

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

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 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 operating 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 year / period ended December 31, 2022 (“2022 Q4”). This discussion should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 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 April 26, 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 consolidated financial statements of the Company for the year ended December 31, 2022 have been reviewed and approved by the Board on April 26, 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 AND TWELVE MONTHS ENDED DECEMBER 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 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.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2022**

THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2022 – KEY DEVELOPMENTS

- I. Accumulated total revenue for the year ended 2022 in amount of S\$4,435,897 with contract engineering revenue of S\$2,235,444.**

Accumulated total revenue in year ended 2022 decreased by S\$2,179,921 or 32.9%, as compared to the financial year ended December 31, 2021. The decrease in revenue is mainly due to a significant decrease in trading income, which was non recurring, and service and maintenance revenue. While contract engineering revenue recorded an increase of 10.9% as compared to previous year.

- II. Accumulated Factory Maintenance Division recorded revenue totaling S\$2,159,285 in year ended 2022 versus S\$2,797,811 in year ended 2021.**

The Factory Maintenance Division, which was set up in January 2017, with an aim to diversify revenue streams and increase recurring income, experienced a 22.8% decreased as compared to year ended 2021. The decrease was mainly due to a decrease in the service and maintenance contract value awarded for year 2022.

- III. Accumulated Trading revenue recorded S\$41,168 in year 2022 versus S\$1,802,762 in year 2021.**

The Company recorded total trading revenue of S\$41,168 for the financial year ended December 31, 2022, a decrease of S\$1,761,594 as compared to the year ended 2021. The significant decrease in trading revenue was mainly due to trading in customized products amounting to S\$1,694,280 generated by a subsidiary in year 2021, which is none in year 2022.

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

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

	Three Months Ended		Twelve Months Ended	
	2022	2021	2022	2021
Revenues	S\$ 703,413	S\$ 3,232,858	S\$ 4,435,897	S\$ 6,615,818
Gross profit	S\$ 367,148	S\$ 1,221,134	S\$ 1,913,616	S\$ 2,983,937
Gross profit (as a % of revenues)	52.20%	37.80%	43.10%	45.10%
Profit / (Loss) after tax	S\$ (1,412,244)	S\$ 252,585	S\$ (1,601,491)	S\$ (1,291,608)
Total comprehensive profit / (loss)	S\$ (1,384,953)	S\$ 210,580	S\$ (1,742,499)	S\$ (1,540,093)
Net Loss per share (S\$)				
- Basic / diluted	(0.01)	0.002	(0.02)	(0.01)
Weighted average number of outstanding common shares	104,107,638	103,608,816	104,107,638	103,608,816
As at			31-Dec-22	31-Dec-21
Total assets			S\$ 7,284,826	S\$ 10,032,793
Working capital (current assets - current liabilities)			S\$ 1,231,954	S\$ 1,618,318
Total non-current liabilities			S\$ 400,000	S\$ 418,224
Shareholder's equity			S\$ 3,603,854	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 AND TWELVE MONTHS ENDED DECEMBER 31, 2022**

Results of Operations

Revenue

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Contracts with customers	260,136	942,553	2,235,444	2,015,245
Service and maintenance	416,967	595,619	2,159,285	2,797,811
Trading income	26,310	1,694,686	41,168	1,802,762
Total Revenue	703,413	3,232,858	4,435,897	6,615,818

The Company recorded total revenue of S\$4,435,897 for the financial year ended December 31, 2022, a decrease of S\$2,179,921 or 32.9%, as compared to the year ended 2021. The decrease in revenue is mainly due to a significant decrease in trading income and service and maintenance revenue. The Company recorded total contracts with customers revenue of S\$2,235,444 for the financial year ended 31, December 2022, an increase of S\$220,199, or 10.9%, as compared to the year ended 2021. These contracts with customers mainly consist of EPCM solutions provided by the Company. EPCM solutions 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\$2,159,285 for the financial year ended December, 2022, a decrease of S\$638,526 or 22.8%, as compared to the year ended 2021. The purpose of providing service and maintenance work is to secure long-term contracts that will provide a recurring income to the Company. This service division also helps the Company to maintain constant communication with its customers and meet its customers' needs.

The Company recorded total trading revenue of S\$41,168 for the financial year ended December 31, 2022, a decrease of S\$1,761,594 or 97.7% as compared to the year ended 2021. The significant decrease in trading revenue was mainly due to trading in customized products amounting to S\$1,694,280 generated by a subsidiary in year 2021, which is none in year 2022.

Cost of Sales / Gross Profit Margin

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Cost of sales	(336,265)	(2,011,724)	(2,522,281)	(3,631,881)
Gross profit	367,148	1,221,134	1,913,616	2,983,937
Gross profit margin (%)	52.20%	37.80%	43.10%	45.10%

Total cost of sales decreased from S\$3,631,881 in the financial year ended 2021 to S\$2,522,281 in the financial year ended 2022, as a result of the Company's decreased revenue during the financial year. Gross profit margin slightly decreased to 43.10% in year ended 2022, as compared to 45.10% in year ended 2021. There has been no significant change in the gross profit margin as the Company was able to maintain the margin to secure all the projects.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2022*****Operating Expenses***

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Administrative expenses	675,717	541,007	2,470,832	2,541,797
Other operating expenses	-	-	91,758	118,724
Other losses	1,040,197	336,320	1,040,197	1,797,141
Finance costs	24,821	(5,679)	86,459	83,224
Total	1,740,735	871,648	3,689,246	4,540,886

Total operating expenses was S\$3,689,246 for the financial year ended December 31, 2022, compared to S\$4,540,886 for the year ended 2021. The significant decrease was mainly due to the decrease in other losses. The other losses amounting to S\$1,797,141 consisted of 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) incurred in year 2021. The other losses incurred in year 2022 amounting to S\$1,040,197 consisted of impairment of investment in an associate S\$1,024,723 and foreign exchange losses.

No significant increase in finance costs in year 2022, as the finance costs are mainly incurred from existing property loan and term loans.

Net and Total Comprehensive Income

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Total comprehensive profit / (loss)	(1,384,953)	210,580	(1,742,499)	(1,540,093)

For the year ended December 31, 2022, the Company recorded a total comprehensive loss of S\$1,742,499 compared to total comprehensive loss of S\$1,540,093 in year ended 2021. As explained above, the loss was mainly due to the decrease in revenue and other losses incurred during the financial year.

AUTHORIZED SHARE CAPITAL

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

RISK FACTORS,

The following are certain risk factors relating to the business carried on by the Company, which prospective investors should carefully consider. The Company will face a number of challenges in the development of its technology and in building its client base. Due to the nature of the Company and the present stage of the business, the Company may be subject to significant risks. Readers should carefully consider all such risks, including those set out in the discussion below. The below list is not a comprehensive list of all risk factors that may affect the Company.

General Business Risks

Risk Associated with Foreign Operations in Other Countries

The Company's primary revenues are expected to be achieved in Singapore and Malaysia. However, the Company may expand to markets outside of the aforementioned countries and become subject to risks normally associated with conducting business in other countries. The Company cannot predict government positions on such things as foreign investment, intellectual property rights or taxation. A change in government positions on these issues could adversely affect the Company's business.

Risks Associated with Acquisitions

As part of the Company's overall business strategy, the Company may pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Company's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Uncertainty and Adverse Changes in the Global Economy

Adverse changes in the global economy could negatively impact the Company's business. Future economic distress may result in a decrease in demand for the Company's products, which could have a material adverse impact on the Company's operating results and financial condition. Uncertainty and adverse changes in the economy could also increase costs associated with developing and publishing products, increase the cost and decrease the availability of sources of financing, and increase the Company's exposure to material losses from bad debts, any of which could have a material adverse impact on the financial condition and operating results of the Company.

Risks Related to Industry and Business

Revenue is Dependent on the Capital Expenditure of Customers

The Company designs and/or build facilities requiring controlled environments mainly for the electronics, food and beverage, oil and gas, and semiconductor 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.

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2022**

Business is generally project-based and faces the risk of any delay or premature termination of secured projects and/or the Company may not be able to secure new projects

The Company's business is generally project-based. Therefore, the Company has to continuously secure new customers and/or new projects. If it is unable to secure new projects of contract values, size and/or margins comparable to existing ones and/or our secured projects are delayed or prematurely terminated because of factors such as changes in customers' businesses, poor market conditions or lack of funds on the part of the project owners, this would create idle or excess capacity and/or may expose the Company to liabilities to sub-contractors and/or suppliers. This may adversely affect business, financial performance and financial condition. The delay or premature termination of any projects or contracts in progress or any customer's decision not to proceed with a contracted project may result in the Company not being adequately compensated. This will have a material adverse effect on business, financial condition and results of operations. In addition, there may be a lapse of time between the completion of existing projects and the commencement of subsequent projects which may materially and adversely affect financial performance and financial position.

Any cost overruns may adversely affect the financial performance of the Company

The Company's revenue is largely derived from project-based contracts. Contracts for project works are negotiated in advance of the actual project execution and projects can vary in duration from several months to a few years. Profitability will therefore be dependent on the Company's ability to obtain competitive quotations from sub-contractors at or below estimated costs, and the ability to execute the contracts efficiently. The Company works closely with subcontractors for project execution. However, unforeseen circumstances such as logistic disruptions or unanticipated construction constraints at the work site may arise during the course of project execution. As these circumstances may require additional work which has not been factored into the contract value, they may lead to cost overruns which will erode profit margin for the project. There is no assurance that actual costs incurred will not exceed the estimated costs, due to under-estimation of costs, excessive wastage, inefficiency, damage or unforeseen additional costs incurred during the course of the contract. Any under-estimation of costs, delay or other circumstances resulting in cost overruns may adversely affect profitability.

Liable for delays in the completion of projects

The contracts that the Company may enter into with customers will typically include a provision for the payment by the Company of pre-determined liquidated damages to customers in the event the project is completed after the date of completion stated in the contract arising from any delay caused by the Company. The liquidated damages payable are determined by the tender terms for public sector projects or through contractual negotiations for private sector projects. Delays in a project could occur from time to time due to factors such as shortages of labour, equipment and construction materials, labour disputes, disputes with sub-contractors, industrial accidents, work stoppages arising from accidents or mishaps at the work site or delays in the delivery of construction materials and/or equipment by suppliers to sub-contractors. In the event of any delay in the completion of a project due to factors within the Company's control, it could be liable to pay liquidated damages under the contract and incur additional overheads that will adversely affect earnings and profit margins, thereby materially and adversely affecting financial condition and results of operations. Although the Company has not been made liable to pay any liquidated damages as of the date of this MD&A, there is no assurance that there will not be any delays in existing and future projects in resulting in the payment of liquidated damages that may have a material and adverse impact on the Company's business, financial condition and results of operations.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

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

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.

Reliance on suppliers and sub-contractors

The Company purchases architectural materials, engineering products, cleanroom, and other hardware and materials from suppliers. The Company also engages sub-contractors to provide various services at project sites, such as architectural works, mechanical and electrical installation, interior decoration and other specialist works. These suppliers and sub-contractors will be selected based on, amongst others, past working experience with them, their track record, pricing and their ability to meet quality and safety requirements and schedule. The Company cannot be assured that the products and services rendered by suppliers and sub-contractors will continue to be satisfactory to or that they will meet the quality requirements, specifications and time schedule for projects. In the event of any loss which arises from the default of the suppliers or sub-contractors engaged by the Company, it may not be able to pass such loss on to them. Furthermore, if there are any adverse changes in suppliers' and sub-contractors' conditions (financial or otherwise) which affect their ability to supply the products or carry out the work for which they were contracted for, and the Company is unable to find suitable alternative suppliers or sub-contractors in a timely manner and at comparable commercial terms, the Company may not be able to complete the project within the budget and time schedule. As a result, there may be cost overruns or the Company may incur liquidated damages, and financial performance will be affected.

SECURITIES ISSUANCES

The following table summarizes issuances of common shares of the Company, or securities convertible into common shares, during the financial year ended December 31, 2022.

	Type of security	Number of shares	Amount S\$
At the beginning of the year	Common shares	104,107,638	8,208,763
Shares issued on private placement	Common shares	-	-
At the end of the year		104,107,638	8,208,763

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 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 Q4	2022 Q3	2022 Q2	2022 Q1
	S\$	S\$	S\$	S\$
Revenue	703,413	1,317,729	992,985	1,421,770
Net and comprehensive profit / (loss)	(1,384,953)	34,402	(173,919)	(218,029)
Net profit per share (basic and diluted)	(0.01)	(0.000)	(0.002)	(0.002)

	2021 Q4	2021 Q3	2021 Q2	2021 Q1
	S\$	S\$	S\$	S\$
Revenue	3,232,858	1,039,101	1,277,146	1,066,713
Net and comprehensive profit / (loss)	210,580	(1,518,479)	(330,546)	98,352
Net profit per share (basic and diluted)	0.002	(0.015)	(0.003)	0.001

In 2022 Q4, the Company recorded revenues of S\$703,413, a decrease of S\$614,316 or 46.6% as compared to the immediately preceding quarter ("2022 Q3"). The significant decrease was mainly due lower contracts engineering revenue and service and maintenance for 2022 Q4.

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, 2021.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

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

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.

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES

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

RELATED PARTY TRANSACTIONS

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

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

Key Management Remuneration

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Directors' remuneration	192,000	143,716	628,500	521,210
Directors' Allowance	-	-	-	2,955
Central Provident Fund	19,965	17,639	57,675	57,726
Total	211,965	161,355	686,175	581,891

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>.