2019	SLE Synergy Ltd SGD	Springleaf Engineering Pte Ltd SGD December 31, 2019	Adjustments Dr. SGD	Adjustments Cr. SGD	Notes	Pro Forma Consolidated SGD December 31, 2019
Revenue:	-	-	8,325,758	-	-		8,325,758
Cost of sales	-	-	(5,041,129)	-	-		(5,041,129)
Gross Profit	-	-	3,284,629	-	-		3,284,629
Other income	-	-	249,326	-	-		249,326
Administrative Expenses	(1,710)	(1,663)	(871,114)	-	-		(872,777)
Other operating Expenses	(15,175)	(14,760)	(1,706,844)	-	-		
				-	-		(1,721,604)
Listing expense				(1,822,240)	-	4(d)	
				(400,000)	-	4(d)	(2,222,240)
Finance Cost	-	-	(148,590)	-	-		(148,590)
Profit before income tax	(16,885)	(16,423)	807,407		-		(1,431,256)
Income tax	-	-	(191,033)	-	-		(191,033)
Profit for the period	(16,885)	(16,423)	616,374		-		(1,622,289)
Foreign currency translation differences	-	-	(5,859)	-			(5,859)
Total Comprehensive income	**(16,885)**	**(16,423)**	**610,515**				**(1,628,148)**

1. Basis of Presentation

The accompanying unaudited pro forma consolidated statement of financial position of SLE Synergy Ltd. (formerly 1223423 B.C. Ltd.) (the "**Company**" or "**SLE**") has been prepared by management to reflect the acquisition of Springleaf Engineering Pte. Ltd. ("**Springleaf**") by the Company after giving effect to the proposed transactions as described in Notes 2 and 3.

The unaudited pro forma statement of financial position has been prepared for inclusion in the Non-Offering Prospectus of the Company in relation to its acquisition of 100% of the issued and outstanding common shares of Springleaf. Completion of the acquisition is subject to customary closing conditions, including all necessary approvals and consents and all applicable Canadian Securities Exchange ("CSE") approvals. In the opinion of the Company's management, the unaudited pro forma consolidated statement of financial position includes all adjustments necessary for fair presentation of the transactions contemplated in the Acquisition agreement ("Acquisition Agreement").

2. Pro Forma Assumptions

The unaudited pro forma consolidated statement of financial position is prepared as if the transaction described below occurred on December 31, 2019.

The Acquisition is subject to the satisfaction of all closing conditions and receipt of regulatory and shareholder approvals, if necessary.

The unaudited pro forma financial statements of SLE should be read in conjunction with the December 31, 2019 financial statements of the Company and December 31, 2019 audited consolidated financial statements of Springleaf.

The unaudited pro forma consolidated statement of financial position of the Company has been compiled from and includes:

- the statement of financial position of the Company as at December 31, 2019;
- the audited statement of financial position of Springleaf as at December 31, 2019; and
- the additional information and assumptions set out in Note 4.

For presentation purposes the acquisition is assumed to have occurred at December 31, 2019. The unaudited pro forma consolidated statement of financial position is not intended to reflect the financial position of the Company which would have actually resulted had the proposed transactions been effected on the date indicated. Actual amounts recorded will differ from those recorded in the unaudited pro forma consolidated statement of financial position.

3. Principal Terms of the Transaction

Pursuant to the Share Exchange Agreement, in consideration for the acquisition of all the issued and outstanding Springleaf Shares, the Company will issue pro rata to the holders of the Springleaf Shares (the "Springleaf Shareholders"), 43,952,082 Acquisition Shares for 350,310 Springleaf Shares, being all of the issued and outstanding Springleaf Shares.

Legally, the Acquisition will result in Springleaf becoming a wholly owned subsidiary of the Company that was incorporated under the Business Corporations Act (British Columbia) on September 16, 2019. However, the result of the Acquisition is that the former shareholders of Springleaf will own approximately 91% of the common shares of the Resulting Issuer. Therefore, the Acquisition will be a reverse take-over ("RTO") of the Company and Springleaf will be deemed to be the acquirer for accounting purposes.

4. Pro Forma Adjustments

The pro forma statement of financial position incorporates the following pro forma assumptions:

(a) Private placement - Subsequent to December 31, 2019, Springleaf completed a non-brokered private placement financing in Singapore, raising aggregate gross proceeds of $630,000 through the issuance of 11,815 ordinary shares of Springleaf.

(b) Debt repayment – This pertains to anticipated re-payment of short-term trade financing loan amounting to $700,000.

(c) Listing expense – Since the Company's operations do not constitute a business, the Transaction has been accounted for in accordance with IFRS 2, which results in the following:

Springleaf is deemed to be the acquirer and the Company is deemed to be the acquiree for accounting purposes;

Accordingly, the assets and liabilities of SLE are included in the unaudited pro forma consolidated statement of financial position and are presented at their fair value, which is deemed to be equal to their carrying value. The pre-acquisition equity of SLE will be eliminated upon consolidation. This includes its share capital of $19,675, special warrants issued of $23,516, foreign reserves of $(1,061) and accumulated deficit of $(16,423). In addition, the Company anticipates additional expenses for listing on CSE in the amount of $400,000.

The purchase price is recorded as the cost to acquire the share capital at the fair value at the time of the transaction. The excess of the amount paid over the fair value of the assets is charged to listing expense. Accordingly, share capital is increased by $1,847,947 being the fair value of common shares issued for the acquisition (See Note 6).

SLE and Springleaf have executed a letter of intent which outlines the proposed terms by which SLE will acquire Springleaf (See Note 3 above).

5. Pro Forma Share Capital December 31, 2019

	Shares	**Amount SGD**
Springfield shares as of December 31, 2019	338,495	469,403
Shares issued - private placement – Springfield	11,815	630,000
Pro Forma balance of common shares outstanding prior to acquisition	350,310	1,099,403
Share exchange at 125.47 shares of the company for each share of Springleaf	43,952,082	
SLE shares at December 31, 2019	4,348,200	1,847,947
Pro-forma balance of common shares outstanding	48,300,282	2,947,350

6. Acquisition – listing expense

The total purchase price of Springleaf is as follows:

Common shares issued and outstanding	4,348,200
Price per share	0.42
Cost of acquisition, share issuance	1,847,947
Fair value of net assets including cash	(25,707)
Excess paid over assets - listing expense	1,822,240
Fair value asset calculation of SLE:	
Assets	41,904
Liabilities	(16,197)
	25,707

Schedule “G”
Audit Committee Charter.

See attached.

AUDIT COMMITTEE CHARTER

SLE SYNERGY LTD.
(the "Corporation")

The following charter is adopted in compliance with National Instrument 52-110 **-** *Audit Committees* ("**NI 52-110**").

1. COMPOSITION

The audit committee (the "**Committee**") shall be comprised of at least three directors as determined by the board of directors of the Corporation (the "**Board**"). At least two members of the Committee shall be independent, within the meaning of NI 52-110.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee shall be financially literate.

For the purposes of this charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The appointment of members to the Committee shall take place annually at the first meeting of the Board after a meeting of shareholders at which directors are elected. If the appointment of members of the Committee is not so made, the directors who are then serving as members of the Committee shall continue to serve as members until their successors are validly appointed. The Board may appoint a member to fill a vacancy that occurs in the Committee between annual elections of directors.

Unless a chairman is appointed by the Board, the members of the Committee may designate a chairman by a majority vote of all Committee members.

2. MEETINGS AND PROCEDURES

The Committee shall meet at least annually, or more frequently if required.

At all meetings of the Committee, every item brought to resolution shall be decided by a majority of the votes cast. In the case of an equality of votes, the chairman shall not be entitled to a second vote.

Quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.

The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee.

Each member (including the chairman of the Committee) is entitled to one vote in Committee proceedings.

The Committee may meet separately with senior management and may request that any member of the

Corporation's senior management or the Corporation's outside counsel or independent auditors attend meetings of the Committee or other meetings with any members of, or advisors to, the Committee.

Furthermore, the Committee has the authority to hire the services of outside advisors, from time to time, when it is necessary to do so for carrying out its mandate.

The Committee shall, at the meeting of the Board following its own meeting, report to the directors on its work, activities and recommendations.

3. DUTIES AND RESPONSIBILITIES

The following are the general duties and responsibilities of the Committee:

3.1 Financial Statements and Disclosure Matters

3.1.1 Review the Corporation's financial statements, management's discussion and analysis and any press releases regarding annual and interim (as required by the Board) profit or loss, before the Corporation publicly discloses such information, and any reports or other financial information which are submitted to any governmental body or to the public.

3.2 Independent Auditors

3.2.1 Recommend to the Board the selection and, where applicable, the replacement of the independent auditors to be appointed annually as well the compensation of such independent auditors;

3.2.2 determine that the independent auditors appointed are a Public Accounting Firm that has entered into a Participation Agreement as such terms are defined in National Instrument 52-108 - *Auditor Oversight* and that at the time of their report on the annual financial statements of the Corporation, they are in compliance with any restrictions or sanctions imposed by the Canadian Public Accountability Board;

3.2.3 oversee the work and review annually the performance and independence of the independent auditors;

3.2.4 on an annual basis, review and discuss with the independent auditors all significant relationships they may have with the Corporation that may impact their objectivity and independence;

3.2.5 consult with the independent auditors about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;

3.2.6 review the audit plan for the year-end financial statements and intended template for such statements;

3.2.7 review and pre-approve all audit and audit-related services and the fees and others compensations related thereto, as well as any non-audit services provided by the independent auditors to the Corporation or its subsidiary entities. The pre-approval requirement is satisfied with respect to the provision of non-audit services if:

3.2.7.1 the aggregate amount of all such non-audit services provided to the Corporation constitutes no more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to its independent auditors during the fiscal year in which the non-audit services are provided;

3.2.7.2 such services were not recognized by the Corporation or its subsidiary entities as non-audited services at the time of the engagement; and

3.2.7.3 such services are promptly brought to the attention of the Committee by the Corporation and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the aforementioned authority to pre-approve non-audited services, provided the pre-approval of the non-audit services is presented to the Committee at its first scheduled meeting following such approval.

3.3 Financial Reporting Processes

3.3.1 Review with management, in consultation with the independent auditors, the integrity of the Corporation's financial reporting process, both internal and external;

3.3.2 consider the independent auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;

3.3.3 consider and report to the Board changes to the Corporation's auditing and accounting principles and practices as suggested by the independent auditors and management;

3.3.4 review any significant disagreement among management and the independent auditors in connection with the preparation of the financial statements;

3.3.5 review, with the independent auditors and management, the extent to which changes and improvements in financial or accounting practices have been implemented; and

3.3.6 establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.

3.4 Risk Management

3.4.1 Oversee the identification, prioritization and management of the risks faced by the Corporation;

3.4.2 direct the facilitation of risk assessments and measurement to determine the material risks to which the Corporation may be exposed and to evaluate the strategy for managing those risks;

3.4.3 monitor the changes in the internal and external environment and the emergence of new risks;

3.4.4 review the adequacy of insurance coverage; and

3.4.5 monitor the procedures to deal with and review disclosure of information to third parties insofar as these disclosure represent a risk for the Corporation.

3.5 Whistleblowing Policy

3.5.1 Monitor and review compliance with the Corporation's Whistleblowing Policy; and

3.5.2 establish a procedure for the receipt and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.

3.6 Reporting Responsibilities

3.6.1 The Committee shall report to the Board on a regular basis, and in any event:

3.6.1.1 at least annually, with an assessment of the performance of management in the preparation of financial statements and auditors in conducting the annual audit of the Corporation and discuss the report with the full Board following the end of each fiscal year;

3.6.1.2 before the public disclosure by the Corporation of its financial statements, management's discussion and analysis and any press releases regarding annual and interim profit or loss and any reports or other financial information which are submitted to any governmental body or to the public; and

3.6.1.3 as required by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators.

3.7 Annual Evaluation

3.7.1 Annually, the Committee shall, in a manner it determines to be appropriate:

3.7.1.1 conduct a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this charter; and

3.7.1.2 review and assess the adequacy of this charter and the position description for the chairman of the Committee and recommend to the Board any improvements to this charter or the position description that the Committee determines to be appropriate, except for minor technical amendments to this charter, authority for which is delegated to the Corporate Secretary, who will report any such amendments to the Board at its next regular meeting.

CERTIFICATE OF THE RESULTING ISSUER

Dated: May 11, 2020

This Prospectus constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia.

SLE SYNERGY LTD.

___"*Lim Chor Ghee*"___	___"*Lai Jun Wah*"___
Lim Chor Ghee	Lai Jun Wah
Chief Executive Officer	Chief Financial Officer

On behalf of the Board of Directors

"*Michelle Neo San San*"	___"*Lim Hong Beng*"___
Michelle Neo San San	Lim Hong Beng
Director	Director

CERTIFICATE OF THE PROMOTERS

Dated: May 11, 2020

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia.

___"*Lim Chor Ghee*"___	___"*Lim Hong Beng*"___
Lim Chor Ghee, Promoter	**Lim Hong Beng**, Promoter

SCHEDULE B

Exchange Listing Statement Disclosure – Additional Information

14.1 Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	48,552,082	48,552,082	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	42,940,319	42,940,319	88.44%	88.44%
Total Public Float (A-B)	5,611,763	5,611,763	11.56%	11.56%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	43,952,082	43,952,082	90.53%	90.53%
Total Tradeable Float (A-C)	4,600,000	4,600,000	9.47%	9.47%

Public Securityholders (Registered)

For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities		

100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities	64	65,200
2,000 – 2,999 securities	20	40,000
3,000 – 3,999 securities	2	6,000
4,000 – 4,999 securities	42	168,000
5,000 or more securities	41	5,332,563
Total	**169**	**5,611,763**

Public Securityholders (Beneficial)

Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities		
Unable to confirm		
Total		

Non-Public Securityholders (Registered)

For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	6	42,940,319
Total	**6**	**42,940,319**

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
N/A	N/A	N/A

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

The Issuer has no other listed securities reserved for issuance that are not included in section 14.2.

CERTIFICATE OF SLE SYNERGY LTD.

Pursuant to a resolution duly passed by its board of directors of SLE Synergy Ltd. ("**SLE**"), SLE, hereby applies for the listing of the above mentioned securities on the Canadian Securities Exchange. The foregoing contains full, true and plain disclosure of all material information relating to SLE. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at the Republic of Singapore this 2nd day of June, 2020.

"Lim Chor Ghee (Vincent Lim)"

Lim Chor Ghee
Chief Executive Officer

"Lai Jun Wah"

Lai Jun Wah
Chief Financial Officer

"Michelle Neo San San"

Michelle Neo San San
Director

"Lim Hong Beng (Ben Lim)"

Lim Hong Beng
Director

"Lim Chor Ghee (Vincent Lim)"

Lim Chor Ghee
Promoter

"Lim Hong Beng (Ben Lim)"

Lim Hong Beng
Promoter