

**BYT HOLDINGS LTD. (Formerly as, SLE SYNERGY LTD.)
AND ITS SUBSIDIARIES**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2020
(EXPRESSED IN SINGAPORE DOLLARS)

Introduction

BYT Holdings Ltd. (formerly as, 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 operation subsidiary Springleaf Engineering Pte Ltd. (“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 year / period ended December 31, 2020 (“2020 Q4”). This discussion should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 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 and interpretations of the IFRS Interpretations Committee (“IFRIC”). Information contained herein is presented as of April 30, 2021, unless otherwise indicated.

In this MD&A, references to the “Company” refer to BYT Holdings Ltd. and/or its material subsidiaries, including Springleaf, as the context requires.

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 common 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 consolidated financial statements of the Company for the year ended December 31, 2020 have been reviewed and approved by the Board on April 30, 2021.

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.

On February 5, 2021, the Company closed its previously announced strategic investment in connection with the arm's length acquisition of 35% of the issued share capital ("Equity Stake") of Xi'an Triumph Electronic Technology Co., Ltd. ("Xian Tech") through its wholly-owned subsidiary BYT Singapore Pte. Ltd. In consideration for the acquisition of the Equity Stake, the Company paid an aggregate purchase of SGD1,750,000 to certain shareholders of Xian Tech. The acquisition of Xian Tech is an important milestone to enhance the Company's technological capabilities and to achieve business expansion. In the near term, the Company will be integrating one of Xian Tech's technologies, which enables intelligent waste classification and seamless supervision of waste transportation. This will enhance the Company's current waste management services.

The Company is currently also 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, oil and gas, artificial intelligence, big data and waste management.

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The Transaction

In early 2019, the Board and management of Springleaf determined that the best course of action to secure additional capital, grow its brand, and expand its reach was to secure a public listing on a reputable exchange. During the fourth quarter of 2019, Springleaf and the Company continued taking steps towards obtaining a listing for its common shares (the "Listing") on the Canadian Securities Exchange (the "CSE") through a reverse takeover transaction (the "Transaction") with Springleaf.

Following the Transaction and the satisfaction of certain conditions precedent, including receipt of all necessary director, shareholder, regulatory and the CSE's approvals, the Company's common shares were listed on the CSE on June 8, 2020, with Springleaf becoming a wholly-owned subsidiary of the Company.

Although the acquisition resulted in Springleaf becoming a wholly owned subsidiary of BYT, the Transaction constitutes a reverse acquisition of BYT by Springleaf in as much as the former shareholders of Springleaf received 90.53%, on a non-diluted basis, of the issued and outstanding common shares of the resulting corporation. For accounting purposes, Springleaf is considered the acquirer and BYT the acquiree.

The Transaction was accounted for in accordance with IFRS 2, Share-based Payments. The Transaction is considered to be a reverse takeover of BYT by Springleaf. A reverse takeover transaction involving a non-public operating entity and a non-operating public company is in substance a share-based payment transaction, rather than a business combination. The transaction is equivalent to the issuance of equity instruments by Springleaf for the net liabilities and eventual public listing status of the non-operating company, BYT. The share capital, reserves and deficit of BYT is eliminated on the reverse takeover transaction date with the difference between the fair value of identifiable net assets acquired and consideration being recorded as listing expense in the consolidated statement of loss and comprehensive loss.

The fair value of the identifiable net liabilities acquired, and consideration is as follows:

	Fair values C\$	Fair values S\$
Fair value of identifiable net assets		
Cash	5,905	6,023
Accounts payable and accrued liabilities	<u>(9,406)</u>	<u>(9,594)</u>
	<u>(3,501)</u>	<u>(3,571)</u>
Consideration:		
Fair value of 4,600,000 common shares issued at C\$0.417 or S\$0.425 per share	<u>1,916,627</u>	<u>1,954,959</u>
Listing expense	1,920,128	1,958,530
Legal fees	73,436	74,905
Consultancy fees	46,295	47,221
Professional fees	<u>45,098</u>	<u>46,000</u>
Total Listing expenses	<u>2,084,957</u>	<u>2,126,656</u>

The fair value per share was measured to be C\$0.417 or S\$0.425 based on the price of the private placement receipts issued by Springleaf to third parties on January 3, 2020.

Three And Twelve Months Ended December 31, 2020 – Key Developments

- 1. Accumulated total revenue for year ended 2020 in the amount of S\$7,175,588 with contract engineering revenue of S\$3,185,637.**

Accumulated total revenue in year ended 2020 decreased by S\$1,150,170 or 13.8%, as compared to the financial year ended December 31, 2019. The decrease in revenue was due to lower contract acquisition from new and existing customers, amid a slowdown in the global semiconductor industry. Singapore implemented circuit breaker measures in response to the COVID-19 pandemic in the country on April 7, 2020. The circuit breaker measures caused a contract engineering slowdown and delays, which caused significant drops in contract engineering revenue in 2020 Q2, 2020 Q3 and 2020 Q4.

- 2. Accumulated Factory Maintenance Division recorded S\$3,634,863 in year ended 2020 versus S\$3,409,966 in year ended 2019.**

The Factory Maintenance Division, which was set up in January 2017, with an aim to diversify revenue streams and increase recurring income, experienced a 6.6% growth in service and maintenance revenue in year ended 2020, as compared to year ended 2019. Although circuit breaker measures were implemented on April 7, 2020, the Factory Maintenance Division was granted approval from the government to continue to perform maintenance services to customers which are classified under essential sectors. Therefore, the Factory Maintenance Division recorded revenue growth in the year 2020.

- 3. Accumulated Trading revenue recorded S\$355,088 in year 2020 versus S\$10,740 in year 2019.**

The Company recorded total trading revenue of S\$355,088 for the financial year ended December 31, 2020, increased by S\$344,348, or 32 times as compared to the year ended 2019. The significant increase in trading revenue was mainly due to trading revenue amounting to S\$336,216 generated by a subsidiary in China, which is none revenue in year ended 2019.

- 4. Administrative expenses of S\$2,385,013 during the year 2020 versus S\$871,114 in year 2019.**

Significant increase in administrative expenses as compared to year 2020 and year 2019, mainly consisted of accrued audit fees of S\$111,151, accrued related fees amounting to S\$454,000 pursuant to the shares subscription facilities agreement dated June 14, 2019, commitment fees of S\$56,000, seller's stamp duty paid amounting to S\$196,000 for the property disposed, investor relation fees amounting to S\$50,032, impairment loss of a trade receivable amounting to S\$694,740 and professional fees amounting to S\$54,698 related to due diligence works performed for the Xian Tech acquisition. Other than above, the increase was due to payments related to the Listing, such as listing fees, transfer agent fees, legal fees, and audit fees.

5. Temporary Bridging Loan Programme (“TBLP”)

As announced at Solidarity Budget 2020 (announced on March 26, May 26, and Oct 12, 2020) by the Singapore government, eligible enterprises may borrow up to S\$5 million under TBLP, with the interest rate capped at 5% per annum, from participating financial institutions. The government will provide 90% risk-share on this loan. This is one of the financing supports to alleviate cashflow needs of enterprises affected by the Covid-19 outbreak.

On September 14, 2020, the Company was granted bridging loans of S\$1,800,000 under this programme. The bridging loans have an effective interest rate of 2.5% to 2.75% per annum and the repayment period is 5 years. The Company intends to utilise part of the bridging loan to service some of the high interest trade facilities such as invoice financing and fixed advance facility.

6. Gain on disposal of fixed assets

On October 9, 2020, the Company disposed one of its company motor vehicles for amount of S\$36,423. The motor vehicle was fully depreciated, therefore the Company recognized a gain on disposal of S\$36,423 during the financial year ended 2020.

On October 21, 2020, the Company disposed one of its property for amount of S\$1,960,000. The company recognized a gain on disposal of S\$244,386 during the financial year ended 2020.

7. Non-brokered private placement of 29,545,556 common shares of the Company

On December 29, 2020, the Company completed a private placement of 29,545,556 common shares at C\$0.873 or S\$0.09 for gross proceeds of C\$2,579,327 or S\$2,659,100. The Company intends to use the net proceeds from the offering primarily for general corporate and working capital purposes.

8. Waste management contracts in Shanghai, China.

On August 29, 2019, Springleaf-Biomax (Shanghai) Pte Ltd., a subsidiary of Springleaf, (“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 S\$2,000) per day, for a period of five years. As at December 31, 2020, the waste treatment facility is still under construction, and the construction costs incurred up to December 31, 2020 are approximately S\$2,512,318. The COVID-19 pandemic and restriction measures implemented by the Chinese government have slowed down the construction progress.

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Selected 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.

For the periods ended December 31,	Three Months Ended		Twelve Months Ended	
	2020	2019	2020	2019
Total revenues	S\$ 1,934,732	S\$ 1,713,464	S\$ 7,175,588	S\$ 8,325,758
Gross profit	S\$ 941,156	S\$ 440,349	S\$ 3,047,986	S\$ 3,284,629
Gross profit (as a % of revenues)	48.6%	25.7%	42.5%	39.5%
Profit/(loss) after tax	S\$ (2,978,751)	S\$ (395,381)	S\$ (2,757,045)	S\$ 616,374
Total comprehensive income/(loss)	(3,064,532)	(396,707)	(2,819,184)	610,515
Net Profit per share (S\$)				
- Basic / diluted	(0.06)	1.20	(0.07)	1.82
Weighted average number of outstanding common shares	48,713,533	338,495	S\$ 31,600,914	S\$ 338,495
As at			December 31, 2020	December 31, 2019
Total assets			S\$ 13,177,267	S\$ 12,233,640
Working capital (current assets – current liabilities)			S\$ 5,769,075	S\$ 3,473,692
Total Non-current liabilities			S\$ 2,591,699	S\$ 3,101,150
Shareholder's equity			S\$ 7,341,662	S\$ 4,845,202
Number of shares outstanding			78,097,638	308,000

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Results of Operations
Revenue

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Contracts with customers	632,605	883,469	3,185,637	4,905,052
Service and maintenance	965,351	829,995	3,634,863	3,409,966
Trading	336,776	-	355,088	10,740
Total revenue	1,934,732	1,713,464	7,175,588	8,325,758

The Company recorded total revenue of S\$7,175,588 for the financial year ended December 31, 2020, decreased by S\$1,150,170, or 13.8%, as compared to year ended 2019. The decrease in revenue was due to the decrease in contracts with customers, which was due to a slowdown caused by the COVID-19 pandemic and restricted movement implemented by government. The Company recorded total contracts with customers revenue of S\$3,185,637 for the financial year ended December 31, 2020, decreased by S\$1,719,415, or 35.1%, as compared to the year ended 2019. 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.

The Company recorded total service and maintenance revenue of S\$3,634,863 for the financial year ended December 31, 2020, increased by S\$224,897, or 6.6%, as compared to the year ended 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.

The Company recorded total trading revenue of S\$355,088 for the financial year ended December 31, 2020, increased by S\$344,348, or 32 times as compared to the year ended 2019. The significant increase in trading revenue was mainly due to trading revenue amounting to S\$336,216 generated by a subsidiary in China, which is none revenue in year ended 2019.

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Cost of Sales / Gross Profit Margin

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Cost of sales	(993,576)	(1,273,046)	(4,127,602)	(5,041,129)
Gross profit	941,156	440,349	3,047,986	3,284,629
Gross profit margin (%)	48.6%	25.7%	42.5%	39.5%

Total cost of sales decreased from S\$5,041,129 in the financial year ended 2019 to S\$4,127,602 in the financial year ended 2020, as a result of the Company's decreased revenue during the financial year. 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. Gross profit margin slightly increased to 42.5% in year ended 2020, as compared to 39.5% in year ended 2019. This is mainly due to higher gross profit contributed by the trading revenue in China subsidiary.

The Company recorded gross profit margin of 48.6% in 2020 Q4, as compared to 25.7% in 2019 Q4. The increased mainly due to higher gross profit margin contributed by the trading revenue generated by subsidiary in China, and higher gross profit margin contributed by service and maintenance in 2020 Q4.

Operating Expenses

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Administrative expenses	1,561,525	366,016	2,385,013	871,114
Other operating expenses	246,195	504,326	1,446,899	1,706,844
Listing expenses	2,126,656	-	2,126,656	-
Finance costs	74,262	44,349	176,996	148,590
Total	4,008,638	914,691	6,135,564	2,726,548

Total operating expenses increased from S\$2,726,548 in year ended 2019 to S\$6,135,564 in year ended 2020, representing a 125.0% increase. The increase was mainly due to increase in administrative expenses and listing expenses. The increased in administrative expenses included accrued audit fees of S\$111,151, accrued related fees amounting to S\$454,000 pursuant to the shares subscription facilities agreement dated June 14, 2019, commitment fees of S\$56,000, seller's stamp duty paid amounting to S\$196,000 for the property disposed, investor relation fees amounting to S\$50,032, impairment loss on a trade receivable amounting to S\$694,740 and professional fees amounting to S\$54,698 related to due diligence works performed for the Xian Tech acquisition.

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No listing expenses incurred in year ended 2019, the listing expenses amounting to S\$1,958,530 in year ended 2020, mainly due to the share capital, reserves and deficit of BYT Holdings Ltd is eliminated on the reverse takeover transaction date with the difference between the fair value of identifiable net assets acquired and consideration being recorded as listing expense in the consolidated statement of loss and comprehensive loss. Other than above, the listing expense included payments related to the Listing, such as listing fees, transfer agent fees, legal fees, and audit fees.

In addition, the increased in administrative expenses and listing expenses in 2020 Q4 compared to 2019 Q4 was mainly explained in above. The increase in finance costs was mainly due to interest from fixed advance facility, which is none in year 2019.

Net and Total Comprehensive Income

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Total comprehensive income / (loss)	(3,064,532)	(405,708)	(2,819,184)	610,515

For the year ended December 31, 2020, the Company recorded a total comprehensive loss of S\$2,424,444 compared to total comprehensive income of S\$610,515 in year ended 2019. As explained above, the loss was mainly due to the significant increase in expenses and decrease in revenue during the financial year.

Authorized share capital

As at December 31, 2020, the Company has 78,097,638 common shares issued and outstanding. All common shares carry one vote per share and carry a right to dividends as and when declared by the Company.

On January 8, 2021, the Company completed a non-brokered private placement of 26,010,000 common shares of the Company at a price of C\$0.0873 or S\$0.09 per common share, raising aggregate gross proceeds of C\$2,270,673 or S\$2,340,900.

Hence, as of the date of this MD&A, the Company has 104,107,638 common shares issued and outstanding. All common shares carry one vote per share and carry a right to dividends as and when declared by the Company.

Risk Factors

The following are certain risk factors relating to the business carried on by the Company, which prospective investors should carefully consider. The Company will face a number of challenges in the development of its technology and in building its client base. Due to the nature of the Company and the present stage of the business, the Company 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, 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 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 the Company 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, the Company 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.

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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 common shares of the Company, or securities convertible into common shares, during the financial year ended December 31, 2020.

	Type of security	Notes	Number of shares	Amount
			S\$	S\$
At the beginning of the year	Common shares		338,495	469,403
Shares issued on private placement	Common shares	(1)	11,815	630,000
Elimination of Springleaf shares on RTO	Common shares	(2)	(350,310)	-
Replacement of shares of Springleaf	Common shares	(2)	43,952,082	-
Shares issued under reverse acquisition	Common shares	(2)	4,600,000	1,954,959
Shares issued on private placement	Common shares	(3)	29,545,556	2,659,100
Foreign currency translation				71,585
At the end of the year			78,097,638	5,785,047

Notes:

- (1) On January 3, 2020, Springleaf issued 11,815 ordinary shares for aggregate gross proceeds of \$630,000.
- (2) On May 8, 2020, at the closing of the RTO transaction, 43,952,082 shares of the Company were issued to Springleaf's shareholders on the basis of 125.4:1. The fair value per share of the shares issued under reverse acquisition, S\$1,954,959 was measured to be C\$0.417 or S\$0.425 based on the price of the private placement receipts issued by Springleaf in January 3, 2020.
- (3) On December 29, 2020, the Company completed a private placement of 29,545,556 common shares at C\$0.873 or S\$0.09 for gross proceeds of C\$2,579,327 or S\$2,659,100.

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2020**

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 Q4	2020 Q3	2020 Q2	2020 Q1
	S\$	S\$	S\$	S\$
Revenue	1,934,732	1,857,562	943,238	2,440,056
Net and comprehensive profit / (loss)	(3,064,532)	32,323	(332,041)	545,066
Net profit per share (basic and diluted)	(0.06)	0.0007	(0.01)	1.56

	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
Net and comprehensive profit / (loss)	(396,707)	548,561	161,162	297,499
Net profit per share (basic and diluted)	(1.17)	1.62	0.52	0.97

In 2020 Q4, the Company recorded revenues of S\$1,934,732 an increase of S\$77,170 or 0.04% as compared to the immediately preceding quarter ("2020 Q3"). The Company recorded a net loss of S\$3,064,532 in 2020 Q4, the net loss mainly due to incurred in one off expenses such as, listing expenses amounting to S\$2,126,656 accrued audit fees of S\$111,151 (not being accrued in the previous quarter), accrued related fees amounting to S\$454,000 pursuant to the shares subscription facilities agreement dated June 14, 2019, commitment fees of S\$56,000, impairment loss on a trade receivable amounting to S\$694,740 and professional fees amounting to S\$54,698 related to due diligence works performed for the Xian Tech acquisition. Hence, the Company recorded a net loss compared to net profit in 2020 Q3.

Capital management policies and objectives

The Group 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 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 2019.

Financial Instruments

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 refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company 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 Company's credit risk arises mainly from bank balances and trade receivables. Bank balances are mainly deposits with banks with high credit-ratings and the Company does not expect the impairment loss from bank balances to be material, if any.

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.

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.

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2020**

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.

Related Party Transactions

The effect of the Company's transactions and arrangements with related parties is reflected in consolidated financial statements.

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Company entered into the following transactions with related parties:

Key Management Remuneration

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Directors' remuneration	99,850	81,225	309,850	234,525
Central Provident Fund	9,180	9,575	36,720	27,935
Total	109,030	90,800	346,570	262,460

Contingencies

During the financial year 2020, Springleaf Engineering Pte Ltd ("Springleaf"), a wholly-owned subsidiary of the Company, filed a civil suit against a supplier ("defendant") in the General Division of the High Court of the Republic of Singapore (the "Suit").

- a. Springleaf is claiming for the return of a S\$500,000 deposit paid under an exclusive distributorship agreement ("EDA") on the basis that the EDA is not valid and enforceable. The defendant has counterclaimed on the basis that the EDA is valid and enforceable.
- b. Springleaf is claiming for the sum of S\$1,270,000 which comprises the sum loaned to the defendant and relevant accrued interest.
- c. And Springleaf is claiming under a personal guarantee given by a director of the defendant to pay up to the sum of S\$1,000,000 in the event the defendant fails to repay the loan extended to it by Springleaf as mentioned above.

The case is still at the early stage of the proceedings, i.e. the pleading stage, and Court directions for general discovery (i.e. the stage where relevant documents are disclosed and produced by the parties) have not been given. Presently, the parties are still in the process of resolving various procedural issues, such as amendment of pleadings and requests for further and better particulars, before the general discovery stage can commence.

Contemporaneous with the continuation of the Suit, one director of Springleaf has agreed to pledge part of his common shares in BYT Holdings Ltd, as collateral to guarantee the payment of these loan balances which are in excess to the claim amount. At the date of the audit report, the fair value of the 5 Million shares pledged was C\$1,650,000. In the event that Springleaf fails to recover the full claim amount under the suit, nominees of Springleaf may exercise the pledge shares to recover the same. Hence, no provision of liability has been recognized as at financial year ended December 31, 2020.

Subsequent Events

On January 8, 2021, the Company completed a non-brokered private placement of 26,010,000 common shares of the Company at a price of C\$0.0873 or S\$0.09 per common share, raising aggregate gross proceeds of C\$2,270,673 or S\$2,340,900.

On February 5, 2021, the Company entered into a definitive share purchase agreement to acquire 35% of the issued share capital ("Equity Stake") of Xi'an Triumph Electronic Technology Co., Ltd, ("Xian Tech") through its wholly-owned subsidiary BYT Singapore Pte. Ltd. (formerly, SLE Technologies Pte Ltd).

On February 22, 2021, the Company closed its strategic investment of the Equity Stake for an aggregate purchase price of S\$1,750,000.

Impact of COVID-19

COVID-19 outbreak has brought about an unprecedented challenge for many entities, with increased uncertainty in the global economy. As the situation is still evolving, the full effect of the outbreak is still uncertain and the Group is therefore unable to provide a quantitative estimate of the potential impact of this outbreak on the Group. The Group continues to monitor and evaluate any possible impact on the Group's business and will consider implementation of various measures to mitigate the effects arising from the COVID-19 situation. Based on management's latest assessment, there is no indicator that the going concern assumption used by the Group in preparing the financial statement is inappropriate.

The outbreak of the COVID-19, which started in late January 2020 in Wuhan, China has now become a global pandemic. 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 consolidated 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 Covid-19 incidents but the movement restrictions imposed by the Chinese government 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.

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.

Other Information

Additional information about the Company is available at <http://www.bytholdings.com> and <https://www.sedar.com>.