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To: listingrules@sgx.com

The Singapore Venture Capital and Private Equity Association (“**SVCA**”) is pleased to submit the following feedback to the consultation paper on SGX’s proposal to introduce a primary listing framework for Special Purpose Acquisition Companies (“**SPACs**”) in Singapore to list on the Mainboard of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**SPACs Framework**”).

SVCA would be happy to discuss the below feedback with the SGX-ST at your convenience.

Respondent’s Information

Organisation	Singapore Venture Capital and Private Equity Association
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Contact Number	6721 7128
Statement of Interest	The SVCA represents the venture capital and private equity fund management industry in Singapore. SVCA has more than 90 full members (generally fund management firms) and 80 associate members (generally service providers) which collectively represent a broad base of the active firms in the fund management industry in Singapore.

Disclosure of Identity: [SVCA is happy to be disclosed as a respondent.](#)

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:

SVCA believes that a properly structured SPAC Framework will be beneficial for companies, investors and the Singapore capital market in general. There are many early/mid stage growth companies in Singapore and elsewhere in Southeast Asia that could benefit from access to public market capital. Some of them are already considering listing on overseas public markets. Members of the SVCA are investors in many of these companies. Having access to public market liquidity via a SPAC on the Mainboard of SGX-ST would be helpful to our members. In particular, one of the concerns that some international private capital investors express about investing in emerging Southeast Asian companies is that there is a very limited track record of successful exits from these companies. SPACs listed on the Mainboard SGX-ST could provide such exits and therefore bolster the investment case for Southeast Asian companies generally.

Listing on SGX-ST via a business combination with a SPAC should also be beneficial to target companies, as it will likely provide more certainty of timing and valuation (i.e. it is less likely to be subject to the typical market IPO “windows”). This will make SGX-ST a more attractive destination for companies looking to access the public capital markets.

SPAC on SGX-ST will also create a new asset class for investors, and allow them to invest alongside experienced sponsors (with downside protection via the escrow account prior to the consummation of the business combination).

- (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

Please give reasons for your view:

SVCA does not see any reason to prohibit a SPAC applying for a secondary listing on the Mainboard of the SGX-ST. That said, given the time and expense involved in seeking such a secondary listing on the Mainboard of SGX-ST, SVCA doubts that many SPAC sponsors would pursue such a listing (having already chosen to go through the process/expense of listing their SPAC elsewhere).

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:

The definitions in Appendix 2 appear appropriate.

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:

SVCA understands SGX-ST’s desire to see high-quality sponsors with substantial experience and capital available bringing SPAC’s to the SGX-ST Mainboard. SVCA is, however, of the view that the proposed minimum market capitalisation requirement of S\$300 million is too high. Evidence from the US market suggests that SPACs tend to seek business combinations with targets that are at least three times larger (in terms of valuation) than the SPAC itself. A minimum market capitalisation requirement of S\$300 million would likely result in SGX-ST Mainboard listed SPACs seeking targets with valuation at or above S\$1 billion. There are a limited number of unlisted companies in Southeast Asia with valuations at or above S\$1 billion. As such the target universe for a S\$300 million (minimum) SPAC would be quite small. It is also worth noting that there are several existing US listed SPACs seeking acquisition targets in Southeast Asia which would be competitive with any similarly sized SGX-ST Mainboard listed SPACs.

A successful SGX-ST SPAC Framework needs to be positively differentiated (for both sponsors and investors) from what is already available in other SPAC markets. SVCA would encourage SGX to consider imposing a minimum market capitalisation requirement of no more than S\$100 million. This would be attractive for sponsors as it would allow them to pursue business combinations with a much wider range of Southeast Asian unlisted growth companies and would be similar to what is required in the US market (i.e. US\$75 million for Nasdaq and US\$100 million for NYSE).

SVCA is of the view that our members would be happy to see a minimum pro forma market capitalization of the business combination of S\$300 million (in line with current Mainboard listing requirement).

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:

While SVCA appreciates SGX-ST's desire to ensure liquidity in SGX-ST listed SPACs, SVCA would again suggest that SGX-ST should look to positively differentiate SGX-ST listed SPACs. A lower public float requirement for an SGX-ST SPACs is an area where SGX-ST could do so without creating much risk. SVCA would suggest that the public float requirement be set at no more than a 10% of issued shares and 250 public shareholders.

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:

Given it is common for well-established companies listed on the SGX-ST Mainboard to trade at prices below S\$1, SVCA would suggest that S\$1 would be a better minimum share issue price (which would just lead to more shares being issued) for a SGX-ST Mainboard listed SPAC. SVCA does not believe that a low minimum price will lead to additional risk for investors.

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:

SVCA understands SGX-ST's desire to promote the use of Singapore companies for SPACs, but we are of the view that doing so is more restrictive than is necessary. There are a variety of jurisdictions (Delaware, Cayman, Luxembourg) that are commonly used by our members for their funds and holding companies to accommodate various tax and regulatory issues associated with attracting investors from different jurisdictions. Our members (and their investors) are very familiar and comfortable with these jurisdictions. It would be helpful for fund managers to have the option and flexibility to use overseas incorporated companies as a basis for their SGX-ST listed SPACs. SVCA also notes that overseas incorporated companies are accepted for SGX-ST Mainboard listing and we see no reason to depart from that position for SPACs.

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:

SVCA believes that allowing for a DCS structure would be attractive, but we do not see it as critical to the success of the SGX-ST SPAC Framework.

Others

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

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:

SVCA appreciates that the SGX-ST desires to maintain a quality and successful SPAC Framework and that SPAC sponsors must thus be highly reputable. That said, SVCA is concerned that the proposed suitability assessment factors are quite broad, and we expect that they may create a high level of uncertainty for potential SPAC sponsors. Commencing the SPAC process requires a significant commitment of time and money. A potential SPAC sponsor may be deterred from doing so if they are uncertain as to whether they will ultimately be approved by the SGX-ST. SVCA would suggest that the suitability assessment factors be narrowed and made as objective as possible. SVCA would also suggest SGX-ST create an in-principal approval framework that would allow a potential sponsor to be pre-cleared for SPAC sponsorship before the sponsor is required to expend significant time and money on a specific SPAC proposal.

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:

SVCA sees 36 months as a sufficient period to complete the business combination.

- (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:

SVCA view 36 months as a more appropriate period to complete the business combination given (i) investor funds are secure in an escrow account during this period, (ii) there are a limited number of target companies at present (36 months will give more companies time to mature to become eligible targets), and (iii) this is an area where the SGX-ST SPAC Framework can be positively differentiated from existing frameworks with a slightly longer time period reflective of the relative depth and longer time to execute transactions in the Southeast Asia market.

- (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:

It seems reasonable to SVCA that a SPAC should be able to seek an extension under exceptional circumstances. It would be helpful if the SGX-ST could provide some criteria or examples of what might qualify as exceptional circumstances.

- (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:

It seems reasonable to SVCA that a SPAC should be able to seek independent shareholders' and SGX's approval for an extension of time under specified circumstances in its constitution. That said, SVCA views 36 months as an adequate period of time and doubts that many SPAC sponsors will actually specify additional extension circumstances in the SPAC constitution.

- (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:

SVCA sees this as a reasonable protection for SPAC investors.

- (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:

SVCA agrees a SPAC should be required to publish a quarterly statement of its cash utilization. SVCA does not agree that the SPAC should be required to provide mandatory updates on its progress in securing a business combination. Any such statements would be forward-looking, potentially highly disruptive to potential acquisition/combination processes and not the kinds of statements that listed companies are normally required to make. The time limits for securing a combination along with the requirement for SPACs to make the usual mandated exchange announcements in relation to their transactional and other activity would provide adequate protection to investors all of whom would have invested with clear knowledge of the potential timeframe involved for potentially securing combinations and the protections already afforded by the disclosure regime for publicly listed companies.

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

SVCA would suggest that only basic financial information and other factual statements about the status of the SPAC be required.

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:

SVCA agrees that 90% is an appropriate threshold.

- (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:

SVCA views the requirement for escrow funds to be invested only in cash or cash equivalent short-dated securities of at least A-2 rating (or an equivalent) as reasonable.

- (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:

SVCA sees this as a reasonable format for approval of the use of escrowed funds in exceptional circumstances.

- (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:

SVCA is of the view that this is a reasonable formulation for permitted use of the interest earned and income derived from the escrowed funds.

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:

SVCA believes this is a reasonable requirement.

- (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:

SVCA would suggest a more flexible formulation that allows multiple concurrent acquisitions be permitted provided that those acquisitions are inter-conditional and that taken as a whole those acquisitions will constitute at least 80% of the amount held in the escrow account.

- (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:

SVCA is of the view that this is not necessary (unless the SPAC sponsor is a significant investor in the target business(es) or asset(s) to be acquired under the business combination). One of the salient (and generally beneficial) features of a SPAC is that the business combination is negotiated between the SPAC (and its sponsors) and the owners of the target company(ies). Provided that this negotiation takes place on an arms-length basis, there seems no reason for an independent valuer to value the target business(es) or asset(s). Such a requirement could introduce unnecessary delay, expense and uncertainty to the business combination negotiation process.

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

SVCA suggests that it would be reasonable to require appointment of an independent valuer to value the target business(es) or asset(s) to be acquired under the business combination where the sponsor of the SPAC has an existing significant investment in such target business(es) or asset(s).

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:

A SPAC sponsor will typically incur at least S\$5 million of expenses as part of the organization and listing of the SPAC. This amount should be viewed as an equity contribution. This contribution will only be recovered by the SPAC sponsor through a successful business combination. SVCA is of the view that this initial capital investment plus the sponsor's promote allocation will create substantial and sufficient alignment of the SPAC sponsor with the SPAC investors.

(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:

SVCA has no additional suggestions at this time.

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:

SVCA is of the view that SGX-ST should leave as much of the commercial aspects of both the listing of the SPAC and the business combination to the negotiation of the involved parties. As such, any mandated moratorium should be of reasonably short duration (no more than six months) with any additional restrictions to be left to the sponsors, underwriters and owners of the target company to negotiate on a commercial basis in each unique situation.

(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:

Pre-IPO investors in SPACs are typically sophisticated institutional investors. SVCA is of the view that the commercial terms of any such pre-IPO investment in the SPAC (including any applicable moratorium on the pre-IPO investors) should be left to the sponsor and the underwriters of the SPAC to negotiate with the pre-IPO investors (provided they are not related parties and such negotiation is conducted on an arms-length basis).

Question 10: Approval(s) Required for Business Combination

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.

- (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:

SVCA views the requirement for the business combination to be approved as SGX-ST has proposed as reasonable. SVCA would suggest that the "majority" in the case of both the independent directors and independent shareholders be a "majority of those who cast a vote on the matter" rather than a simple majority in number of independent directors and independent shares outstanding (to cater for the fact that, in particular, many independent shareholders may not vote at all).

- (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:

SVCA sees the requirement for the business combination to be approved as SGX-ST has proposed as reasonable.

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 SVCA understands the desire to imposing a duty on the SPAC investor base to make a clear decision on the business combination, SVCA fears that limiting redemptions to only those shareholders who have voted against the business combination will create a substantial amount of uncertainty for sponsors (as more investors are likely to vote no to preserve their right of redemption). This may lead sponsors seeking to list their SPACs in other markets where the redemption rate matters less (i.e. where they are likely to receive a positive vote for the business combination and just need to provide sufficient backstop liquidity to consummate it regardless of how many investors ultimately redeem).

- (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:

SVCA views this alternative as raising similar levels of uncertainty and thus potentially being a deterrent to sponsors choosing to list SPACs on SGX-ST.

- (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:
SVCA does not have any alternative suggestions at this time. SVCA would encourage SGX-ST to reconsider the proposed redemption restrictions.

- (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:

SVCA believes that pre-IPO investors (provided they are independent of the sponsor) should be allowed to participate in the liquidation distribution pro rata to other investors. If they are not granted this right, it will be very difficult to arrange pre-IPO financing for a SPAC.

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:

SVCA view Option 1 as too restrictive and, given it is not in line with other SPAC markets, likely to result in a reduced number of investors who will be interested in investing in SGX-ST listed SPACs. Option 2 is an attractive alternative, but seems quite difficult to implement in practice given all of the variables that will be involved in the listing, financing, redemption and business combination negotiations. Given all of the unknowable factors that could influence the economics of a SPAC, SVCA is not in a position to propose a maximum threshold for dilution.

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:

SVCA does not have any other specific suggestions. SVCA would highlight that the global sponsor and investor communities are quite familiar with the US SPAC framework and the flexibility it offers. While SVCA recognizes the need for reasonable investor protection, SVCA is of the view that in order to increase the likelihood of a successful SGX-ST SPAC Framework, a balance needs to be struck. SVCA would recommend that balance look as much as possible like other well developed SPAC markets.

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:

SVCA views the Event of Material Change as introducing uncertainty and subjectivity to the SPAC Framework and we would recommend that it not be incorporated. If a materially negative event occurs, the sponsor is likely to face challenges in completing the business combination and the investors will eventually receive substantially all of their investment back from the escrow account. SVCA views that as sufficient level of protection.

- (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:
SVCA does not believe that such a mechanism is helpful or necessary and thus does not have any suggestions.

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:

SVCA agrees that a limitation on the sponsor's promote is unnecessary. SGX-ST noted several safeguards in this respect in the consultation paper (a number of which we feel are unnecessary as discussed above). SVCA's view is that the commercial imperatives provide sufficient safeguard on their own. These include the fact that (i) the sponsor's promote will be fully disclosed in the IPO prospectus (and thus investors can choose not to invest if they feel the level of promote is unjustified) and (ii) the promote is often renegotiated by the PIPE providers and the target company owners in connection with the business combination. These are arm's length negotiations among parties that have clearly differentiated interests.

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:

SVCA would suggest that the resulting issuer be exempt from certain aspects of the initial listing requirements, in particular those related to profitability. In this way the SGX-ST SPAC Framework will have the best chance of attracting early/growth stage companies to combine with SGX-ST listed SPACs. As an alternative, the SGX-ST consider implementing a grace (or cure) period of at least twelve months post business combination for the issuer to be fully compliant with the quantitative requirements.

- (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:

SVCA is of the view that the application of the qualitative requirements is appropriate and should not be a barrier to the success of the SGX-ST SPAC Framework.

- (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:

SVCA does not have any alternative proposals at this point.

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:

As discussed above, SVCA is of the view that the commercial tension that will invariably exist between the sponsor, PIPE investors and target company owners will be sufficient to ensure

that an appropriate valuation is achieved for the business combination and that a financial advisor is thus not required (unless the sponsor of the SPAC has an existing significant investment in the target business(es) or asset(s) to be acquired under the business combination.

- (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:

SVCA is of the view that a financial advisor is not necessary. If SGX-ST nonetheless concludes that a financial advisor is required, we see no reason that the financial advisor need be approved by the independent shareholders. A properly licensed financial advisor will conduct itself independently and will provide appropriate advice and guidance to the investors in connection with the proposed business combination.

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:

SVCA views this as appropriate.

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:

SVCA does not have specific comments on the other proposed rules.

- (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:
SVCA does not have any other specific proposals.