BYT HOLDINGS LTD. AND ITS SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SSEPTEMBER 30, 2022
(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, and from SLE Synergy Ltd. to BYT Holdings Ltd. on January 27, 2021. 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 September 30, 2022 ("2022Q3"). This discussion should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the period ended September 30, 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 September 30, 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.

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. 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.

The Company holds a 35% equity stake in Xi'an Triumph Electronic Technology Co., Ltd. (Xi'an), held through its wholly-owned subsidiary BYT Singapore Pte. Ltd. Xi'an provides industrial big data analytics solutions through its proprietary platform systems.

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.

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 AND NINE MONTHS ENDED SEPTEMBER 30, 2022 – KEY DEVELOPMENTS

I. Accumulated total revenue for 2022Q3 in the amount of S$3,732,484 with contract engineering revenue of S$1,975,308.

Accumulated total revenue in 2022Q3 increased by S$902,616 or 84%, as compared to 2021Q3. During the period, the Company experienced significant increase in revenue from contracts with customers, S$400,042 or 129% as compared to 2021Q3, as the Company managed to secure several larger contracts. However, the increase was offset by a decrease in revenue generated by the Factory Maintenance Division and trading income.

II. Accumulated Factory Maintenance Division recorded S$1,742,318 in 2022Q3 versus S$2,202,192 in 2021Q3.

The Factory Maintenance Division experienced a 20.9% decrease as compared to 2021Q3. The decrease was mainly due to a decrease in the service and maintenance contract value awarded for year 2022 as one of the Company’s customers reduced its operations in one of its production facilities.

SELECTED FINANCIAL INFORMATION

The following selected financial data has been extracted from the interim consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), for the fiscal years indicated and should be read in conjunction with those audited financial statements and the notes thereof.

		Three Months Ended Sept 30,				Nine Months Ended Sept 30,		
		2022		2021		**2022**		2021
Revenues	**S$**	**1,317,729**	S$	1,039,101	**S$**	**3,732,484**	S$	3,382,960
Gross profit	**S$**	**571,160**	S$	567,087	**S$**	**1,546,468**	S$	1,762,803
Gross profit (as a % of revenues)		**43.30%**		54.60%		**41.40%**		52.10%
(Loss)/Profit after tax	**S$**	**25,870**	S$	(1,587,244)	**S$**	**(348,539)**	S$	(1,544,193)
Total comprehensive income / (loss)	**S$**	**34,402**	S$	(1,518,479)	**S$**	**(357,546)**	S$	(1,750,673)
Net Profit per share (S$)								
- Basic / diluted		**(0.000)**		(0.015)		**(0.004)**		(0.017)
Weighted average number of outstanding common shares		**104,107,638**		104,107,638		**104,107,638**		104,107,638

As at		**30-Sep-22**		31-Dec-21
Total assets	**S$**	**9,173,856**	S$	**10,032,793**
Working capital (current assets current liabilities)	**S$**	**1,629,731**	S$	**1,618,318**
Total Non-current liabilities	**S$**	**400,000**	S$	**418,224**
Shareholder's equity	**S$**	**4,998,354**	S$	**5,346,353**
Number of shares outstanding		**104,107,638**		**104,107,638**

Results of Operations

Revenue

	Three Months Ended Sept 30,		Nine Months Ended Sept 30,	
	2022	2021	**2022**	2021
	S$	S$	**S$**	S$
Contracts with customers	**709,019**	308,977	**1,975,308**	1,072,692
Service and maintenance	**602,822**	722,585	**1,742,318**	2,202,192
Trading income	**5,888**	7,539	**14,858**	108,076
Total Revenue	**1,317,729**	1,039,101	**3,732,484**	3,382,960

The Company recorded total revenue of S$3,732,484 for 2022Q3, decreased by S$349,524 or 10.3%, as compared to 2021Q3.

For 2022Q3, revenue generated from contracts with customers was S$1,975,308, a significant increase of S$902,616, or 84.1%, from S$1,072,692 as the Company managed to secure several larger contracts during the period. Contracts with customers primarily involves EPCM services, which include 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$1,742,318 for 2022Q3, a decrease of S$459,874, or 20.9%, as compared to 2021Q3, as one of the Company's customers reduced its operations in one of its production facilities. 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 Sept 30,		Nine Months Ended Sept 30,	
	2022	2021	**2022**	2021
	S$	S$	**S$**	S$
Cost of sales	**(746,569)**	(472,014)	**(2,186,016)**	(1,620,157)
Gross profit	**571,160**	567,087	**1,546,468**	1,762,803
Gross profit margin (%)	**43.30%**	54.60%	**41.40%**	52.10%

Cost of sales comprises labour, materials, supplies and sub-contractor, which vary directly with revenues. Total cost of sales increased from S$1,620,157 in 2021Q3 to S$2,186,016 in 2022Q3, as a result of the increase in revenue contributed by contracts and an increase costs associated with delivering on these contracts.

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 41.40% in 2022Q3, as compared to 52.10% in 2021Q3. This is primarily due to an increase in cost of raw materials and labour for delivering on the contracts with customers and competitive pressure faced when securing these contracts.

Operating Expenses

	Three Months Ended Sept 30,		Nine Months Ended Sept 30,	
	2022	2021	**2022**	2021
	S$	S$	**S$**	S$
Administrative expenses	**162,861**	247,439	**543,407**	752,042
Other operating expenses	**429,164**	2,087,862	**1,343,808**	2,828,293
Finance costs	**20,908**	18,415	**61,638**	88,903
Total	**612,933**	2,353,716	**1,948,853**	3,669,238

Total operating expenses recorded was S$1,948,853 in 2022Q3 compared S$3,669,238 in 2021Q3, representing a 46.9% decrease. The decrease was mainly due to bad debt written off amounting to S$1,590,720 (pursuant to a waiver arrangement with two debtors to waive respective rights against each other) in year 2021, which is none in year 2022. Other operating expenses mainly included staff costs, transportation, travelling, bank charges and other operating expenses.

Finance costs include interest on loans and borrowings and interest on lease liabilities. Finance costs in 2022Q3 decreased by S$27,265 or 30.7%, to S$61,638 from S$88,903 compared to the same period of 2021. The decrease was primarily due to the repayment of certain secured loans during the financial period.

Net and Total Comprehensive Income

	Three Months Ended Sept 30,		Nine Months Ended Sept 30,	
	2022	2021	**2022**	2021
	S$	S$	**S$**	S$
Total comprehensive income / (Loss)	**34,402**	(1,518,479)	**(357,546)**	(1,750,673)

For the nine month ended September 30, 2022, the Company recorded a total comprehensive loss of S$357,546.

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.

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.

SECURITIES ISSUANCES

No issuances of common shares of the Company, or securities convertible into common shares, during the financial period ended September 30, 2022.

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 Q3	2022 Q2	2022 Q1	2021 Q4
	S$	S$	S$	S$
Revenue	1,317,729	992,985	1,421,770	3,232,858
Net and comprehensive profit / (loss)	34,402	(173,919)	(218,029)	210,580
Net profit per share (basic and diluted)	(0.000)	(0.002)	(0.002)	0.002

	2021 Q3	2021 Q2	2021 Q1	2020 Q4
	S$	S$	S$	S$
Revenue	1,039,101	1,277,146	1,066,713	1,934,732
Net and comprehensive profit / (loss)	(1,518,479)	(330,546)	98,352	(5,943,464)
Net profit per share (basic and diluted)	(0.015)	(0.003)	0.001	(0.14)

In 2022Q3, the Company recorded revenues of S$1,317,729 an increase of S$324,744 or 32.7% as compared to the immediately preceding quarter ("2022Q2"). The increase is mainly due to higher revenue from contract engineering in 2022Q3.

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 in 2022.

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.

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.

Key Management Remuneration

	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
	2022	2021	**2022**	2021
	S$	**S$**	**S$**	**S$**
Directors' remuneration	**199,500**	116,442	**418,500**	343,494
Directors' allowance	**7,500**	-	**15,000**	-
Central Provident Fund	**14,670**	14,365	**37,710**	40,087
Directors' fees	**6,000**	12,000	**18,000**	34,000
Total	**227,670**	142,807	**496,710**	417,581

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.