

**BYT HOLDINGS LTD. AND ITS SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(EXPRESSED IN SINGAPORE DOLLARS)**

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2022

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 BYT Engineering Pte Ltd. (“BYTE”) 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, 2022 (“2022 Q1”). This discussion should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements for the period ended March 31, 2022, 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 February 28, 2023, unless otherwise indicated.

In this MD&A, references to the “Company” refer to BYT Holdings Ltd. and/or its material subsidiaries, including BYTE, 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 unaudited condensed interim consolidated financial statements of the Company for the period ended March 31, 2022 have been reviewed and approved by the Board on February 28, 2023.

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.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2022

CAUTION REGARDING FORWARD-LOOKING STATEMENTS (CONTINUED)

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 Malaysia, and has developed expertise in cleanrooms and controlled environments. 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 24 November 2021, the Board formed a special committee of the Board (the "Special Committee") to review and investigate, among other matters, certain transactions relating to allegations of undisclosed related party transactions (the Alleged Transactions") involving Vincent Lim ("Lim"), which have been brought to the attention of the Board. Lim was a director of the Company and managing director of BYTE up to 22 November 2021. The Special Committee retained Baker Tilly (Singapore) to conduct a forensic review and investigation of the Alleged Transactions and related matters. The Board has received the special committee report (the "Report") in April 2022. Key findings of the Report include:

- 1) BYTE has conducted transactions with a company that may be a related party and these were previously undisclosed;
- 2) One key management personnel has personally received trade repayments from one of BYTE's debtors and certain key management personnel have personally transferred sums to BYTE.

On August 29, 2019, Springleaf-Biomax (Shanghai) Pte. Ltd., a subsidiary of BYTE, ("Biomax") signed a contract (the "Waste management 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. However in June 2022, the Board discovered that Lim has on 4 November 2020 entered into a termination agreement on behalf of Biomax to terminate the Waste Management Contract effective 10 January 2021. As at date of this report, the amount invested into and accounts receivables from Biomax totalled S\$3,070,846.

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In addition in 2021 (the Company is unable to determine the exact date as the document is not dated), Roger Lim Chor Yeow ('Roger') as legal representative of Biomax, entered into a supplemental agreement ("Supplemental Agreement"), where Biomax commits to remove all equipment from the premises by 30 June 2022. The Company has originally engaged a party to remove and store the equipment but this was hindered by a construction company previously engaged to construct the waste treatment facility, claiming that Biomax has outstanding payments due to it. The above events are previously undisclosed.

In August 2020, a subsidiary of the Company, Shanghai Xin Da Process Engineering Co., Ltd. ("Xin Da") entered into a series of documents to subscribe for a 30% stake in a company. Consequently, Xin Da is required to inject its share of the registered capital of RMB¥10 million i.e. RMB¥3 million by 24 July 2024. This transaction is previously undisclosed.

As at the date of this MD&A, the Board has appointed lawyers to review and advise on the above events and related issues.

THREE MONTHS ENDED MARCH 31, 2022 – KEY DEVELOPMENTS

- I. **Accumulated total revenue for three months ended March 31, 2022, in the amount of S\$1,421,770 with service and maintenance revenue of S\$620,966 and contract revenue of S\$796,124.**

Accumulated total revenue in 2022 Q1 increased by S\$355,057 or 33.3%, as compared to the three months ended March 31, 2021. The increase in revenue was due to increase in contract acquisition from new and existing customers with a recovery of the global semiconductor industry after a slowdown in 2021.

- II. **Accumulated Factory Maintenance Division recorded S\$620,966 in 2022 Q1 versus S\$789,845 in 2021 Q1.**

The Factory Maintenance Division experienced a 21.4% decreased as compared to 2021 Q1. The decrease is mainly due to decrease in the service and maintenance contract value awarded for year 2022.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2022****SELECTED FINANCIAL INFORMATION**

The following selected financial data has been extracted from the unaudited 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 unaudited financial statements and the notes thereof.

| | Three Months Ended | | |
|--|---------------------------|-----|-------------------|
| | 2022 | | 2021 |
| Revenues | S\$ 1,421,770 | S\$ | 1,066,713 |
| Gross profit | S\$ 512,871 | S\$ | 552,043 |
| Gross profit (as a % of revenues) | 36.07% | | 51.8% |
| (Loss)/Profit after tax | S\$ (206,315) | S\$ | 17,155 |
| Total comprehensive (loss)/income | S\$ (218,029) | S\$ | 98,352 |
| Net Profit per share (S\$) | | | |
| - Basic / diluted | (0.002) | | 0.001 |
| Weighted average number of outstanding common shares | 104,107,638 | | 101,795,638 |
| | | | |
| As at | March 31, 2022 | | December 31, 2021 |
| Total assets | S\$ 9,722,273 | S\$ | 10,032,793 |
| Working capital (current assets – current liabilities) | S\$ 1,614,198 | S\$ | 1,618,318 |
| Total Non-current liabilities | S\$ 400,000 | S\$ | 418,224 |
| Shareholder's equity | S\$ 5,137,871 | S\$ | 5,346,353 |
| | | | |
| Number of shares outstanding | 104,107,638 | | 104,107,638 |

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2022****Results of Operations*****Revenue***

| | Three Months Ended March 31, | |
|--------------------------|-------------------------------------|-------------|
| | 2022 | 2021 |
| | S\$ | S\$ |
| Contracts with customers | 796,124 | 272,188 |
| Service and maintenance | 620,966 | 789,845 |
| Trading | 4,680 | 4,680 |
| Total revenue | 1,421,770 | 1,066,713 |

The Company recorded total revenue of S\$1,421,770 for the three months ended March 31, 2022 ("2022 Q1"), increased by S\$355,057, or 33.3%, as compared to three months ended March 31, 2021 ("2021 Q1"). The increase in revenue was due to the increase in contract acquisition from new and existing customers. The Company recorded total contracts with customers revenue of S\$796,124 for 2022 Q1, increased by S\$523,936, or 192.5%, as compared to 2021 Q1. 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\$620,966 for 2022 Q1, decreased by S\$168,879 or 21.4%, as compared to 2021 Q1. 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

| | Three Months Ended March 31, | |
|-------------------------|-------------------------------------|-------------|
| | 2022 | 2021 |
| | S\$ | S\$ |
| Cost of sales | (908,899) | (514,670) |
| Gross profit | 512,871 | 552,043 |
| Gross profit margin (%) | 36.1% | 51.8% |

Total cost of sales increased from S\$514,670 in 2021, Q1 to S\$908,899 in 2022 Q1, increased by S\$394,229 or 76.6% as compared to 2021 Q1. The increased is mainly due to increase in revenue during the financial period.

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 decreased to 36.1% in 2022 Q1, as compared to 51.8% in 2021 Q1. This is mainly due to lower gross profit contributed by the contract acquisition with new and existing customers during the financial periods.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

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Operating Expenses

| | Three Months Ended March 31, | |
|--------------------------|------------------------------|----------------|
| | 2022 | 2021 |
| | S\$ | S\$ |
| Administrative expenses | 207,912 | 171,752 |
| Other operating expenses | 450,129 | 354,277 |
| Finance costs | 20,783 | 52,827 |
| Total | 678,824 | 578,856 |

Total operating expenses in 2022 Q1 increased by 17.3%, from S\$578,856 in 2021 Q1, to S\$678,824 in 2022 Q1. The increase was mainly due to an increase in administrative expenses and other operating expenses.

The increase in administrative expenses is mainly due to an increase of professional fees as compared to the same period in 2021. The increase in professional fees is due to legal fee, consultancy fee and audit fee being incurred in respect of the Special audit committee engaged during the financial period.

In addition, the increase in other operating expenses for the three months ended March 31, 2022, was mainly due to an increase in staff cost compared to the same period in 2021.

Net and Total Comprehensive Income

| | Three Months Ended March 31, | |
|-----------------------------------|------------------------------|--------|
| | 2022 | 2021 |
| | S\$ | S\$ |
| Total comprehensive (loss)/income | (218,029) | 98,352 |

For the three months ended March 31, 2022, the Company recorded a total comprehensive loss of S\$218,029. The loss was mainly due to an increase in administrative expenses and other operating expenses and lower gross profit contributed by contract acquisition with customers during the financial period.

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.

General Business Risks (Continued)

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.

Risks Related to Industry and Business (Continued)

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.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2022

Risks Related to Industry and Business (Continued)

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.

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.

| | 2022 Q1 | 2021 Q4 | 2021 Q3 | 2021 Q2 |
|--|----------------|----------------|----------------|----------------|
| | S\$ | S\$ | S\$ | S\$ |
| Revenue | 1,421,770 | 3,232,858 | 1,039,101 | 1,277,146 |
| Net and comprehensive profit / (loss) | (218,029) | 210,580 | (1,518,479) | (330,546) |
| Net profit per share (basic and diluted) | (0.002) | 0.002 | (0.015) | (0.003) |

| | 2021 Q1 | 2020 Q4 | 2020 Q3 | 2020 Q2 |
|--|----------------|----------------|----------------|----------------|
| | S\$ | S\$ | S\$ | S\$ |
| Revenue | 1,066,713 | 1,934,732 | 1,857,562 | 943,238 |
| Net and comprehensive profit / (loss) | 98,352 | (5,943,464) | 32,323 | (332,041) |
| Net profit per share (basic and diluted) | 0.001 | (0.14) | 0.001 | (0.006) |

In 2022 Q1, the Company recorded revenues of S\$1,421,770 a decrease of S\$1,936,119 or 57.6% as compared to the immediately preceding quarter ("2021 Q4"). The decrease is mainly due to a product customization and supply contract revenue amounting S\$1,694,280 that was recorded in 2021 Q4.

The Company recorded a net comprehensive loss of S\$218,029 in 2022 Q1 and a net profit of S\$210,580 in 2021 Q4. The loss is mainly due to an increase in administrative expenses and other operating expenses and lower gross profit contributed by contract acquisition with customers during the financial period.

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 December 31, 2021.

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.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

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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 unaudited 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 March 31, | |
|-------------------------|------------------------------|----------------|
| | 2022 | 2021 |
| | S\$ | S\$ |
| Directors' remuneration | 135,152 | 96,900 |
| Central Provident Fund | 12,570 | 9,240 |
| Directors' fees | 6,000 | 12,000 |
| Total | 153,722 | 118,140 |

COVID-19 PANDEMIC

The situation resulting from COVID-19 and subsequent variants of the virus is uncertain and continues to evolve. The safety of employees and customers continues to be a key priority. At this time, it is difficult to predict the impact the pandemic will continue to have on the Company. The effective response to the changing situation with the COVID-19 pandemic continues to be a focus in the business. Recent disruption to the supply chain have been experienced and are being managed. In addition, hiring and retaining talent continues to be a challenge. We are actively managing our human capital resources across all business segments. The degree of covid-19 related impacts in 2022 are expected to vary by geography, driven in part by regional vaccination rates, spread of new variants, provincial government restrictions and health system capacities.

OTHER INFORMATION

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