

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES
(Incorporation Number: BC1223423)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021
(EXPRESSED IN SINGAPORE DOLLARS)

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021
Expressed in Singapore Dollars**

	Note	Three Months Ended Sept 30,		Nine Months Ended Sept 30,	
		<u>2021</u> S\$	2020 S\$	<u>2021</u> S\$	2020 S\$
Revenue	3	1,039,101	1,857,562	3,382,960	5,240,856
Cost of sales		<u>(472,014)</u>	<u>(1,153,780)</u>	<u>(1,620,157)</u>	<u>(3,134,026)</u>
Gross profit		567,087	703,782	1,762,803	2,106,830
Other income	4	69,849	92,768	160,334	343,036
Administrative expenses		<u>(247,439)</u>	<u>(367,570)</u>	<u>(752,042)</u>	<u>(823,488)</u>
Other operating expenses		<u>(2,087,862)</u>	<u>(348,748)</u>	<u>(2,828,293)</u>	<u>(1,200,704)</u>
Finance costs	5	<u>(18,415)</u>	<u>(33,081)</u>	<u>(88,903)</u>	<u>(102,734)</u>
Share of results of an associate		<u>18,562</u>	-	<u>131,694</u>	-
Profit / (Loss) before income tax		(1,698,218)	47,151	(1,614,407)	322,940
Income tax expense		<u>110,974</u>	<u>(15,735)</u>	<u>70,214</u>	<u>(101,234)</u>
Profit / (Loss) for the period		(1,587,244)	31,416	(1,544,193)	221,706
Other comprehensive income / (loss):					
Foreign currency translation differences		<u>68,765</u>	907	<u>(206,480)</u>	23,641
Total comprehensive income / (loss) for the period		(1,518,479)	32,323	(1,750,673)	245,347
Profit / (Loss) attributable to:					
Owners of the Company		<u>(1,582,804)</u>	47,521	<u>(1,543,845)</u>	312,566
Minority interest		<u>(4,440)</u>	<u>(16,105)</u>	<u>(348)</u>	<u>(90,860)</u>
Profit / (Loss) for the period		(1,587,244)	31,416	(1,544,193)	221,706
Total comprehensive income / (loss) attributable to:					
Owners of the Company		<u>(1,522,726)</u>	48,428	<u>(1,745,955)</u>	336,207
Minority interest		<u>4,247</u>	<u>(16,105)</u>	<u>(4,718)</u>	<u>(90,860)</u>
Total comprehensive income / (loss) for the period		(1,518,479)	32,323	(1,750,673)	245,347
Net profit per share (S\$)					
Basic and diluted earnings per share		<u>(0.015)</u>	0.0007	<u>(0.017)</u>	0.005
Weighted average number of outstanding common shares		<u>104,107,638</u>	48,552,082	<u>104,107,638</u>	48,552,082

The accompanying notes form an integral part of and should be read in conjunction with these condensed interim consolidated financial statements.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021 AND DECEMBER 31, 2020
Expressed in Singapore Dollars

	<u>Note</u>	<u>UNAUDITED</u> <u>SEPTEMBER 30,</u> <u>2021</u> <u>S\$</u>	<u>AUDITED</u> <u>DECEMBER 31,</u> <u>2020</u> <u>S\$</u>
ASSETS			
Non-current assets			
Property, plant and equipment	6	4,215,682	4,164,286
Investment in an associate	7	1,881,694	-
Total non-current assets		<u>6,097,376</u>	<u>4,164,286</u>
Current assets			
Inventories	8	169,065	162,636
Contract assets	9	197,521	114,578
Trade and other receivables	10	1,795,501	3,634,522
Fixed deposit		507,019	507,019
Cash and cash equivalents	11	3,508,059	4,594,226
Total current assets		<u>6,177,165</u>	<u>9,012,981</u>
Total assets		<u>12,274,541</u>	<u>13,177,267</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	8,208,763	5,785,047
Accumulated other comprehensive income (loss)		(267,884)	(65,774)
Retained earnings		189,232	1,733,077
Total equity attributable to owners of the Parent		8,130,111	7,452,350
Non-controlling interest		(115,406)	(110,688)
Total Equity		<u>8,014,705</u>	<u>7,341,662</u>
Non-current liability			
Interest-bearing loans and borrowings	13	2,292,188	2,591,699
Total non-current liability		<u>2,292,188</u>	<u>2,591,699</u>
Current liabilities			
Contract Liabilities	9	570	-
Trade and other payables	14	1,479,438	1,915,701
Interest-bearing loans and borrowings	13	433,095	1,016,585
Income tax payable		54,545	311,620
Total current liabilities		<u>1,967,648</u>	<u>3,243,906</u>
Total liabilities		<u>4,259,836</u>	<u>5,835,605</u>
Total equity and liabilities		<u>12,274,541</u>	<u>13,177,267</u>

The accompanying notes form an integral part of and should be read in conjunction with these condensed interim consolidated financial statements.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020 & NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021
Expressed in Singapore Dollars

	<u>Share capital</u>	<u>Accumulated Other Comprehensive income/(loss)</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Non- controlling interests</u>	<u>Total</u>
	S\$	S\$	S\$		S\$	S\$
Balance at January 1, 2020	469,403	(5,859)	4,454,598	4,918,142	(72,940)	4,845,202
Shares issued on private placement – BYTE	630,000	-	-	630,000	-	630,000
Shares issued under reverse acquisition	1,954,959	-	-	1,954,959	-	1,954,959
Shares issued on private placement	2,659,100	-	-	2,659,100	-	2,659,100
Profit/(loss) for the year	-	-	(2,721,521)	(2,721,521)	(35,524)	(2,757,045)
Foreign currency translation	71,585	(59,915)	-	11,670	(2,224)	9,446
Balance at December 31, 2020	5,785,047	(65,774)	1,733,077	7,452,350	(110,688)	7,341,662
Shares issued on private placement (Note 12)	2,340,900	-	-	2,340,900	-	2,340,900
Profit/(loss) for the period	-	-	(1,543,845)	(1,543,845)	(348)	(1,544,193)
Foreign currency translation	82,816	(202,110)	-	(119,294)	(4,370)	(123,664)
Balance at September 30, 2021	8,208,763	(267,884)	189,232	8,130,111	(115,406)	8,014,705

The accompanying notes form an integral part of and should be read in conjunction with these condensed interim consolidated financial statements.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 30, 2021 & SEPTEMBER 30, 2020
Expressed in Singapore Dollars**

	Note	NINE MONTHS ENDED SEPTEMBER 30,	
		2021 S\$	2020 S\$
Operating activities			
Profit before income tax		(1,614,407)	322,940
Adjustments for:			
Depreciation	6	86,951	98,395
Interest expenses		88,903	102,734
Interest income		-	(120,004)
Unrealised exchange (gain)/loss		(50,581)	23,957
Gain on disposal of property, plant and equipment		(62,875)	(36,423)
Share of results of an associate	7	(131,694)	-
Other receivables/deposits written off	10	1,590,720	-
Operating cash flows before movements in working capital		(92,983)	391,599
Changes in working capital:			
Contract assets		(82,943)	211,227
Trade and other receivables		151,646	(1,430,398)
Contract liabilities		570	196,193
Trade and other payables		(532,526)	(575,986)
Cash used in operations		(556,236)	(1,207,365)
Interest received		-	120,004
Income tax refunded		77,805	-
Income tax paid		(264,667)	(99,519)
Net cash used in operating activities		(743,098)	(1,186,880)
Investing activities			
Purchase of property, plant and equipment	6	(54,834)	(231,322)
Proceeds from disposal of property, plant and equipment		80,000	36,423
Investment in an associate		(1,750,000)	-
Net cash used in investing activities		(1,724,834)	(194,899)
Financing activities			
Proceeds from issuance of shares	12	2,340,900	630,000
(Repayment) / Drawdown / of Interest-bearing loans and borrowings		(883,001)	1,655,649
Interest paid		(88,903)	(102,734)
Net cash generated from financing activities		1,368,996	2,182,915
Net (decrease)/increase in cash and cash equivalents		(1,098,936)	801,136
Effect of foreign exchange fluctuation		12,769	(833)
Cash and cash equivalents at beginning of financial year		4,594,226	1,697,934
Cash and cash equivalents at end of financial period	11	3,508,059	2,498,237

The accompanying notes form an integral part of and should be read in conjunction with these condensed interim consolidated financial statements.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Expressed in Singapore Dollars

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

1. General

BYT Holdings Ltd. (formerly, SLE Synergy Ltd.) (the “Company”) (Incorporation Number: BC1223423) is incorporated 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). The Company’s registered and records office is 1500-1055 West Georgia Street, Vancouver, BC, V6E 4N7 Canada.

The Company’s subsidiaries currently operate in Singapore, China, and Malaysia.

The principal activities of the subsidiaries are disclosed in Note 2.2 to the condensed interim consolidated financial statements.

These condensed interim consolidated financial statements for the period ended 30 September 2021 were authorised for issue by the Board of Directors on February 28, 2023.

2. Summary of significant accounting policies

2.1 Basis of preparation

The condensed interim consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the 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 condensed interim consolidated financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The consolidated financial statements of the Company are presented in Singapore dollar (the “SGD” or “S\$”). The functional currency of the parent company is the Canadian Dollar “C\$”, the functional currency of BYT Engineering Pte. Ltd. and BYT Singapore Pte Ltd is the S\$, the functional currency of BYT Malaysia Sdn. Bhd. is the Malaysian ringgit (“MYR”) and the functional currency of Shanghai Xin Da Process Engineering Co., Ltd. and Springleaf-Biomax (Shanghai) Pte. Ltd. is the Chinese Renminbi (“RMB”).

In the current financial year, the Company has adopted all the new and revised 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 and its subsidiaries’ (the “Group’s”) accounting policies and has no material effect on the amounts reported for the current or prior years.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Expressed in Singapore Dollars

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

IASs, IFRSs and IFRICs issued but not yet effective

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

IAS, IFRS	Title	Effective date (annual periods beginning on or after)
IFRS 16	Amendment to IFRS 16: <i>Covid-19- Related Rent Concessions</i>	1 June 2020
Various	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: <i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Various	Annual Improvements to IFRSs 2018-2020	1 January 2022
IFRS 3	Amendments to IFRS 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
IAS 16	Amendments to IAS 16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
IAS 37	Amendments to 37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
IAS 1	Amendments to IAS 1 and IFRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
IAS 1	Amendments to IAS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
IAS 8	Amendments to IAS 8: <i>Definition of Accounting Estimates</i>	1 January 2023
IFRS 17	Amendments to IFRS 17 <i>Insurance Contracts</i>	1 January 2023

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

The Company does not intend to early adopt any of the above new or revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned new or revised standards will not have a material impact on the consolidated financial statements of the Company in the period of their initial adoption.

2.2 Basis of consolidation

The condensed interim consolidated financial statements of the Group comprise the interim consolidated financial statements of the Company and its subsidiaries.

The details of the subsidiaries are as follows:

<u>Name of subsidiaries</u>	<u>Country of incorporation and principal place of business</u>	<u>Principal activities</u>	<u>Effective equity held by the Company</u>	
			<u>2021</u> %	<u>2020</u> %
<u>Held directly by the Company</u>				
BYT Engineering Pte. Ltd. (“BYTE”)	Singapore	Engineering activities	100	100
BYT Singapore Pte Ltd (“BYT SG”)	Singapore	Investment holdings	100	100
<u>Held by BYTE</u>				
Shanghai Xin Da Process Engineering Co., Ltd.	Shanghai, China	Engineering services	100	100
Springleaf-Biomax (Shanghai) Pte. Ltd.	Shanghai, China	Provide waste management solutions in China	60	60
<u>Held by BYT SG</u>				
BYT Malaysia Sdn Bhd	Malaysia	Engineering services	100	-

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS Expressed in Singapore Dollars

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

On 20 November 2020, BYT Singapore Pte. Ltd. a 100% owned subsidiary of the Company, was incorporated in Singapore.

On 27 April 2021, BYT Malaysia Sdn. Bhd. a 100% owned subsidiary of the BYT Singapore Pte. Ltd., was incorporated in Malaysia.

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 Company 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 consolidated 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 subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Expressed in Singapore Dollars

3. Revenue

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
Contracts with customers	308,977	1,002,392	1,072,692	2,553,032
Service and maintenance	722,585	848,336	2,202,192	2,669,512
Trading income	7,539	6,834	108,076	18,312
	1,039,101	1,857,562	3,382,960	5,240,856

4. Other income

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
Interest Income	26	-	26	120,004
Incentive rebate	18,594	35,460	40,432	112,247
Rental income	900	20,885	2,700	65,385
Foreign exchange gain, net	50,581	-	50,581	8,977
Gain on disposal of property, plant and equipment	-	36,423	62,875	36,423
Government grants	(89)	-	3,130	-
Others	(163)	-	590	-
	69,849	92,768	160,334	343,036

5. Finance costs

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
Interest expenses on:				
Interest-bearing loans	18,193	33,081	88,422	102,734
Bank interest charges	222	-	481	-
	18,415	33,081	88,903	102,734

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Expressed in Singapore Dollars

6. Property, plant and equipment

<u>Group</u>	<u>Office equipment</u> S\$	<u>Plant & Machinery</u> S\$	<u>Furniture & fittings</u> S\$	<u>Motor vehicles</u> S\$	<u>Freehold property</u> S\$	<u>Work-in-progress</u> S\$	<u>Total</u> S\$
Cost							
At January 1, 2020	203,953	142,824	272,494	230,025	3,435,460	1,008,820	5,293,576
Additions	4,696	22,031	-	-	-	1,444,770	1,471,497
Disposal	(12,726)	(30,000)	(45,312)	(143,500)	(1,797,100)	-	(2,028,638)
Exchange differences	-	754	-	-	-	58,728	59,482
At December 31, 2020	195,923	135,609	227,182	86,525	1,638,360	2,512,318	4,795,917
Additions	16,876	-	28,500	-	-	9,458	54,834
Transfer from assets under construction	-	2,521,776	-	-	-	(2,521,776)	-
Disposal	(3,752)	(102,750)	-	-	-	-	(106,502)
Exchange differences	-	101,666	-	-	-	-	101,666
At September 30, 2021	209,047	2,656,301	255,682	86,525	1,638,360	-	4,845,915
Accumulated depreciation							
At January 1, 2020	187,010	64,250	266,743	212,350	90,563	-	820,916
Depreciation	14,427	40,069	2,740	17,675	45,923	-	120,834
Disposal	(12,725)	(30,000)	(42,479)	(143,500)	(81,486)	-	(310,190)
Exchange differences	-	71	-	-	-	-	71
At December 31, 2020	188,712	74,390	227,004	86,525	55,000	-	631,631
Depreciation	8,285	65,534	4,882	-	8,250	-	86,951
Disposal	(3,752)	(85,625)	-	-	-	-	(89,377)
Exchange differences	-	1,028	-	-	-	-	1,028
At September 30, 2021	193,244	55,327	231,886	86,525	63,250	-	630,233
Carrying amount							
At September 30, 2021	15,803	2,600,974	23,795	-	1,575,110	-	4,215,682
At December 31, 2020	7,211	61,219	178	-	1,583,360	2,512,318	4,164,286

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\$1,575,110 (2020: S\$1,583,360) is mortgaged to obtain interest-bearing loans.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Expressed in Singapore Dollars

7. Investment in an associate

	<u>September</u> <u>30, 2021</u> S\$	<u>December</u> <u>31, 2020</u> S\$
Unquoted shares at cost	1,750,000	-
Share of post-acquisition reserves	131,694	-
	<u>1,881,694</u>	<u>-</u>

The detail of the associate is as follows:

<u>Name of associate</u>	<u>Country of incorporation and principal place of business</u>	<u>Principal activities</u>	<u>Effective equity held by the Company</u>	
			<u>2021</u> %	<u>2020</u> %
<u>Held directly by BYT SG</u> Xi'an Triumph Electronic Technology Co., Ltd	Xi'an, China	Provision of industrial big data analytics solutions	35	-

8. Inventories

	<u>September</u> <u>30, 2021</u> S\$	<u>December</u> <u>31, 2020</u> S\$
Inventory held for sale	169,065	162,636
	<u>169,065</u>	<u>162,636</u>

Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

9. Contract assets and liabilities from contracts with customers

	<u>September</u> <u>30, 2021</u> S\$	<u>December</u> <u>31, 2020</u> S\$
Contract assets		
Unbilled revenue	197,521	114,578
Contract liabilities		
Advance consideration	570	-
	<u>197,521</u>	<u>114,578</u>
	<u>570</u>	<u>-</u>

The unbilled revenue relates to the revenue recognised to date but has not been invoiced to the customer as at the financial period end and is transferred to trade receivables at the point when it is invoiced to the customers.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Expressed in Singapore Dollars

10. Trade and other receivables

	<u>September</u> <u>30, 2021</u> S\$	<u>December</u> <u>31, 2020</u> S\$
Trade receivables	1,225,580	1,837,599
Less: Expected credit loss	<u>(630,908)</u>	<u>(694,740)</u>
	594,672	1,142,859
Other receivables	953,762	1,673,985
Deposits	110,496	679,212
Prepayments	<u>136,571</u>	<u>138,466</u>
Total	<u>1,795,501</u>	<u>3,634,522</u>

Trade receivables are non-interest bearing and the average credit period is 30~60 (2020: 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 trade receivables is an overdue trade receivable amounting to S\$630,908 which has been fully provided.

A deposit of S\$590,720 (2020: S\$590,720) for an exclusive distributorship granted by a supplier and included in the other receivables, a loan of S\$1,000,000 (2020: S\$1,000,000) granted to another supplier have been written off as at September 30, 2021 pursuant to a settlement agreement entered into by a subsidiary with both suppliers. Please refer to Note 20.

Included in the other receivables is a keyman insurance purchased where the proposer as well as the premium payer is a subsidiary. The life to be insured is that of the Group's former key employee and the benefit, in case of a claim, goes to the Group. As at September 30, 2021, the fair value of the investment amounting to S\$458,352 (2020: S\$458,352) is based on the guaranteed cash surrender value as agreed in the insurance policy. The Company is considering its options given that the employee whose life is insured has left the Company.

The movement in the loss allowance during the financial year as follows:

	<u>Trade</u> <u>receivables</u> S\$
Balance at January 1, 2020	-
Expected credit loss recognized	<u>694,740</u>
Balance at December 31, 2020	694,740
Expected credit loss recognized	-
Recovery of expected credit loss	<u>(63,832)</u>
Balance at September 30, 2021	<u><u>630,908</u></u>

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Expressed in Singapore Dollars

11. Cash and cash equivalents

	<u>September</u> <u>30, 2021</u> S\$	<u>December</u> <u>31, 2020</u> S\$
Cash on hand	2,359	1,113
Bank balances	3,505,700	4,593,113
	<u>3,508,059</u>	<u>4,594,226</u>

12. Share capital

a) Authorised

Unlimited number of common shares with no par value.

b) Issued and fully paid

	<u>Number of</u> <u>shares</u>	<u>S\$</u>
Balance, January 1, 2020	338,495	469,403
Shares issued on private placement	11,815	630,000
Elimination of BYTE shares on RTO	(350,310)	-
Replacement of shares of BYTE	43,952,082	-
Shares issued under reverse acquisition	4,600,000	1,954,959
Shares issued on private placement	29,545,556	2,659,100
Foreign currency translation	-	71,585
	<u>78,097,638</u>	<u>5,785,047</u>
Balance, December 31, 2020	78,097,638	5,785,047
Shares issued on private placement	26,010,000	2,340,900
Foreign currency translation	-	82,816
	<u>104,107,638</u>	<u>8,208,763</u>
At September 30, 2021	<u>104,107,638</u>	<u>8,208,763</u>

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.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**
Expressed in Singapore Dollars**13. Interest bearing loans and borrowings**

	<u>September</u> <u>30, 2021</u> S\$	<u>December</u> <u>31, 2020</u> S\$
Interest bearing loans and borrowings	2,725,283	3,608,284
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(433,095)</u>	<u>(1,016,585)</u>
Amount due for settlement after 12 months	<u>2,292,188</u>	<u>2,591,699</u>

The interest-bearing loans and borrowings are secured by the following:

- (i) Joint and several personal guarantees by a director and a former director of a subsidiary.
- (ii) Charge on fixed deposit value of S\$507,019.
- (iii) Mortgage over property located at 421 Tagore Industrial Avenue #01-28 Tagore 8 Singapore 787805. The book value of the property at September 30, 2021 is S\$1,575,110.

14. Trade and other payables

	<u>September</u> <u>30, 2021</u> S\$	<u>December</u> <u>31, 2020</u> S\$
Trade payables	327,915	628,156
Dividends payable	400,000	400,000
Accruals	635,701	647,559
GST payables	69,126	193,870
Deposit received	11,197	-
Other payables	<u>35,499</u>	<u>46,116</u>
Total	<u>1,479,438</u>	<u>1,915,701</u>

Trade payables are non-interest bearing and the average credit period on purchases of goods ranges from 30 to 60 days (2020: 30 to 60) according to the terms agreed with the suppliers.

In the financial period, deposit received mainly consists of advance deposit collected for the property rented out.

15. Dividends declared

No dividend was declared during the year.

16. Significant event

A wholly-owned subsidiary BYT Malaysia Sdn. Bhd. has recently secured a semiconductor project management contract totaling RM1.02 million for a period of 20 months from a well-known semiconductor company in Malaysia. In addition, BYT Singapore Pte. Ltd. secured a product customization and supply contract worth approximately US\$1.35 million, which is in the process of completion. The Company expects both contracts to improve its operating income this year.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS Expressed in Singapore Dollars

17. Significant related party transactions

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

During the financial period, the Group entered into the following transactions with a related party at rates and terms agreed between the party:

Three Months Ended September 30,		Nine Months Ended September 30,	
2021	2020	2021	2020
S\$	S\$	S\$	S\$

Purchases and Administrative expenses paid to:

A company controlled by a
Director (Resigned on 22
November 2021)

-	45,700	-	177,900
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Key management personnel:

Key management personnel comprise the directors of the Group and the details of their remunerations are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
Remuneration:				
Directors' remuneration	116,442	70,200	343,494	210,000
Central Provident Fund	14,365	9,180	40,087	27,540
Directors' fees	12,000	-	34,000	-
	142,807	79,380	417,581	237,540

18. 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 of 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 December 31, 2020.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS Expressed in Singapore Dollars

19. Segmented information

Operating segments

The Group has one reporting segment engaged in engineering related activities. As the operations comprise a single reporting segment, amounts disclosed in the financial statements represent those of the single reporting unit. In addition, the Group's equipment is all located in Asia.

20. Subsequent event

On 15 December 2021, BYT Engineering Pte Ltd, a wholly-owned subsidiary of the Company has entered a settlement agreement with two suppliers that are related and subsequently filed a Notice of Discontinuance of civil suit against these two suppliers in the General Division of the High Court of the Republic of Singapore.

Pursuant to the said settlement agreement, The Group has written off the deposit with one of the suppliers and loan to the other with total balance of S\$1,590,720 as at September 30, 2021.

21. Development of COVID-19 outbreak and its corresponding impact on the Company

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 thus far have been free from Covid-19 incidents but the movement restrictions imposed by the Chinese government has slowed down our China operations. Singapore government started to impose Circuit Breaker Period in early of April 2020, 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 in 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 2021; 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.