



Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Email: admin@sias.org.sg
www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Green Build Technology Limited

Stock code: Y06

Meeting details:

Date: 31 July 2023

Time: 10.00 a.m.

Venue: 28 Beach Road, South Beach Residence, Level 22 Function Room, Singapore 189762

Q1. Following the sale of the operating subsidiaries in Harbin, the group's remaining subsidiary is Yunbao (Heilongjiang) Investment Co., Ltd ("Yunbao") which is in the business of energy conservation services, installation of green technology and architecture and trading of construction materials with the focus on the consulting and management in relation to the refurbishment of old estates.

As at 31 December 2022, total shareholders' deficit amounted to RMB(99.8) million after accounting for the proposed disposal. The proposed disposal was subsequently completed on 24 May 2023.

- (i) **Can the board (re)state the group's growth plans and outline to shareholders how it is working with management to create long-term, sustainable value for shareholders following the disposal of the Harbin subsidiaries? (Refer also to Q2 below.)**
- (ii) **Has the board held discussions with the major shareholders regarding the future strategic direction of the group?**
- (iii) **Will the group be focussing on growth opportunities in Singapore, China or other regions?**
- (iv) **In addition, will the nominating committee be reviewing the competency matrix of the board and identifying any gaps in skills or competencies that need to be addressed in future director appointments, especially during this challenging period for the company?**
- (v) **Following the disposal, there are no material operating subsidiaries in the group. What are the roles and responsibilities of Mr Li Mingyang, the executive director and chairman, and Mr Chan Mang Ghoon, the executive director and chief financial officer?**
- (vi) **In addition, what is management's experience and track record in deal sourcing, deal structuring and due diligence?**

Q2. As announced on 27 October 2022, the company entered into a joint venture agreement with Hotel NuVe Elements Pte. Ltd. to incorporate a new joint venture company (JV company) to carry out the business of management and consultancy services of hotels¹. The company will hold 40% interest in the JV company, recognising it as an associated company.

Despite contributing \$250,000 out of the total capital of \$400,000, the group will only have a 40% interest. The company has stated the following:

As the JV Partner will be the principal party providing the expertise and resources to the JV Company for purposes of operating the new business, the company agrees that it would be taking a smaller share notwithstanding that it is investing a larger amount in the JV company.

- (i) **Can the board help shareholders better understand how it was introduced to the JV partner?**
- (ii) **What is the experience of management in hotel management and consultancy? How much commercial due diligence has the board/management carried out?**
- (iii) **Will the board review the proposed arrangement and propose a proportional split in the ownership of the proposed JV based on capital contribution? At the same time, would the JV consider introducing a comprehensive and effective incentive system that recognises and rewards the JV partner for them contributing their expertise and resources based on achieved outcomes, such as profits and earnings?**

¹ <https://links.sgx.com/FileOpen/Announcement%20-%20Entry%20into%20JVA.ashx?App=Announcement&FileID=735652>

Q3. As at 31 December 2022, the group has cash and cash equivalents of RMB5.0 million. On 19 September 2022, the company carried out a private placement and issued 25,466,666 new ordinary shares at an issue price of S\$0.015 per share for an aggregate cash consideration of S\$382,000 (RMB1,898,000) for working capital purposes.

The independent auditors have also questioned the appropriateness of the going concern assumption in its basis for disclaimer of opinion (page 54).

- (i) **What is the current burn-rate of the group?**
- (ii) **Can the board, particularly the independent directors, provide shareholders with a clearer understanding of the major sources and uses of cash in the next 12 months given that it believes that the use of the going concern assumption is appropriate?**
- (iii) **How does the group intend to finance the proposed investment in the hotel business?**

The group's net liability position was approximately RMB(99.7) million as at 31 March 2023.

- (iv) **Does the company have plans to conduct an equity fundraising to bolster its financial position? If so, how will the board ensure that existing shareholders are not subjected to undue dilution during the fundraising process?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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