**LISTING FRAMEWORK FOR SPACS**

**AMENDMENTS TO MAINBOARD RULES**

*Legend: Deletions are struck-through and insertions are underlined.*

**Definitions and Interpretation**

"business combination"

the initial acquisition of operating business or asset by a SPAC under Rule 210(11)(m)(iii). Such acquisition may be in the form of a merger, share exchange, asset acquisition, share purchase, reorganisation, or such other similar business combination methods, in accordance with the business strategy and acquisition mandate disclosed in the prospectus issued in relation to the SPAC's IPO

"founding shareholder"

person who founded and sponsored the establishment of a SPAC

"management team"

in relation to a SPAC, means the executive directors and executive officers of the SPAC

"permitted investments"

In relation to a SPAC, means investments in cash or cash equivalent short-dated securities of at least A-2 rating (or an equivalent)

"public"

persons other than:-

(a) directors, chief executive officer, substantial shareholders, or controlling shareholders of the issuer or its subsidiary companies; ~~and~~

(b) associates of the persons in paragraph (a); and

(c) founding shareholders and management team of the SPAC, and their associates

"resulting issuer"

the resultant entity that trades on the SGX-ST upon the completion of a business combination by a SPAC

"special purpose acquisition company" or "SPAC"

a company with no prior operating history, operating and revenue-generating business or asset at the point of the IPO, and raises proceeds for the sole purpose of undertaking a business combination in accordance with the business strategy and acquisition mandate disclosed in the prospectus issued in relation to the SPAC's IPO

**Chapter 2 Equity Securities**

**Part III SGX Mainboard Listings**

**210**

An issuer applying for listing of its equity securities on the SGX Mainboard must meet the following conditions:-

**(5) Directors and Management**

(b) The character and integrity of the directors, management, founding shareholders and controlling shareholders of the issuer will be a relevant factor for consideration. In considering whether the directors, management, founding shareholders and controlling shareholders have the character and integrity expected of a listed issuer, the Exchange will take into account the disclosure made in compliance with Rule 246(5)(a).

**(11) Special Purpose Acquisition Company or SPAC**

(a) An issuer that intends to list as a SPAC must be suitable for listing and is not permitted to adopt a dual class share structure at IPO. In assessing the suitability of the SPAC, the Exchange may take into account any factor it considers relevant including, but not limited to, the factors set out in Practice Note 6.4.

**Quantitative Criterion**

(b) Market capitalisation of not less than S$150 million based on the issue price and post-invitation issued share capital.

**Shareholding Spread**

(c) At least 25% of its total number of issued shares excluding treasury shares must be held by at least 300 public shareholders.

**Issue Price**

(d) The issue price of the securities offered for subscription or sale, for which a listing is sought, must be at least S$5 each. Securities may consist of a share and warrant (or other convertible securities).

**Minimum Securities Participation**

(e) The issuer's founding shareholders and management team must, in aggregate, subscribe for a minimum value of equity securities (based on the subscription price at IPO) in accordance with the following requirements:

| **Market Capitalisation (S$ million)**<br><br>**("M")** | **Proportion of subscription** |
|---|---|
| $150 \leqslant M < 300$ | 3.5% |

| | |
|---|---|
| 300 ⩽ M < 500 | 3.0% |
| M ⩾ 500 | 2.5% |

The form of equity securities participation may be by way of (i) subscription of units, shares or warrants at IPO; (ii) by irrevocable commitment provided at the time of the IPO, to subscribe for equity securities of the issuer no later than simultaneously with the completion of the business combination, or (iii) by a combination of the methods in (i) and (ii), subject to compliance with the listing rules and such other conditions as the Exchange may consider appropriate. For the avoidance of doubt, the subscription price of the equity securities participation by way of the method in (ii) must not be lower than the subscription price of the respective equity securities at IPO.

(f) The extent of the aggregate equity interests in the issuer acquired by the founding shareholders, management team, and their associates at nominal or no consideration is generally permitted up to 20% of the issued share capital of the issuer (on a fully diluted basis) immediately following closing of the IPO. The Exchange retains discretion in considering the appropriateness of such equity ownership, taking into account the overall structure of the issuer. For avoidance of doubt, such limit includes equity interests arising from warrants or other convertible securities acquired at nominal or no consideration.

**Board Committees**

(g) The majority of each of the committees performing the functions of an audit committee, a nominating committee and a remuneration committee, including the respective chairmen, must be independent.

**Moratorium**

(h)

(i) The moratorium requirements specified in Rules 227, 228 and 229 must be satisfied. The period of moratorium specified in Rules 229(1) to (4) commences on the date of listing up to and including the completion date of the business combination.

(ii) The moratorium requirements specified in Rules 227, 228 and 229 are applicable to all equity securities of the issuer held by the founding shareholders, the management team, and their respective associates on the date of listing. The period of moratorium specified in Rule 229 commences on the date of listing up to and including the completion date of the business combination.

(iii) Following the completion of the business combination, all equity securities of (A) the founding shareholders and the management team of the issuer, and their associates; and (B) the controlling shareholders of the resulting issuer and their associates, and executive directors of the resulting issuer with an interest in 5% or more of the issued share capital of the resulting issuer, will be subject to the moratorium requirements in Rules 227, 228 and 229 (in accordance with the resulting issuer's compliance with Rules 210(2)(a), (b) or (c), or Rule 210(8), or Rule 210(9)) from the completion date of the business combination.

**IPO Proceeds and Escrow Requirements**

(i)

(i) Immediately upon listing on the Exchange, the issuer must place at least 90% of the gross funds raised from its IPO in an escrow account opened with and operated by an independent escrow agent which is a financial institution licensed and approved by the Monetary Authority of Singapore. The amount placed in the escrow account cannot be drawn down except for the purpose of the business combination, on liquidation of the issuer or such other circumstances set out in Practice Note 6.4.

(ii) The escrow agent appointed by the issuer must be independent of the founding shareholders, the management team, and their associates.

(iii) The issuer must secure and maintain the escrow arrangement(s) at all times over the funds in the escrow account until the termination of the escrow account in accordance with Rule 210(11)(i)(v).

(iv) The issuer (through the escrow agent) shall only be permitted to hold its assets in permitted investments in the form of cash or cash equivalent short-dated securities of at least A-2 rating (or an equivalent) until completion of a business combination that meets the Exchange's requirements.

(v) The issuer (through the escrow agent) may invest the escrowed funds in permitted investments in accordance with Rule 210(11)(i)(iv) and the escrow agreement governing the escrowed funds must provide for:

(A) The termination of the escrow account and release of the escrowed funds on a pro rata basis to shareholders who exercise their redemption rights in accordance with Rule 210(11)(m)(x) and the remaining escrowed funds to the issuer, if the issuer completes a business combination within the permitted time frame; and

(B) The termination of the escrow account and the distribution of the escrowed funds to shareholders (other than the founding shareholders, the management team, and their associates in respect of all equity securities owned or acquired by them prior to or pursuant to the IPO) in accordance with the terms of Rules 210(11)(n)(i) to (iv).

The content of the escrow agreement must comply with the requirements as set out in paragraph 3 of Practice Note 6.4.

(vi) The IPO proceeds that are not placed in the escrow account, and interest or other income earned on the escrowed funds from permitted investments, may be applied as payment for administrative expenses incurred by the issuer in connection with the IPO, for general working capital expenses and for the purpose of identifying and completing a business combination.

**Issue of Warrants and Other Convertible Securities**

(j) Where any warrants or other convertible securities are issued in connection with the IPO or prior to the completion of a business combination, these convertible securities must comply with the following requirements:

(i) Part VI of Chapter 8;

(ii) the exercise price of warrants or other convertible securities must not be lower than the price of the ordinary shares offered for the IPO;

(iii) the warrants or other convertible securities must not be exercisable prior to the completion of the business combination;

(iv) the warrants or other convertible securities must not have an entitlement to the funds held in the escrow account upon liquidation of the issuer or redemption of the ordinary shares by shareholders; and

(v) the tenure of the warrants or other convertible securities must expire on the earlier of the (A) maximum tenure under the issuance terms as stated in the prospectus issued in connection with the issuer's IPO; or (B) permitted time frame for completion of a business combination where no business combination is completed within such time period.

(k) An issuer must establish a percentage limit of not more than 50% as to the maximum dilution to the issuer's post-invitation issued share capital with respect to the conversion of any warrants or other convertible securities issued by the issuer in connection with the IPO.

**Additional Continuing Listing Requirements Prior to Completion of a Business Combination**

(l)

(i) Prior to the completion of a business combination, the Exchange may permit the issuer to raise additional funds through the issue of equity securities where (A) the issuance is made on a pro rata basis and in accordance with the requirements in Chapter 8; (B) at least 90% of the gross proceeds raised are placed in escrow in accordance with Rule 210(11)(i)(i); and (C) the proceeds raised are for the purpose of financing the business combination and/or related administrative expenses. For avoidance of doubt, contemporaneous with completion of the business combination, the issuer may raise additional funds (including by way of a placement or subscription for the issuer's equity securities by institutional and/or accredited investors) in accordance with Chapter 8.

(ii) The issuer shall not be permitted to obtain any form of debt financing (excluding short term trade or accounts payables in the ordinary course of business) other than contemporaneous with completion of its business combination provided that the (A) funds in the escrow account must not be used as collateral or subject to encumbrance for the debt financing; and (B) funds drawn down from the debt financing must be applied towards the financing of the business combination and/or related administrative expenses. A credit facility may be entered into prior to completion of a business combination, but should be drawn down contemporaneous with, or after completion of a business combination.

(iii) The issuer must not provide any financial assistance to any person or entity until it has fully financed or satisfied the consideration of the business combination and the ownership of the business(es) or asset(s) acquired under the business combination is beneficially and legally vested with the resulting issuer.

(iv) The issuer will not be permitted to adopt any security-based compensation arrangement prior to the completion of a business combination.

**Business Combination**

(m)

(i) The issuer must complete a business combination within 24 months from the date of listing. Where the issuer has entered into a legally binding agreement for a business combination before the end of the 24-months period, the issuer shall have up to not more than 12 months from the relevant deadline to complete the business combination, subject to an overall maximum time frame of 36 months from the date of listing, and provided that:

(A) such an extension is permitted by and in accordance with all relevant laws and regulations governing the issuer in its place of constitution;

(B) the Exchange is notified of such an extension in a timely manner;

(C) the extension is announced via SGXNET by the issuer in a timely manner; and

(D) in the announcement referred to in paragraph (C), the issuer must confirm that:

(1) there is no material adverse change to the financial position of the issuer since the date of prospectus issued in connection with its listing on the Exchange;

(2) the extension is permitted by and in accordance with all relevant laws and regulations governing the issuer in its place of constitution; and

(3) the issuer will provide quarterly updates to investors on its progress in meeting key milestones in completing the business combination via SGXNET.

(ii) Other than the extension circumstance specified in Rule 210(11)(m)(i), the issuer must (A) apply to the Exchange for an extension of time to complete the business combination; and (B) specifically obtain the approval of a majority of at least 75% of the votes cast by shareholders at a general meeting to be convened. The issuer must justify a compelling reason for the extension of time and any application for extension of time must be submitted to the Exchange at least 2 months before expiry of the permitted time frame.

For the purpose of voting on the extension of time, the founding shareholders, the management team, and their associates, are not permitted to vote with shares acquired at nominal or no consideration prior to or at the IPO of the issuer. The Exchange retains the discretion to reject an application for extension of time if the Exchange is of the opinion that there is no compelling justification for the time extension and/or it is in the interests of the public to do so.

(iii) The initial business or asset acquired pursuant to the business combination must have a fair market value of at least 80% of the amount in the escrow account at the time of entry into the binding agreement for the business combination transaction, excluding any amount held in the escrow account representing deferred underwriting fees and any taxes payable on the income earned on the escrowed funds.

Where the SPAC consummates multiple concurrent acquisitions or mergers as part of the business combination, 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 in the escrow account at the time of entry into the binding agreements for the business combination transactions. Such concurrent transactions must be in separate resolutions

and conditional upon the initial acquisition, and completed simultaneously on or around the same day within the permitted time frame.

(iv) The business combination must result in the resulting issuer having an identifiable core business of which it has a majority ownership and/or management control. The Exchange may consider a business combination involving an acquisition of a minority stake in a business(es) or asset(s), where the resulting issuer can demonstrate that it has management control of such business(es) or asset(s).

(v) The issuer must appoint a financial adviser, who is an issue manager, to advise on the business combination. The financial adviser is expected to have regard to the due diligence guidelines issued by The Association of Banks in Singapore when conducting due diligence on the business combination.

(vi) The issuer must appoint a competent and independent valuer to value the business(es) or asset(s) to be acquired under the business combination where (A) a placement or subscription for the issuer's equity securities by institutional and/or accredited investors, is not conducted in contemporaneous with the business combination; or (B) the business(es) or asset(s) to be acquired under the business combination involves a mineral, oil and gas company, or property investment/development company. A summary valuation report must be included in the shareholders' circular in relation to the business combination.

The Exchange retains the discretion to require the issuer to appoint a competent and independent valuer to value the business(es) or asset(s) to be acquired under the business combination.

(vii) The resulting issuer pursuant to the completion of the business combination must satisfy, where applicable, Rules 210(1) to 210(10), and 222.

(viii) The business combination must be respectively approved by a simple majority of independent directors, and an ordinary resolution passed by shareholders at a general meeting to be convened.

For the purpose of voting on the business combination, the founding shareholders, the management team, and their associates, are not permitted to vote with shares acquired at nominal or no consideration prior to or at the IPO of the issuer.

(ix) Chapter 9 applies where the business combination is (A) an interested person transaction; or (B) entered into with the founding shareholders, members of the management team, and/or their respective associates. The shareholders' circular in relation to the business combination to which Chapter 9 applies, must contain an opinion from an independent financial adviser and the issuer's audit committee stating that the terms of the transaction are on normal commercial terms and are not prejudicial to the interest of the issuer and its minority shareholders.

(x) Each independent shareholder (other than the founding shareholders, the management team, and their respective associates) shall be entitled to redeem his ordinary shares for a pro rata portion of the amount in the escrow account at the time of the business combination vote, provided that the business combination is approved and completed within the permitted time frame. Such amounts must be paid to the electing independent shareholder as soon as practicable upon completion of the business combination, and ordinary shares tendered in exchange for cash must be cancelled.

An issuer may establish a limit as to the maximum number of shares with respect to which an independent shareholder, together with any associates or persons acting jointly or in concert, may exercise a redemption right, provided that such limit (A) may not be set at lower than 10% of the shares issued at IPO; and (B) is disclosed in the IPO prospectus and shareholders' circular in relation to the business combination. Any redemption limit established by the issuer must apply equally to all independent shareholders entitled to a redemption right.

(xi) All notices convening general meetings in relation to the business combination must be sent to shareholders at least 21 calendar days before the meeting (excluding the date of notice and date of the meeting).

**Liquidation**

(n)

(i) Prior to completion of the business combination, in the event a material change occurs in relation to the profile of the founding shareholders and/or the management team which may be critical to the successful founding of the issuer and/or successful completion of the business combination, the issuer shall seek approval of a majority of at least 75% of the votes cast by independent shareholders at a general meeting to be convened for the continued listing of the issuer on the Exchange. For the purpose of voting on the continued listing of the issuer, the founding shareholders, the management team, and their associates, are not considered as independent.

The Exchange retains discretion to determine a circumstance an event of material change under this rule.

(ii) Where the issuer (A) fails to complete a business combination within the permitted time frame in accordance with Rule 210(11)(m)(i); (B) fails to obtain specific shareholders' approval in accordance with Rule 210(11)(m)(ii); or (C) is directed to delist by the Exchange before the completion of a business combination in accordance with Rule 210(11)(p), the issuer shall be liquidated. The amount held in the escrow account at the time of the liquidation distribution (and such other accounts held by the issuer), net of taxes payable and direct expenses related to the liquidation distribution, shall be distributed to shareholders on a pro rata basis as soon as practicable, as permissible by the relevant laws and regulations. Any interest, income derived and deferred underwriting commissions accrued in the escrow account will form part of the liquidation distribution.

(iii) The founding shareholders, the management team, and their associates must waive their right to participate in the liquidation distribution in respect of all equity securities owned or acquired by them prior to or pursuant to the IPO.

(iv) The underwriters of the IPO must waive their rights to any deferred underwriting commissions deposited in the escrow account in the event the issuer liquidates prior to completion of a business combination.

**Delisting**

(o) If the issuer fails to (i) complete a business combination within the permitted time frame in accordance with Rule 210(11)(m)(i); or (ii) obtain specific shareholders' approval in accordance with Rule 210(11)(m)(ii), the Exchange will delist the issuer's securities on or about the date on which the liquidation distribution is completed.

(p) The Exchange will consider whether the continued listing of the resulting issuer after completion of the business combination will be in the best interests of the Exchange and the public, and will have the discretion to suspend, direct the commencement of the liquidation distribution in accordance with Rules 210(11)(n)(ii) to (iv) and delist the issuer's securities prior to completion of the business combination.

For the avoidance of doubt, a SPAC seeking listing of its equity securities on the SGX Mainboard must satisfy Rules 210(5), 210(7), 211A, 215, 216, 218, 219, 221, 223 to 224, 230 to 234, 239 to 240 and 242 to 250.

**Part X Listing Procedures**

**Contents of Application**

**246**

(5) (a) Declaration by each of the applicant's (and where applicable REIT manager's or trustee-manager's) director, executive officer, founding shareholder (in the case of a SPAC listing applicant), controlling shareholder, controlling unitholder (where applicable), and officer occupying a managerial position and above who is a relative of such director, founding shareholder (in the case of a SPAC listing applicant), controlling shareholder or controlling unitholder (where applicable), in the form set out in paragraph 8, Part 7 of the Fifth Schedule, Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, as amended from time to time. This rule is not applicable to an application for a secondary listing.

(6) Resumes and particulars of each of the applicant's (and where applicable REIT manager's or trustee-manager's) director, executive officer, founding shareholder (in the case of a SPAC listing applicant), controlling shareholder and controlling unitholder (where applicable), and if the founding shareholder (in the case of a SPAC listing applicant), controlling shareholder or controlling unitholder (where applicable) is a company or partnership, resumes and particulars of each of its director, executive officer, controlling shareholder and partner. In the case where such entity is listed on a stock exchange and the relevant information relating to each relevant person is publicly available, this requirement is not applicable, but the issue manager must inform the Exchange of any material changes.

(15) For an issuer seeking to list as a SPAC, the escrow agreement governing the escrowed funds.

**Documents to be Submitted After Approval In-Principle and Before the Prospectus, Offering Memorandum or Introductory Document is Issued~~.~~**

**248**

As soon as practicable after the company receives approval in-principle for listing from the Exchange but in any event not later than the date of issue of the prospectus, offering memorandum or introductory document, the following must be submitted: -

(9) Copies of the letters of consent to act from directors, valuers, solicitors, issue managers, registrars and other professional firms, if applicable; ~~and~~

(10) The required number of copies of the prospectus, offering memorandum or introductory document~~.~~; and

(11) A signed copy of the escrow agreement, if any.

**Documents to be Submitted Before Trading Commences**

**250**

As soon as practicable before trading commences, or after the close of the offering, the following documents must be submitted:-

(3) Confirmation by the issue manager that Rule 210(1) ~~or Rule 211(1)~~, Rule 210(11)(c) and Rule 240 have been complied with;

**Chapter 6 Prospectus, Offering Memorandum and Introductory Document**

**Part I Scope of Chapter**

**601**

This Chapter sets out the requirements of a prospectus, offering memorandum and introductory document. Apart from complying with Part II of this Chapter, investment funds, life science companies, ~~and~~ mineral, oil and gas companies and special purpose acquisition companies must also comply with the requirements in Part III, Part IV, ~~and~~ Part V and Part VI respectively.

**Part II Content of Prospectus, Offering Memorandum and Introductory Document**

**608**

Where an issuer is seeking a primary listing by way of an introduction pursuant to Rule 235, or where an issuer is seeking a listing through a reverse takeover pursuant to Rule 1015 or where a SPAC is seeking shareholders' approval for a business combination, the introductory document or the shareholders' circular (as the case may be) must comply with the prospectus disclosure requirements in the SFA, with the necessary adaptations.

**Part VI Additional Requirements For SPACs**

**625**

Apart from complying with applicable law and Part II of this Chapter, a prospectus issued by a SPAC in connection with a listing on the Exchange, should contain the following additional information:

(1) Full disclosure of the issuer's structure and inherent risk factors;

(2) Acquisition mandate and conditions (including the target business sector, types of asset, or geographic area for the purposes of undertaking a business combination);

(3) Business strategy including selection criteria or factors of the business combination;

(4) A statement by the directors of the issuer that the issuer has not (a) entered into a written binding acquisition agreement; or (b) engaged in advanced negotiations with high certainty of entering into a written binding acquisition agreement, with respect to a potential business combination;

(5) Profile including the track record and repute of the founding shareholders and the management team (including investment, merger and acquisition and/or operating experience, and ability to create value for shareholders);

(6) Terms of (a) the initial investment in the issuer by; and (b) the benefits and/or rewards prior to or upon completion of the business combination that would be provided to, the founding shareholders, the management team, and their associates (including justification for any discounts to the initial investment, and value of the benefits and/or rewards, and commentary on the alignment of their interests with the interests of other shareholders);

(7) Prominent disclosure on the (a) impact of dilution to shareholders due to (i) there being less equity contribution from the founding shareholders, the management team, and their associates in respect of their equity interests and such other known dilutive factors or events; and (ii) the conversion of any warrants or other convertible securities issued by the issuer in connection with the IPO including the maximum percentage dilution limit established in accordance with Rule 210(11)(k) and the basis for the established limit; and (b) mitigating measures taken to minimize impact of dilution to shareholders;

(8) Nature of the permitted investment(s) made with the escrowed funds by the escrow agent, as well as any intended use of the interest or other proceeds earned on the escrowed funds from the permitted investment(s);

(9) Voting, redemption and liquidation rights of shareholders. This includes (a) basis of computation for pro rata entitlement in the event of a redemption of shares and liquidation of the issuer; (b) any threshold on the aggregate percentage of shares owned by shareholders who exercise their redemption rights beyond which the issuer will not proceed with the business combination, and the basis for the quantum set; and (c) the terms and procedures for the liquidation distribution upon failure to meet the permitted time frame to complete a business combination;

(10) The limit as to the maximum number of shares with respect to which an independent shareholder, together with any associates or persons acting jointly or in concert, may exercise a redemption right (if applicable);

(11) Pertinent terms of any arrangement or agreement with the founding shareholders and/or the management team. This includes the nature and extent of management compensation such as whether the directors and the executive officers will be entitled to any compensation prior to consummation of the business combination, and if so, the basis for such management compensation taking into account any equity interests given, and the estimated annual aggregate compensation to be paid to the directors and the executive officers prior to consummation of the business combination;

(12) Pertinent terms of any side voting arrangement or agreement respectively entered into by the SPAC and /or founding shareholders with other shareholders including the impact of such arrangement or agreement to shareholders;

(13) Potential conflicts of interests between the issuer and the founding shareholders, the directors and the management team, and their associates (including measures to address potential conflicts of interests where the issuer pursues a business combination target in which the aforementioned persons or entity have an interest in);

(14) Potential conflicts of interests a financial advisor and underwriters may have in providing additional services to the issuer such as identifying potential business combination targets, including description of the potential additional services, fees and commissions, and whether any commissions are conditional and deferred;

(15) With reference to Rule 210(11)(n)(i), in the event a material change occurs prior to completion of the business combination in relation to the profile of the founding shareholders and/or the management team which may be critical to the successful founding of the issuer and/or successful completion of the business combination, the issuer will seek a majority approval of at least 75% of the votes cast by independent shareholders at a general meeting to be convened;

(16) Valuation methodologies intended to be used in valuing the business combination, if known;

(17) Confirmation by the directors of the issuer that the issuer will not obtain any form of debt financing and provide financial assistance other than in accordance with Rules 210(11)(l)(ii) and (iii); and

(18) Information required in Rule 832 (where warrants or other convertible securities are issued by the issuer in connection with the IPO).

**626**

Apart from complying with applicable law and Part II of this Chapter, a shareholders' circular issued by a SPAC in connection with the business combination, should contain the additional information set out in Practice Note 6.4.

**Chapter 7 Continuing Obligations**

**Part XI SPACs – Continuing Listing Obligations**

**754**

While the issuer remains on the Official List of the SGX Mainboard, it must comply with the listing rules in Chapters 7 to 13, and the following additional requirements:

**Change of Acquisition Mandate**

(1) Any proposed change of acquisition mandate for the business combination must be approved by a majority of at least 75% of the votes cast by shareholders at a general meeting to be convened.

**Notification of Change in Information**

(2) The issuer must immediately announce via SGXNET:

(a) any material change to the information disclosed in the prospectus of the IPO including (i) any change of the escrow agent of its escrow account and change in the permitted investments; and (ii) any change in maximum percentage dilution limit established by the issuer under Rule 210(11)(k);

(b) upon becoming aware that it will not be able to complete its business combination within the permitted time frame, immediately announce this fact, and the reasons for the inability to complete;

(c) any material change described in Rule 210(11)(n)(i); and

(d) where a business combination is not completed or is rescinded by any party to the transaction due to any reason, (i) the reasons for the non-completion or recission of the transaction; (ii) the financial impact of the non-completion or recission on the issuer; and (iii) the possible course(s) of action to protect the interests of the shareholders of the issuer.

Notwithstanding this, the issuer must provide timely updates on the specific course of action including its progress and outcome.

**Business Combination**

(3) The issuer must provide quarterly updates of cash utilisation that meets the Exchange's requirements via SGXNET, including information set out in Practice Note 6.4.

(4) Where an application is submitted to the Exchange for an extension of time to complete the business combination under Rule 210(11)(m)(ii), the issuer must immediately announce the fact via SGXNET. The issuer must confirm the following in the announcement:

(a) there is no material adverse change to the financial position of the issuer since the date of prospectus issued in connection with its listing on the Exchange;

(b) the extension is permitted by and in accordance with all relevant laws and regulations governing the issuer in its place of constitution; and

(c) the issuer will provide quarterly updates to investors on its progress in meeting key milestones in completing the business combination via SGXNET.

(5) An issuer which has yet to complete a business combination is not permitted to undertake share buy-backs.

(6) The issuer must comply with the following for the business combination:

(a) Rules 211(A), 215, 216, 218, 219, 221 to 224, 229(A); and

(b) Rules 246(5)(a) and 246(6), with the necessary adaptations for the resulting issuer.

(7) Following completion of the business combination, the resulting issuer will be subject to (a) Rule 113(2), with the necessary adaptations; and (b) the continuing listing obligations in Chapters 7 to 13, and will no longer need to comply with the additional requirements under this rule.

**Chapter 8 Changes in Capital**

**Part XIII Share Buy-Back**

**Shareholder Approval**

**883A**

Rules 881 to 883 and 884 to 885 are not applicable to an issuer which purchases its own shares for the purpose of Rule 210(11)(m)(x) in paying a pro rata portion of the amount held in the escrow account to independent shareholders. The issuer must immediately cancel all the shares it purchased and make an announcement on the shares cancellation.

**Chapter 13 Trading Halt, Suspension and Delisting**

**Part IV Delisting**

**1305**

The Exchange may remove an issuer from its Official List (without the agreement of the issuer) if:-

(3) in the opinion of the Exchange, it is appropriate to do so; ~~or~~

(4) the issuer has no listed securities~~.~~; or

(5) in relation to an issuer listed as a SPAC, any of the circumstances set out under Rules 210(11)(o) and (p) occurs.

**1308**

(1) Rules 1307 and 1309 do not apply to a delisting pursuant to:-

(a) a voluntary liquidation; ~~or~~

(b) an offer under the Takeover Code provided that the offeror is exercising its right of compulsory acquisition~~.~~; or

(c) in relation to an issuer listed as a SPAC, any of the circumstances set out under Rules 210(11)(o) and (p).

**Chapter 14 Disciplinary and Appeals Procedures, and Enforcement Powers of the Exchange**

**Part II Types of Committees**

**Appeals Committee**

**1404**

(1) The Appeals Committee shall hear and decide appeals arising from:

(b) decisions of the Exchange relating to any of the following matters:

(viii) rejection of an application to exit from the watch-list under Rule 1314; ~~and~~

(ix) rejection of an application for extension of time to submit an application to exit from the watch-list under Rule 1315; and

(x) rejection of an application for extension of time to complete a business combination under Rule 210(11)(m)(ii).

**Practice Note 6.4**

**Requirements for Special Purpose Acquisition Companies**

| **Details** | **Cross References** |
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| Issue date: 2 September 2021<br><br>Effective date: 3 September 2021 | Listing Rule 210(11)(a)<br><br>Listing Rules 210(11)(i)(i) and (v)<br><br>Listing Rule 626<br><br>Listing Rule 754(3) |

## 1. Introduction

This Practice Note sets out guidance on the requirements for SPACs. Issuers should apply the principles outlined in the Practice Note flexibly and sensibly.

## 2. Guidance on Suitability Assessment Factors of a SPAC

2.1 The Exchange may, in its discretion, take into account any factor it considers relevant in assessing the suitability of a SPAC for listing. In exercising its discretion, the Exchange will consider factors including, but not limited to, the following:

(a) the profile including the track record and repute of the founding shareholders and experience and expertise of the management team of the issuer;

(b) the business objective and strategy of the issuer;

(c) the nature and extent of the management team's compensation;

(d) the extent and manner of the founding shareholders and the management team's securities participation in the issuer, including equity interests acquired by the founding shareholders, management team and their associates at nominal or no consideration prior to or at the IPO;

(e) the alignment of interests of the founding shareholders and the management team with the interest of other shareholders;

(f) the proportion of rewards to be enjoyed by the founding shareholders, the management team, and their associates;

(g) the amount of time permitted for completion of the business combination prior to the liquidation distribution;

(h) the dilutive features and events of the issuer, including those which may impact shareholders and whether there are any mitigants for such dilution;

(i) the percentage of amount held in the escrow account that must be represented by the fair market value of the business combination;

(j) the provisions in the Articles of Association and other constituent documents of the issuer (including comparability of shareholder protection and the liquidation rights with that of Singapore-incorporated companies, and whether the issuer will be subject to the Insolvency, Restructuring and Dissolution Act of Singapore ("IRDA") for liquidation procedures or the incorporation of such equivalent provisions of the IRDA);

(k) the intended use of IPO proceeds not placed in the escrow account;

(l) the escrow arrangements governing the funds in the escrow account; and

(m) such other factors as the Exchange believes are consistent with the goals of investor protection and the public interest.

2.2 The management team should have the appropriate experience and track record and demonstrate that it will be capable of identifying and evaluating acquisition targets and completing the business combination sustainably based on the business objective and strategy disclosed in the prospectus. The issue manager must demonstrate that the management team has the requisite collective experience and track record, which include having:

(a) sufficient and relevant technical and commercial experience and expertise;

(b) positive track record in relevant industry and business activities including (i) specific contribution to business growth and performance; (ii) ability to manage relevant business operations risks; and (iii) ability to identify and develop acquisition opportunities; and

(c) positive corporate governance and regulatory compliance history.

2.3 In demonstrating the suitability of a SPAC for listing, the issue manager must consider the SPAC proposal holistically and take into consideration factors including those set out in paragraphs 2.1 and 2.2 above.

## 3. Additional Requirements for Escrow Agreement

3.1 The escrow agreement provisions should include the following:

(a) the governing law is Singapore law;

(b) the obligation by the escrow agent to disclose any confidential or other information to the Exchange upon request;

(c) the obligation by the escrow agent to take appropriate measures to ensure proper safekeeping, custody and control of the funds held in the escrow account, including that proper accounting records and other related records as necessary are retained in relation to the escrow account; and

(d) where the escrow agent resigns or ceases to act for the issuer prior to the liquidation of the escrow account, the escrow agent is required to give three months' notice in writing to the Exchange if it wishes to resign, stating its reasons for resignation. The issuer is similarly required to give three months' notice in writing to the Exchange if it wishes to terminate the escrow agent's appointment, stating its reasons for termination. Any resignation or termination arrangement shall be carried out in compliance with Rule 210(11)(i)(iii).

## 4. Contents of Quarterly Updates via SGXNET

4.1 The SGXNET announcement update required under Rule 754(3) must include the following information:

(a) general description of the issuer's operating expenses and the total amounts spent;

(b) detailed description, analysis and discussion on the top 5 highest amount of operating expenses;

(c) a statement by the directors of the issuer on whether there is any circumstance that has affected or will affect the business and financial position of the issuer;

(d) commentary from the directors of the issuer on the direction of the business combination, including any change to the objective, strategy, status and capital of the issuer;

(e) in relation to the funds placed in the escrow account, the composition of the permitted investments, the issuer's investment strategy, market and credit risks for such investments; and

(f) brief explanation of the status of (i) utilisation of proceeds from IPO, compared with the disclosure of the intended use of proceeds in the prospectus, segregated between those placed in the escrow account from those which are not, including explanation for any material deviation in the use of proceeds; and (ii) utilisation of any interests and income derived from the amounts placed in the escrow account.

## 5. Event of Material Change prior to Business Combination

5.1 Examples of circumstances that may constitute an event of material change as described in Rule 210(11)(n)(i) includes:-

(a) a change in control of the founding shareholders; and

(b) resignation and/or replacement of key members of the management team (which are not due to natural cessation events).

The circumstances above are not intended to be exhaustive. In the event of any uncertainty, the issuer should consult and clarify with the Exchange as soon as possible. The Exchange retains discretion to determine a circumstance an event of material change.

## 6. Circumstances for Escrow Funds Draw Down

6.1 The issuer may draw down the amount placed in the escrow account prior to completion of a business combination in the following circumstances:

(a) upon election by a shareholder to have its shares redeemed by the issuer at the time of business combination vote and if the business combination is approved and completed within the permitted time frame;

(b) upon a liquidation of the issuer;

(c) solely in respect of the interest earned and income derived from the amount placed in the escrow account, such interest and income is permitted for draw down by the issuer as payment for administrative expenses incurred by the issuer in connection with the IPO, general working capital expenses and related expenses for the purposes of identifying and completing a business combination; and

(d) upon such other exceptional circumstances apart from those stipulated in (a) to (c).

The issuer must obtain (i) the Exchange's approval; and (ii) at least 75% of the votes cast by shareholders at a general meeting to be convened, for a draw down on the amount held in escrow account for the purposes of (d). For the purpose of voting on a draw down under (d), the founding shareholders, the management team, and their associates, are not permitted to vote with shares acquired at nominal or no consideration prior to or at the IPO of the issuer.

## 7. Additional Disclosure Requirements for Shareholders' Circular for the Business Combination

7.1

(a) Aggregate fair market value of the business combination in monetary terms and as a percentage of the amount held in the escrow account, net of any taxes payable (including basis of such value);

(b) The details of how the target business(es) or asset(s) was identified, evaluated and decided for business combination;

(c) A statement on whether the selection criteria or factors of the business combination are in line with those disclosed in the prospectus and relevant commentary on any variations from such selection criteria or factors, if any;

(d) The status of the utilisation of proceeds raised from the IPO, compared with the disclosure of the intended use of proceeds in the prospectus, segregated between those placed in the escrow account from those which are not, including explanation for any material deviation in the use of proceeds;

(e) Information required in Rules 1015(5)(a) and (b);

(f) Valuation methodologies (if applicable) used in valuing the business combination, and explanation if such methodologies is not in line with that disclosed in the prospectus of the IPO;

(g) The limit as to the maximum number of shares with respect to which an independent shareholder, together with any associates or persons acting jointly or in concert, may exercise a redemption right (if applicable);

(h) Where an independent valuer is not appointed, statements from the financial adviser and the directors of the issuer on why obtaining an independent valuation on the business combination is not necessary and the basis for forming such views;

(i) A responsibility statement by the founding shareholders and the directors of the issuer, the proposed directors of the resulting issuer, and the financial adviser, in the form set out in Practice Note 12.1;

(j) The details of any additional financing including issuance of securities and credit facility entered into, including the salient terms and proposed utilisation of funds;

(k) Voting, redemption and liquidation rights of shareholders in relation to the business combination. This includes:

  (i) basis of computation for pro rata entitlement in the event of a redemption of shares and liquidation of the issuer;

  (ii) any threshold on the aggregate percentage of shares owned by shareholders who exercise their redemption rights beyond which the issuer will not proceed with the business combination, and the basis for the quantum set;

  (iii) the process for those who elect to redeem their shares for cash and the timeframe for payment; and

  (iv) the terms and procedures for the liquidation distribution upon failure to meet the permitted time frame to complete a business combination;

(l) Prominent disclosure on dilutive impact to shareholders arising from known dilutive features and events including (i) additional financing obtained for the business combination and new issuance of securities; (ii) the conversion of any warrants or other convertible securities issued by the issuer in connection with the IPO including the maximum percentage dilution limit established in accordance with Rule 210(11)(k) and the basis for the established limit; and (iii) the aggregate equity interests in the issuer acquired by the founding shareholders, management team, and their associates at nominal or no consideration;

(m) Pertinent terms of any side voting arrangement or agreement respectively entered into by the SPAC and/or founding shareholders with other shareholders including the impact of such arrangement or agreement to shareholders;

(n) Potential conflicts of interests between the issuer and the founding shareholders, the directors and the management team, and their associates (including measures to address potential conflicts of interests where the issuer pursues a business combination target in which the aforementioned persons or entity have an interest in);

(o) Potential conflicts of interests a financial adviser and underwriters may have in providing additional services to the issuer such as identifying potential business combination targets, including description of the additional services, fees and commissions, and whether any commissions were conditional and deferred;

(p) The details of any benefits and compensation received by the founding shareholders, the directors and the management team, and their associates arising from the completion of the business combination; and

(q) The details of the ownership interest in and continuing relationship of the founding shareholders, the directors and the management team, and their associates with the resulting issuer.