SPRINGLEAF ENGINEERING PTE. LTD. AND ITS SUBSIDIARIES

Management's Discussion and Analysis

For the three months ended March 31, 2020, and 2019

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 financial period ended March 31, 2020. This discussion should be read in conjunction with the Company’s interim consolidated financial statements for the three months ended March 31, 2020, 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 July 13, 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 March 31, 2020 have been reviewed and approved by the Board on July 13, 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 listed on CSE at June 8, 2020.

Three Months Ended March 31, 2020, and 2019 – Key Developments

1. **Accumulated total revenue for 2020 Q1 in the amount of S$2,440,056, with contract engineering revenue of S$1,448,524.**

   Accumulated total revenue in 2020 Q1 increased by S$429,140 or 21.3%, as compared to 2019 Q1. The increase in revenue was due to a higher order book carried forward as at the end of the previous financial year and an increase 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$986,402 in revenue versus S$922,019 in 2019 Q1.**

   The Factory Maintenance Division, which set up in January 2017, with aim to diversify revenue streams and increase recurring income, experienced a 6.98% growth in service and maintenance revenue in 2020 Q1 as compared with 2019 Q1.

3. Waste management contracts in Shanghai, China.

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.

As at March 31, 2020, the waste treatment facility still under construction, and the construction cost incurred as at March 31, 2020 approximately to S$1,215,325.

Selected Financial Information

The following selected financial data has been extracted from the interim 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.

Three months ended		**March 31, 2020**		March 31, 2019
Total Revenues	**S$**	**2,440,056**	S$	2,010,916
Gross Profit (as a % of revenues)		**52.6%**		41.5%
Net Profit	**S$**	**545,066**	S$	297,499
Net Profit per share (S$)				
- Basic		**1.56**		0.96
- Diluted		**1.56**		0.96
Change in cash and cash equivalents	**S$**	**(153,512)**	S$	(531,877)

As at		**March 31, 2020**		December 31, 2019
Total assets	**S$**	**13,647,610**	S$	12,233,640
Working capital	**S$**	**4,416,248**	S$	3,473,692
Total Non-current liabilities	**S$**	**3,056,635**	S$	3,101,150
Shareholder's equity	**S$**	**6,020,268**	S$	4,845,202
Number of shares outstanding		**350,310**		308,000

Results of Operations

Revenue

For the three months ended March 31,		**2020**		2019
Revenue				
Contracts with customers	**S$**	**1,448,524**	S$	1,088,247
Service and maintenance	**S$**	**986,402**	S$	922,019
Trading	**S$**	**5,130**	S$	650
Total revenue	**S$**	**2,440,056**	S$	2,010,916

Total revenue for the period ended March 31, 2020 increased by S$429,140, or 21.3%, as compared to the same period in 2019. The increase in revenue was due to the increase in contract acquisition from new and existing customers, representing S$360,277 of the total increase. 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$64,383, or 6.98%, as compared to the same period in 2019. 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 three months ended March 31,		**2020**		2019
Cost of sales	**S$**	**1,155,427**	S$	1,176,318
Gross profit	**S$**	**1,283,629**	S$	834,598
Gross profit margin (%)		**52.6%**		41.5%

Cost of sales slightly decreased from S$1,176,318 in 2019 Q1 to S$1,155,427 in 2020 Q1, it's results the impact of the Company's cost reductions.

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 increased revenue, the Company's gross profit increased by S$449,031. Gross profit margin has a slight increase from 52.6% in 2020 Q1 compared 41.5% in 2019 Q1, this is mainly due to higher gross profit contributed by the services and maintenance sector.

Operating Expenses

For the three months ended March 31,		**2020**		2019
Administrative expenses	**S$**	**227,473**	S$	85,677
Other operating expenses	**S$**	**433,973**	S$	358,822
Finance costs	**S$**	**35,128**	S$	36,033
Total	**S$**	**696,574**	S$	480,532

Operating Expenses in 2020 increased by 44.9%, from S$480,532 in 2019 Q1, to S$696,574 in 2020 Q1. The increase was mainly due to increase in Administrative Expenses, where there were payments related to SLE's listing expenses such as lawyer fees, audit fees, consultancy fees, submission fees, and etc.

In addition, increased Other Operating Expenses in 2020 Q1, mainly due to manpower cost incurred in Springleaf-Biomax (subsidiary in Shanghai) whereas the operations started at 2019 Q3, therefore no such expenses recorded in 2019 Q1.

Net and Total Comprehensive Income

For the three months ended March 31,		**2020**		2019
Net and Total Comprehensive Income	**S$**	**545,066**	S$	297,499

For the period ended March 31, 2020, the Company recorded a total comprehensive income of S$545,066 compared to total comprehensive income of S$297,499 in 2019 Q1. 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

The following table summarizes issuances of the Springleaf Shares, or securities convertible into Springleaf Shares, during the financial period ended March 31, 2020.

Date of Issuance	Type of Security	Number of Securities Issued	Issuance Price per Security
January 1, 2020	Springleaf Shares	11,815[(1)]	$53.32

Notes:
(1) 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.

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.

	2020 Q1	2019 Q4	2019 Q3	2019 Q2
	S$	S$	S$	S$
Revenue	2,440,056	1,713,464	2,456,502	2,144,876
Net and comprehensive profit	545,066	(396,707)	548,561	161,162
Net profit per share (basic and diluted)	1.56	(1.17)	1.62	0.52

	2019 Q1	2018 Q4	2018 Q3	2018 Q2
	S$	S$	S$	S$
Revenue	2,010,916	6,826,252	3,491,475	7,986,302
Net and comprehensive profit	297,499	780,470	491,005	1,778,973
Net profit per share (basic and diluted)	0.97	2.53	1.59	5.78

In 2020 Q1, the Group recorded revenues of S$2,440,056, an increase of S$726,592 or 42.4% as compared to the immediate preceding quarter (2019 Q4). The increased was attributed to the higher billings on contracted customers. The Group recorded net profit of S$545,066, an increase of S$247,567 or 83.2% as compared to the equivalent quarter in 2019.

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 March 31, 2020, the Company has a net working capital of S$4,416,248 (December 31, 2019: S$3,473,692).

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 March 31, 2020, shareholder's equity was S$6,020,268 (as at December 31, 2019, shareholder's equity was S$4,845,202).

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 period ended March 31, 2020.

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 March 31, 2020

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

Related Party Transactions

During the financial period ended March 31, 2020, 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 three months ended March 31, 2020, and 2019.

Key Management Remuneration

For the three months ended March 31,		**2020**		2019
Directors' remuneration	**S$**	**51,300**	S$	50,700
Central Provident Fund	**S$**	**6,120**	S$	61,20
Total	**S$**	**57,420**	S$	56,820

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 period ended March 31, 2020.

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 11, 2020, the long form prospectus of SLE is being filed with the British Columbia Securities Commission for the purposes becoming a reporting issuer pursuant to applicable securities legislation in the Province of British Columbia.

On June 8, 2020, SLE announces that it has received final approval from CSE and SLE's common shares will commence trading on the CSE under the symbol "SLE".

COVID-19

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 Company'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.