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Our Ref: LS/RLR/Committees/CPC/2021/SGX/RR/jc/jl

5 May 2021

Singapore Exchange Regulation
11 North Buona Vista Drive
#06-07, The Metropolis Tower 2
Singapore 138589
(Attentions: IPO Admissions)

BY EMAIL
listingrules@sgx.com

Dear Sirs,

Response to Consultation Paper on Proposed Listing Framework for Special Purpose Acquisition Companies

1. We refer to the Singapore Exchange's public consultation on the Proposed Listing Framework for Special Purpose Acquisition Companies ("the Consultation").
2. The Law Society of Singapore's Corporate Practice Committee 2021 has considered the Consultation paper and prepared the enclosed submission in response. The submission is supported by the Council of the Law Society of Singapore.
3. If you have any questions or require further assistance on the matter, please contact the Representation Department by email at represent@lawsoc.org.sg.
4. Thank you.

Yours sincerely,

Rejini Raman
Assistant Director, Representation Department
For and on behalf of the Corporate Practice Committee

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Consultation Questions

Question 1: Relevance of SPACs Framework

- (a) Do you think that the introduction of a SPACs Framework will be beneficial to companies, investors and the Singapore capital market?

Please select one option:

- Yes
 No

Please give reasons for your view:

SPACs offer an alternative form of companies being on the public market and accessing funds from the public. It should therefore be seen as a complement to existing means of taking a company public including by way of the traditional initial public offer regime and reverse takeovers. It would also help keep Singapore competitive with other financial markets particularly the US where SPACs have found the most amount of success. Malaysia also has introduced SPAC listing rules and HK is currently exploring them.

- (b) The proposed SPACs Framework will provide for a primary listing of SPACs on the Mainboard of SGX-ST. Do you think SPACs should be allowed to apply for a secondary listing on the Mainboard of SGX-ST?

Please select one option:

- Yes
 No

Reason for Yes:

- **SPACs should be allowed to apply for a secondary listing on the Mainboard as this will provide investors with more investment options. In any case, investors can nowadays quite easily invest in shares of companies listed on overseas exchanges. However, adequate protections should be in place to ensure that investors' interests are protected. E.g. the disclosure document should specify clearly what are the differences in the listing rules in the SPAC's home exchange vs SGX, and to the extent that the rules in the home exchange are less stringent then the SPAC should comply with the more stringent SGX rules.**

Reason for No:

- **Given that the retail investors' understanding of the differences between a primary listing and a secondary listing may not be strong at the moment, we think it is more prudent not to allow a new product like SPACs to have a secondary listing on the Mainboard of SGX-ST until SPACs become a more familiar product on SGX.**

Question 2: Definitions

Do you agree with the definitions of “business combination”, “founding shareholder”, “management team”, “public”, “resulting issuer” and “special purpose acquisition company” in Appendix 2 of the Consultation Paper?

Please select one option:

Yes

No

Please give reasons for your view:

(intentionally left blank)

Question 3: Additional Admission Criteria

Minimum Market Capitalisation

- (a) In view of the unique characteristics and risks of SPACs and the recognition of the importance in ensuring the admission of SPACs which are backed by experienced and quality sponsors, do you agree that SPACs should satisfy a minimum market capitalisation requirement of S\$300 million at the time of listing, based on the IPO issue price and post-invitation issued share capital? Alternatively, do you think that a higher minimum market capitalisation such as S\$500 million should be imposed?

Please select one option:

Yes

No

Please give reasons for your view. You may suggest an appropriate minimum threshold and give reasons for your suggestion:

We are of the view that if SGX wants to be a listing venue seen as an alternative to NYSE and NASDAQ, the market capitalization requirements should not be more stringent than the US. We are of the view that the minimum market capitalization should be S\$150m which would bring it in line with the NYSE and the focus should be on experienced and quality sponsors with track records. We have also received feedback from experienced private equity sponsors and venture capitalists that imposing S\$300m would be seen as a deterrent for SPACs’ sponsors to choose SGX over any other venue.

In addition, the typical size of the business combination tends to be a multiple of at least four times the initial SPAC size, which would bring it to \$1.2 billion, which basically takes out most targets, whereas, at S\$150 million and a four times multiple, late stage growth companies still remain viable targets.

Public Float

- (b) Do you agree with the requirement for a SPAC to have at least 25% of their total number of issued shares to be held by not less than 500 public shareholders at the time of listing?

Please select one option:

- Yes
 No

Please give reasons for your view. You may suggest an appropriate threshold and give reasons for your suggestion:

There does not seem to be a rationale for imposing a higher public float requirement than that for a traditional listing. As a SPAC will ultimately need to comply with the listing requirements, would this requirement then be reduced after listing? The rationale behind requiring a higher public float is not clear.

Minimum Issue Price

- (c) Do you agree with a higher minimum issue price of S\$10 per share or unit for the securities offered for the SPAC IPO?

Please select one option:

- Yes
 No

Please give reasons for your view. You may suggest an appropriate minimum issue price and give reasons for your suggestion:

It is not clear what is the basis for the S\$10 per share apart from following the US rules and creating a higher bar to entry for retail shareholders. This would also impact the targets being sourced (in light of the requirement that the business combination have an FMV of at least 80% of the aggregate escrow amount) and thus the question is whether having a S\$10 per share requirement would result in very few targets being found for a business combination.

It is likely that, for SPACs listed on SGX, most of the business combination targets would be in Asia, and a S\$[5] per share threshold may be more realistic.

Jurisdiction of Incorporation

- (d) Do you agree that the SPAC should be incorporated in Singapore?

Please select one option:

- Yes
 No

Please give reasons for your view:

We understand the rationale for requiring a SPAC seeking primary listing to be incorporated in Singapore so as to accord shareholders the protections under the Companies Act. However, there can be challenges, for example the mechanics as to how shares would be redeemed if the business combination does not occur within 3 years – it seems unlikely that a legislative exemption would be created under the Companies Act to allow redemption of ordinary shares issued by a SPAC or an easier capital reduction method without going through the usual court process, waiting period for creditors to object and/or requirements to have directors providing solvency statements – all of which would put a Singapore incorporated SPAC at a disadvantage compared to one incorporated overseas like in the Cayman Islands or Bermuda.

However, not all jurisdictions where a SPAC may be incorporated may be suitable for a listing on SGX. SGX should adopt the same approach that it takes towards (non-SPAC) companies seeking a listing on the SGX by requiring a jurisdictional analysis on the shareholder protections afforded by that jurisdiction vs Singapore Companies Act.

Dual Class Share (DCS) Structure

- (e) The Exchange seeks your views on whether the SPAC should be allowed to adopt a DCS structure at the time of listing.

Please give reasons for your view:

Yes, it should be permitted to do so subject to the SPAC meeting the current DCS requirements when it de-SPACs. This would seem to require amendment to the listing rules on DCS to enable SPACs to issue DCS to shareholder(s) of the target which is merged into the SPAC.

Others

- (f) You may propose additional listing criteria and give reasons for your proposals:

The quality of the sponsors and track record of the management team is key. We would recommend that the listing criteria require at least five (5) years (or maybe even longer) minimum track record of key management team members and the sponsors. The five (5) years benchmark is augured in MAS' minimum track record requirements for licensed fund managers.

Question 4: Suitability Assessment Factors of a SPAC

Do you agree with the suitability assessment factors listed in Appendix 2 of the Consultation Paper?

Please select one option:

Yes

No

Please give reasons for your view. You may suggest other factors which may be relevant in assessing the listing suitability of a SPAC, and give reasons for your suggestion:

The focus for SPAC should be on the track record of the sponsors and management team first and foremost. The protective measures for shareholders should be covered off through the qualitative listing rules.

Question 5: Permitted Time Frame for Completion of Business Combination

(a) Do you agree that a SPAC must complete a business combination within a maximum time frame of 36 months from the date of listing?

Please select one option:

Yes

No

Please give reasons for your view. You may suggest an appropriate maximum time frame and give reasons for your suggestion:

There are pros and cons in setting 36 months for a business combination completion. While it can take time for a target to be identified and properly diligenced, given the fact that public money remains tied up until the completion of a business combination, it is beneficial to public shareholders to require a business combination earlier rather than later.

(b) Based on market observations in other exchanges that permit the listing of SPACs, SPACs typically complete a business combination within 24 months from its listing. Do you agree that the maximum time frame for the SPAC to complete a business combination should be shortened to 24 months?

Please select one option:

Yes

No

Please give reasons for your view:

Reason for Yes:

- **Market trends lend support to the notion that quality targets may be identified and a business combination completed within 24 months. This timeline will keep SPAC sponsors and management team focused in identifying quality targets earlier in the timeline.**
- **One is also mindful that if it becomes the norm for SGX listed SPACs to complete a business combination after 24 months and before 36 months, more investors' liquidity would be tied up in SPACs that have not de-SPACed and this may affect the liquidity of trading on SGX listed counters. Notwithstanding that securities of**

a SPAC could be traded before it has a business combination, intuitively one would imagine that such trades would not be significant.

Reason for No:

- **A traditional listing process may take 9 months to a year to complete from kick off, depending on how complicated the deal is. In the case of a SPAC, it would need to identify the target, diligence, negotiate and then execute the transaction. Once completed, the target will also need to comply with ongoing listing obligations - the target may need time to implement internal procedures so that it is in a position to comply with the listing rules once the business combination is completed. A 36-month time frame seems reasonable.**

(c) Do you agree that SPACs may seek an extension of time to complete a business combination under exceptional circumstances?

Please select one option:

Yes

No

Please give reasons for your view. You may suggest possible scenarios that may qualify as an exceptional circumstance, and give the reasons for your suggestion:

We would recommend that a 12-month extension be granted in the first instance to bring it in line with the original proposed business combination timeline of 36 months but only in exceptional circumstances such as needing a longer time to get regulatory approvals, negotiate and execute final documents or complete inability to find suitable targets which meet listing requirements and evidence showing how the management team have tried to find targets.

(d) Do you agree that a SPAC should be allowed to seek independent shareholders' and SGX's approval for an extension of time under specified circumstances in its constitution?

Please select one option:

Yes

No

Please give reasons for your view:

Allowing independent shareholders to vote on extension will impose a degree of accountability on the sponsors and management team to explain the process and what has caused delays for the shareholders to make an informed decision.

(e) Do you agree that a time extension to complete the business combination must be approved by a special resolution passed by independent shareholders?

Please select one option:

- Yes
 No

Please give reasons for your view:

Reason for Yes:

- **A special resolution should be required as it changes the original mandate that investors initially subscribed for and investors are not able to redeem if they do not wish to extend.**

Reason for No:

- **As the vote is contained at independent shareholder level, a simple majority should suffice as a check and balance.**

- (f) To ensure that shareholders are kept informed in a timely manner, do you agree that the SPAC should at least provide quarterly SGXNet announcements to update shareholders of its cash utilization and its progress in securing a business combination?

Please select one option:

- Yes
 No

Please give reasons for your view. You may suggest a reasonable frequency for the updates and give reasons for your suggestion:

We think quarterly announcements on cash utilization is recommended. However, we would not recommend quarterly announcements on progress of securing a business combination.

Cash companies are required currently under Rule 1018 of the SGX Listing Rules to provide monthly updates. In line with general listing requirements for transparency, it would be important to provide an update on cash utilization. However, there would not be any value in providing quarterly updates on progress of securing a business combination. The same rules to provide material updates which have any impact on price should be followed with similar exceptions such as matters which are confidential or incomplete. Having to provide progress on securing business combination could be detrimental to the SPAC's negotiating power.

- (g) You may provide suggestions on the information to be contained in the SGXNet announcement updates to shareholders and give reasons for your suggestion:

In relation to paragraph 5.1(b) of Practice Note 6.4, this should be subject to a quantitative amount (say, \$50,000 and above) rather than Top 5 requirement.

Question 6: Minimum Percentage of IPO Proceeds Held in an Escrow Account

(a) Do you agree that SPACs should place at least 90% of the gross proceeds raised from its IPO in an escrow account?

Please select one option:

Yes

No

Please give reasons for your view. You may suggest an appropriate minimum threshold and give reasons for your suggestion:

This is a protective measure for the public commensurate with other jurisdictions.

(b) Do you agree with allowing escrowed funds to be used for permitted investments and the scope of permitted investments for which the SPAC may invest the escrowed funds in?

Please select one option:

Yes

No

Please give reasons for your view:

The permitted investments are low risk and permitting such investments allow the escrowed funds to earn some income from making relatively safe investments.

(c) Do you agree that where there are other exceptional circumstances that warrant a draw down from the escrow account, the SPAC may seek independent shareholders' approval by way of a special resolution and SGX's approval for such draw down?

Please select one option:

Yes

No

Please give reasons for your view:

This will allow flexibility for the SPAC to utilize funds as absolutely necessary but subject to a accountability and regulatory oversight.

(d) The escrowed funds generally cannot be drawn down except upon completion of a qualifying business combination or liquidation of a SPAC. Do you agree with the proposal to allow the SPAC to draw down the interest earned and income derived from the escrowed funds for payment of the administrative expenses incurred by the SPAC in connection with the IPO, the SPAC's general working capital expenses and for the purposes of identifying and completing a business combination?

Please select one option:

Yes

No

Please give reasons for your view:

Reason for Yes:

- **The SPAC will incur certain expenses and while the bulk of the expenses can be paid down once the business combination completes, there would be ongoing expenses which should be payable. There will be checks and balances through the quarterly announcement on usage of funds and disclosure of nature of operating expenses.**

Reason for No:

- **The SPAC will have 10% of the proceeds to use for administrative expenses, and general working capital. In a liquidation, there will be additional costs to be incurred. Suggest to leave the interest earned and income derived in escrow to help offset the fees on a liquidation.**

Question 7: Fair Market Value of the Target Company Relative to the Amount in Escrow Account

- (a) Do you agree that the fair market value of the SPAC's initial acquisition should amount to at least 80% of the amount held in the escrow account (excluding amounts held in the escrow account representing deferred underwriting commission and any taxes payable on the income earned on the escrowed funds) at the time the binding agreement for the business combination transaction is entered into?

Please select one option:

Yes

No

Please give reasons for your view. You may suggest an appropriate minimum threshold and give reasons for your suggestion:

This ties in with other comparable markets and also supports the rationale for a SPAC in the first place which is to specifically acquire assets with the funds raised. Hence the substantive portion of the funds raised should be utilized for the costs of acquiring the assets. This will also give a basis for the valuer and independent shareholders to assess the commercially agreed purchase consideration.

- (b) Do you agree that SPACs may consummate multiple concurrent acquisitions as part of the business combination, however there must be at least one initial acquisition which satisfies the requirement of having a fair market value constituting at least 80% of the amount held in the escrow account at the time of entry into the binding agreements for the business combination transactions, and such concurrent transactions must be inter-conditional and completed simultaneously within the permitted time frame?

Please select one option:

Yes

No

Please give reasons for your view:

The rationale should be that the aggregate fair market value of the initial acquisition(s) should be 80% given the concurrent transactions must be inter-conditional and completed simultaneously. Such requirement suggests that the concurrent transactions would be complementary and permit the business combination to operate holistically.

- (c) Do you agree that the SPAC should be required to appoint an independent valuer to value the target business(es) or asset(s) to be acquired under the business combination?

Please select one option:

Yes

No

Please give reasons for your view:

This ties in with whether there is a need for a financial adviser. The current listing rules require a valuer to be appointed for very significant transactions which a business combination would be and therefore creates a consistency in approach.

- (d) You may suggest other requirements as measures to safeguard investors' interests against prejudicial business combination terms, and give reasons for your suggestion:

The financial adviser should be independent of the sponsor/founding shareholder and management and should not have significant business dealings with them. Any professionals/consultants/service providers appointed by sponsor/founding shareholder and management should be independent and not have significant business dealings also. Fees paid to such advisers should be in line with market rates.

Question 8: Minimum Equity Participation

- (a) Do you think there should be a requisite minimum equity participation of the founding shareholders and the management team at the time of the SPAC IPO to align their interests with other shareholders?

Please select one option:

Yes

No

Please give reasons for your view:

Whether the founding shareholders and the management team have “skin in the game” at the time of the SPAC IPO should be left to market disclosure and acceptance by the investing public and not prescribed by regulations. Judging from the fact that the success of SPAC IPOs is owed largely to the reputation of the sponsors and management team, we are confident that the investing public would pay attention to how much equity participation is put into the SPAC by the sponsors and management team. Prescribing a certain minimum percentage may create an unattractive outcome where a larger SPAC IPO becomes harder to attract to the SGX because it correspondingly requires the sponsors and management team to commit more personal funds at the SPAC IPO.

- (b) You may suggest other requirements as measures to align the interests of the founding shareholders and the management team, with that of other shareholders, and give reasons for your suggestion:

No further feedback

Question 9: Period of Moratorium

- (a) To align interests of the key persons of the SPAC and resulting issuer¹ with that of other shareholders, the Exchange seeks your views on the moratorium to be observed following (i) the SPAC’s IPO; and (ii) the business combination.

Please give reasons for your view:

There should be a moratorium in order to create close alignment of interests between the retail shareholders of the SPAC and the key persons of the SPAC and resulting issuer, and the moratorium period that applies following the business combination should not be shorter than the period imposed under SGX rules for a Mainboard IPO on the controlling shareholders of a newly listed issuer.

- (b) As a SPAC may have secured investments/funding from pre-IPO investors prior to its listing on the Mainboard of SGX-ST, the Exchange seeks your views on whether pre-IPO investors should be subjected to a moratorium based on the cash formula under Mainboard Rule 229 from the date of the SPAC’s listing until the completion of the business combination.

Please select one option:

Yes

No

Please give reasons for your view:

¹ The key persons are (a) the SPAC’s founding shareholders, the management team and their respective associates; and (b) the controlling shareholders and their associates, and the executive directors of the resulting issuer with an interest in 5% or more of the issued share capital.

In order to create close alignment of interests between the retail shareholders of the SPAC and the key persons of the SPAC before it de-SPACs, we propose that the key persons should observe a total moratorium until the SPAC successfully de-SPACs or the escrow monies are returned to retail investors.

Question 10: Approval(s) Required for Business Combination

- (a) Do you agree with the requirement for the business combination to be respectively approved by (i) a simple majority of independent directors' approval; and (ii) an ordinary resolution passed by independent shareholders at a general meeting to be convened?

Please select one option:

Yes

No

Please give reasons for your view:

The business combination is subject to various rules to ensure that there are not prejudicial practices adopted in approving the business combination. As is the case for very substantial acquisitions currently, the threshold should remain as majority shareholder approval. The terms of the business combination should be reviewed and approved by a majority of independent directors who should make a recommendation to shareholders as to whether the business combination should be approved. By requiring independent director recommendation, there may be a natural practice of appointing financial advisers to advise the independent directors rather than making it a compulsory requirement.

The dissenting director(s) should state their reasons and this should be made available to the shareholders.

- (b) Do you agree that the founding shareholders, the management team, and their respective associates should not be permitted to vote on the business combination?

Please select one option:

Yes

No

Please give reasons for your view:

No. They should be permitted to vote unless the business combination is an interested person transaction under Chapter 9 of the Listing Manual. Not disenfranchising the sponsors and the management team from voting would encourage more equity participation by the same persons in the SPAC IPO. As we are advocating a total moratorium on transfers of shares by the same persons before the SPAC de-SPACs, it would be unduly harsh to disenfranchise them from voting. The combination of all these rules may make a SGX SPAC listing proposition commercially unattractive for sponsors. Shareholders who vote against the business combination can redeem their shares and exit.

Question 11: Redemption and Liquidation Distribution Rights of Shareholders

- (a) Do you agree that independent shareholders who vote for the business combination and those who had not participated in the vote for the business combination, should not be permitted to exercise their Redemption Right?

Please select one option:

- Yes
 No

Please give reasons for your view:

While we understand the rationale that shareholders who voted for the business combination to behave consistently and therefore remain invested in the SPAC after the business combination, we do not believe such a rule is practical to be implemented for the following reasons:

- 1. Some retail investors who do not hold securities in their own personal CDP account would have to rely on institutional intermediaries to cast their vote. Often due to administrative reasons, such retail investors choose not to participate in the voting process. It would be unduly harsh to then penalize such investors by not allowing them to exercise their Redemption Right.**
 - 2. To implement this rule and assuming the vote for the business combination is carried, it means that for the shareholders who voted yes or abstained, when they sell their securities on the market before the business combination takes effect, those successors-in-title to the affirming shareholders should also be barred from exercising their Redemption Right. How would SGX propose to keep track of the trades made by those who voted affirmatively and those who voted negatively? We believe there would be difficult logistics issues to overcome in trying to create two classes of SPAC shares following the general meeting to approve the business combination. The position of institutional intermediaries who custodize shares for both affirming and disapproving shareholders should be considered as well.**
- (b) As an alternative to mitigate concerns of dilution risks to the remaining shareholders of the resulting issuer arising from high redemption rates at the vote for the business combination, the Exchange seeks your views on requiring the SPAC to establish a limit on the exercise of Redemption Right by independent shareholders who voted for the business combination.

Please give reasons for your view. You may suggest an appropriate limit and give reasons for your suggestion:

For the reasons canvassed above, we do not support imposing a limit.

- (c) You may suggest other requirements as measures to increase investor protection against high redemption rates at the time of the business combination and give reasons for your suggestion:

No further feedback.

(d) As a SPAC may have secured investments/funding from pre-IPO investors prior to its listing on the Mainboard of SGX-ST, the Exchange seeks your views on whether pre-IPO investors are allowed to participate in the liquidation distribution in respect of shares purchased by them prior to the SPAC's IPO.

Please select one option:

Yes

No

Please give reasons for your view:

This should tie in with the comment on Moratorium above.

Question 12: Requirement to Mitigate Dilution to Shareholders Remaining with the Resulting Issuer

The Exchange seeks your views on the following options to address the regulatory concern where the future exercisability of warrants (or other convertible securities) after the SPAC's business combination may result in potential significant dilutive impact to shareholders remaining with the resulting issuer:

Option 1: Require warrants (or other convertible securities) to be non-detachable from the underlying ordinary shares of the SPAC, for trading on the Mainboard of SGX-ST.

Option 2: Impose a maximum percentage cap on the resultant dilutive impact to shareholders (based on issued share capital of the SPAC at IPO) post-business combination arising specifically from the conversion of issued warrants (or other convertible securities) by the SPAC.

Please give reasons for your view. For Option 2, you may propose an appropriate maximum threshold and give the reasons for your suggestion:

We would prefer Option 2 to set a maximum dilution impact. We have no specific view on the maximum threshold. We are of the view that making the warrants non-detachable takes away optionality from the retail investors and may make SGX SPACs less competitive.

You may suggest other requirements as measures to increase investor protection against significant dilutive impact arising from conversion of warrants (or other convertible securities) issued by the SPAC with the ordinary shares at IPO, and give reasons for your suggestion:

No further feedback.

Question 13: Event of Material Change Occurring Prior to Completion of Business Combination

- (a) Do you agree with the requirement for the SPAC to put in place a Liquidation Mechanism in the Event of Material Change occurring prior to the business combination?

Please select one option:

- Yes
 No

Please give reasons for your view:

We agree with the reasons set forth in the consultation paper.

- (b) You may suggest any other appropriate events that should constitute as an Event of Material Change thereby triggering a Liquidation Mechanism, and give reasons for your suggestion:

(intentionally left blank)

Question 14: Limit on Sponsor's Promote

Do you agree that a limit on the sponsor's promote is unnecessary in light of the other safeguards proposed to align the interests of independent shareholders with the founding shareholders and the management team of the SPAC?

Please give reasons for your view. You may suggest an appropriate percentage limit and/or the nature of the sponsor's promote, and give reasons for your suggestion:

We agree that a limit on the promote should not be prescribed by rules but be left to market disclosure and acceptance.

Question 15: Requirement for the Resulting Issuer to Meet Initial Listing Requirements

- (a) Do you agree that the resulting issuer should be required to meet the applicable initial listing requirements under Chapter 2 of the Mainboard Rules under the proposed Rule 210(11)(l)(vi)?

Please select one option:

- Yes
 No

Please give reasons for your view:

It is logical for the requirement that on a continuing basis the issuer meets the applicable listing requirements to ensure that quality issuers continue to be listed on the SGX. This also provides some degree of comfort to the retail shareholders that the ultimate investment will not be made into businesses which may not be sustainable and where they no longer have protection over their invested funds.

- (b) If your answer is no to (a), the Exchange seeks your views on whether the resulting issuer should nonetheless be required to meet the qualitative initial listing requirements under Chapter 2 of the Mainboard Rules including Mainboard Rule 210(5) on the character and integrity of directors, executive officers and controlling shareholders, Mainboard Rule 223 on the resolution of conflicts of interests, as well as Mainboard Rules 210(8) and 210(9) for a business combination involving a life science company and a mineral, oil and gas company, respectively, upon completion of the business combination.

Please select one option:

Yes

No

Please give reasons for your view:

(intentionally left blank)

- (c) You may suggest other alternative proposals to obtain a certain level of assurance on the quality of the business combination, and give reasons for your suggestion:

We think there should be optionality – the general requirement should be to ensure the business combination will meet both the quantitative and qualitative requirements. However, there may be occasions where there are certain early stage targets which may not meet the quantitative requirements but may satisfy qualitative requirements. There should be flexibility for SPACs to consider such targets and the SGX can always impose additional requirements such as requiring a percentage of the escrowed funds to remain in escrow for an additional period.

Requirement to Appoint a Financial Advisor for the Business Combination

- (d) Do you agree with the requirement for the SPAC to appoint a financial adviser to advise on the business combination transaction and in advising the SPAC, the financial adviser is expected to take guidance from the ABS Listings Due Diligence Guidelines?

Please select one option:

Yes

No

Please give reasons for your view:

Reason for Yes:

- **Similar to a traditional IPO, a financial adviser should be appointed to undertake the relevant diligence and responsibility for the business that is to be listed through the SPAC**

Reason for No:

- **If there is an accredited valuer providing a valuation and directors and shareholders take responsibility for the disclosures in the circular, there does not appear to be a compelling reason to require a financial adviser.**

(e) The Exchange seeks your views on whether requiring the appointment of the financial adviser to be approved by an ordinary resolution passed by the independent shareholders of the SPAC is appropriate.

Please give reasons for your view:

If the view remains that there must be a financial adviser, we do not think it is necessary for the appointment to be approved by the independent shareholders. Currently none of the listing rules requires the appointment of financial advisers to be approved by shareholders. This would add a layer of unnecessary costs in convening a general meeting to seek approval for the the appointment.

Full and True Disclosure in the Circular in relation to the Business Combination

(f) The Exchange seeks your views on the proposal to require the SPAC's founding shareholders and directors, the proposed directors of the resulting issuer, and the financial adviser to provide a statement in the Circular accepting responsibility for the disclosures in the Circular relating to the business combination, and target business(es) and/or asset(s).

Please give reasons for your view:

This is a reasonable requirement. The SPAC's reputation and capital raising ability lies in the reputation and capability of the sponsors and management team. There is no reason to deviate from the general disclosure regime and responsibility requirement which directors and companies undergoing an IPO are subject to. This is not more onerous than what is already established in the market.

Question 16: Other Proposed Rules

(a) The Exchange seeks your views on the other proposed SPAC rules set out in Appendix 2 of the Consultation Paper for which comments are not specifically sought for in Questions 1 to 15.

Please give reasons for your view:

(intentionally left blank)

(b) You may propose any other approach and consideration that is relevant to establishing an effective SPACs Framework, and explain how your proposal is appropriate and reasonable:

(intentionally left blank)