

Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please reply to the questions below on the proposed safeguards discussed in the [Consultation Paper](#).

Question 1

Do you agree that the subscription and trading of SPAC securities prior to a De-SPAC Transaction should be limited to Professional Investors only (see paragraph 149 of the Consultation Paper)?

☒ Yes

☐ No

Please give reasons for your views.

Retail investors do not typically have access to funds and products managed by typical SPAC Promoters. The same protection should be afforded in the case of SPACs, which do not carry on any substantive business and require assessment of the Promoter/Investment Manager themselves. However, depending on the rigour and track record of SPAC Promoters under the HKEX regime, the Exchange should be prepared to introduce amendments, that for example, permit SPACs meeting certain requirements (Promoters' previous track records, capitalization, etc) being marketed to retail investors.

Question 2

Do you agree with the measures proposed in paragraphs 151 to 159 of the Consultation Paper to ensure SPAC's securities are not marketed to and traded by the public in Hong Kong (excluding Professional Investors)?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 3a

Do you consider it appropriate for SPAC Shares and SPAC Warrants to be permitted to trade separately from the date of initial listing to a De-SPAC Transaction?

☐ Yes

☒ No

Please give reasons for your views.

We note that decoupling of shares and warrants is not a necessary feature of SPACs and would not be prohibitive for the existence of SPACs. It appears that in US market SPACs, the decoupling of shares and warrants has created conflicts of interest and apparently false markets in pre De-SPAC SPACs.

Question 3b

As your answer to question 3a is “No”, do you have any alternative suggestions?

☐ Yes

☐ No

Please set out any alternative suggestions below.

Click or tap here to enter text.

Question 4a

Would either Option 1 (as set out in paragraph 170 of the Consultation Paper) or Option 2 as set out in paragraph 171 to 174 of the Consultation Paper) be adequate to mitigate the risks of extraordinary volatility in SPAC Warrants and a disorderly market?

- ☒ Option 1
- ☐ Option 2
- ☐ A different option

Please give reasons for your views. Please provide further technical details if you suggest a different option.

Consistent with our view in Question 3a, we believe the Exchange should seek to limit the decoupling of Warrants, rather than seek to solve the speculative trading issues caused by them.

Question 4b

Do you have any other suggestions to address the risks regarding trading arrangements we set out in the Consultation Paper?

- ☐ Yes
- ☒ No

Please give any suggestions below:

Click or tap here to enter text.

Question 5

Do you agree that, at its initial offering, a SPAC must distribute each of SPAC Shares and SPAC Warrants to a minimum of 75 Professional Investors in total (of either type) of which 30 must be Institutional Professional Investors?

- ☐ Yes
☒ No

Please give reasons for your views.

We believe threshold should be lower, as the implied average ticket size for any PI in a minimum SPAC (1Bn HKD) is currently 13.3m HKD. We expect this to be prohibitively low for a large number of potential PIs.

Question 6

Do you agree that, at its initial offering, a SPAC must distribute at least 75% of each SPAC Shares and SPAC Warrants to Institutional Professional Investors?

- ☐ Yes
☒ No

Please give reasons for your views.

We believe the threshold should be lower to permit more PI participation from non-institutional investors.

Question 7

Do you agree that not more than 50% of the securities in public hands at the time of a SPAC's listing should be beneficially owned by the three largest public shareholders?

☒ Yes

☐ No

Please give reasons for your views.

The Exchange may consider an alternative framing, e.g. no individual shareholder may hold more than 15%; or the largest 2 shareholders may not hold more than 25%. The current wording is unlikely to ever be triggered.

Question 8

Do you agree that at least 25% of the SPAC's total number of issued shares and at least 25% of the SPAC's total number of issued warrants must be held by the public at listing and on an ongoing basis?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 9a

Do you agree that the shareholder distribution proposals set out in paragraphs 181 and 182 of the Consultation Paper will provide sufficient liquidity to ensure an open market in the securities of a SPAC prior to completion of a De-SPAC Transaction?

- ☒ Yes
☐ No

Please give reasons for your views.

We agree the Exchange's proposal is likely to provide sufficient liquidity to ensure an open market. We also note that the proposal in our responses to Question 5-8 is also likely to provide sufficient liquidity.

Question 9b

Are there other measures that the Exchange should use to help ensure an open and liquid market in SPAC securities?

- ☐ Yes
☒ No

Please set out any suggestions for other measures below.

We note that the Exchange should not be overly concerned with creating an open and liquid market in SPAC securities – rather it should facilitate De-SPAC transactions that result in a Successor Company with liquid securities.

Question 10

Do you agree that, due to the imposition of restricted marketing, a SPAC should not have to meet the requirements set out in paragraph 184 of the Consultation Paper regarding public interest, transferability (save for transferability between Professional Investors) and allocation to the public?

☒ Yes

☐ No

Please give reasons for your views.

Optically, are these preemptive waivers desirable from the HKEX's perspective? On a case by case basis, certain limbs may yet be satisfied.

Question 11

Do you agree that SPACs should be required to issue their SPAC Shares at an issue price of HK\$10 or above?

☒ Yes

☐ No

Please give reasons for your views.

Agree. Conducive for orderly market.

Question 12

Do you agree that the funds expected to be raised by a SPAC from its initial offering must be at least HK\$1 billion?

☒ Yes

☐ No

Please give reasons for your views.

Agree. Ensures quality Promoters and assures that SPACs can remain a viable alternative to companies considering raising capital through a listing/De-SPAC.

Question 13

Do you agree with the application of existing requirements relating to warrants with the proposed modifications set out in paragraph 202 of the Consultation Paper?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 14

Do you agree that Promoter Warrants and SPAC Warrants should be exercisable only after the completion of a De-SPAC Transaction?

☒ Yes

☐ No

Please give reasons for your views.

Agree. At the time of Issuance and prior to a De-SPAC transaction, SPAC/Promoter Warrants are theoretically based at least in part on inside information (i.e. Sponsor's knowledge of their own ability to source and close a desirable deal). Allowing for the exercise of warrants before a De-SPAC permits additional speculation which is unnecessary.

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Question 15a

Do you agree that a SPAC must not issue Promoter Warrants at less than fair value?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 15b

Do you agree that a SPAC must not issue Promoter Warrants that contain more favourable terms than that of SPAC Warrants?

☒ Yes

☐ No

Please give reasons for your views.

The commercial intention of Promoter Warrants is to solve for upfront expense investment of the Promoter. Any 'value gap' can be bridged by issuing an alternative number of Promoter Warrants, rather than by varying their terms to be more favourable than SPAC Warrants. Fungibility of Warrants would also be easier to regulate.

Question 16

Do you agree that the Exchange must be satisfied as to the character, experience and integrity of a SPAC Promoter and that each SPAC Promoter should be capable of meeting a standard of competence commensurate with their position?

☒ Yes

☐ No

Please give reasons for your views.

Agree. We believe the disorderly market in US SPACs is at least partially driven by Promoters that do not adhere to the same standards of integrity and competence that

would be required in Hong Kong. It is beneficial to all market participants for the Exchange to rigorously examine the experience and integrity of SPAC Promoters.

Question 17a

Do you agree that the Exchange should publish guidance setting out the information that a SPAC should provide to the Exchange on each of its SPAC Promoter's character, experience and integrity (and disclose this information in the Listing Document it publishes for its initial offering), including the information set out in Box 1 of the Consultation Paper?

☒ Yes

☐ No

Please give reasons for your views.

We query whether the disclosure of SPAC Promoter Experience would assist investors in making a determination of the SPAC Promoter's background and suitability given limited track record of many SPAC Promoters. This should be a voluntary disclosure except where the SPAC Promoter has promoted [2] or more SPACs, or has over [2] years of experience Promoting SPACs.

Question 17b

Is there additional information that should be provided or information that should not be required regarding each SPAC Promoter's character, experience and integrity?

☒ Yes

☐ No

Please provide the details of any such information below.

We regard SPAC Promote terms and dealing with affiliates as an important data point for assessing the quality of a SPAC Promoter. Disclosure of promote sharing, side letters, forward purchase agreements in past and present SPACs should also be required.

Question 18

Do you agree that the Exchange, for the purpose of determining the suitability of a SPAC Promoter, should view favourably those that meet the criteria set out in paragraph 216 of the Consultation Paper?

☒ Yes

☐ No

Please give reasons for your views.

We do not believe that “managing assets with an average collective value of at least HK\$8 billion” is specific enough and the threshold may not be sufficiently high. We also do not believe holding a senior executive position at an Issuer is likely to afford any materially relevant experience or expertise to Promoting SPACs. Therefore, we propose that the Exchange should “view favourably” only those SPAC Promoters that have held senior executive positions in “collective investment schemes” managing not less than HK\$20Bn of assets for the past 3 financial years.

Question 19a

Do you agree that at least one SPAC Promoter must be a firm that holds a Type 6 (advising on corporate finance) and/or a Type 9 (asset management) license issued by the SFC?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 19b

Do you agree that the SFC licensed SPAC Promoter must hold at least 10% of the Promoter Shares?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 20a

Do you agree that, in the event of a material change in the SPAC Promoter or the suitability and/or eligibility of a SPAC Promoter, such a material change must be approved by a special resolution of shareholders at a general meeting (on which the SPAC Promoters and their respective close associates must abstain from voting)?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 20b

Should the trading of a SPAC's securities be suspended and the SPAC return the funds it raised from its initial offering to its shareholders, liquidate and de-list (in accordance with the process set out in paragraphs 435 and 436 of the Consultation Paper) if it fails to obtain the requisite shareholder approval within one month of the material change?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 21

Do you agree that the majority of directors on the board of a SPAC must be officers (as defined under the SFO) of the SPAC Promoters (both licensed and non-licensed) representing the respective SPAC Promoters who nominate them?

☒ Yes

☐ No

Please give reasons for your views.

We query whether this could be worded without a majority requirement e.g. “Each SPAC Promoter must nominate at least one Director (who must also be an officer)”

Question 22

Do you agree that 100% of the gross proceeds of a SPAC’s initial offering must be held in a ring-fenced trust account located in Hong Kong?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 23

Do you agree that the trust account must be operated by a trustee/custodian whose qualifications and obligations should be consistent with the requirements set out in Chapter 4 of the Code on Unit Trusts and Mutual Funds?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 24

Do you agree that the gross proceeds of the SPAC's initial offering must be held in the form of cash or cash equivalents such as bank deposits or short-term securities issued by governments with a minimum credit rating of (a) A-1 by S&P; (b) P-1 by Moody's Investors Service; (c) F1 by Fitch Ratings; or (d) an equivalent rating by a credit rating agency acceptable to the Exchange?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 25

Do you agree that the gross proceeds of the SPAC's initial offering held in trust (including interest accrued on those funds) must not be released other than in the circumstances described in paragraph 231 of the Consultation Paper?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 26

Do you agree that only the SPAC Promoter should be able to beneficially hold Promoter Shares and Promoter Warrants at listing and thereafter?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 27

Do you agree with the restrictions on the listing and transfer of Promoter Shares and Promoter Warrants set out in paragraphs 241 to 242 of the Consultation Paper?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 28

Do you agree with our proposal to prohibit a SPAC Promoter (including its directors and employees), SPAC directors and SPAC employees, and their respective close associates, from dealing in the SPAC's securities prior to the completion of a De-SPAC Transaction?

☒ Yes

☐ No

Please give reasons for your views.

Yes. Also see our response to Question 14.

Question 29

Do you agree that the Exchange should apply its existing trading halt and suspension policy to SPACs (see paragraphs 249 to 251 of the Consultation Paper)?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 30

Do you agree that the Exchange should apply new listing requirements to a De-SPAC Transaction as set out in paragraphs 259 to 281 of the Consultation Paper?

☐ Yes

☒ No

Please give reasons for your views.

We believe the imposition of the IPO Sponsor requirement, as set out in paragraphs 265-270, will be prohibitive to De-SPAC transactions and dissuade market participants from engaging in SPACs altogether. Ideal De-SPAC candidates are high growth companies that are difficult to diligence and therefore require the expertise of a SPAC Promoter to articulate the company's business plan, assist its development, and facilitate access to capital markets. As a prospective SPAC Promoter, we have yet to encounter any prospective IPO Sponsor that can assure us of their ability to complete Sponsor work on such targets we have described within an agreeable timeframe and fee cap. At the very least, the Exchange should waive the requirement for the IPO Sponsor to be engaged 2 months prior, or to make any declarations or be held liable for the work done in connection with a De-SPAC transaction. In effect, we are proposing that a quasi-independent fairness opinion be provided in lieu of IPO Sponsor declaration. We agree that suitability and eligibility requirements can remain as per the Consultation Paper. Separately, we note the Exchange's belief that there are numerous prospective listing candidates that would consider a "dual-track" involving De-SPAC. Respectfully, we must disagree. We believe the vast majority of prospective IPO candidates are not high growth companies or companies with unique cash flow profiles, and are therefore unlikely to seriously consider a De-SPAC alternative. In limit cases where a "dual-track" is explored, the listing candidate is also more likely to choose a US SPAC if the HKEX regime were to

include a Sponsor requirement. The burden of finding a De-SPAC candidate will rest on the SPAC Promoter's proprietary sourcing ability in most cases (and certainly would be seen in successful De-SPAC transactions). We urge the Exchange to reconsider this position.

Question 31

Do you agree that investment companies (as defined by Chapter 21 of the Listing Rules) should not be eligible De-SPAC Targets?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 32

Do you agree that the fair market value of a De-SPAC Target should represent at least 80% of all the funds raised by the SPAC from its initial offering (prior to any redemptions)?

☐ Yes

☒ No

Please give reasons for your views.

We note this requirement (and several others that follow) will be moot in most De-SPAC transactions. The Exchange may consider whether this requirement is necessary to impose and those that do not meet it are likely to already fail on other requirements.

Question 33

Should the Exchange impose a requirement on the amount of funds raised by a SPAC (funds raised from the SPAC's initial offering plus PIPE investments, less redemptions) that the SPAC must use for the purposes of a De-SPAC Transaction?

☐ Yes

☒ No

Please give reasons for your views.

We do not believe this is necessary in practice.

Question 34

Should a SPAC be required to use at least 80% of the net proceeds it raises (i.e. funds raised from the SPAC's initial offering plus PIPE investments, less redemptions) to fund a De-SPAC Transaction?

☐ Yes

☒ No

Please give reasons for your views.

We do not believe this is necessary in practice.

Question 35

Do you agree that the Exchange should mandate that a SPAC obtain funds from outside independent PIPE investors for the purpose of completing a De-SPAC Transaction?

☐ Yes

☒ No

Please give reasons for your views.

We believe the requirement for a PIPE and independent FA is unnecessary. The Exchange has noted concerns over fair valuation being negotiated between SPAC Promoters and De-SPAC targets. The Exchange is likely also aware that the SPAC Promoter is properly incentivized to negotiate a fair valuation given their interest in the market price of the Successor Company. We propose that the Exchange satisfy itself that the appropriate SPAC Promoters are being vetted so that it need not be concerned over potential malfeasance in De-SPAC negotiations. Alternatively, the Exchange should apply the PIPE requirement only in limited circumstances e.g. SPAC is less than HK\$1.5Bn, or post-De-SPAC market capitalization is relatively low.

Question 36

Do you agree that the Exchange should mandate that this outside independent PIPE investment must constitute at least 25% of the expected market capitalisation of the Successor Company with a lower percentage of between 15% and 25% being acceptable if the Successor Company is expected to have a market capitalisation at listing of over HK\$1.5 billion?

☐ Yes

☒ No

Please give reasons for your views.

Click or tap here to enter text.

Question 37

Do you agree that at least one independent PIPE investor in a De-SPAC Transaction must be an asset management firm with assets under management of at least HK\$1 billion or a fund of a fund size of at least HK\$1 billion and that its investment must result in it beneficially owning at least 5% of the issued shares of the Successor Company as at the date of the Successor Company's listing?

☐ Yes

☒ No

Please give reasons for your views.

Click or tap here to enter text.

Question 38

Do you agree with the application of IFA requirements to determine the independence of outside PIPE investors?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 39

Do you prefer that the Exchange impose a cap on the maximum dilution possible from the conversion of Promoter Shares or exercise of warrants issued by a SPAC?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 40

Do you agree with the anti-dilution mechanisms proposed in paragraph 311 of the Consultation Paper?

☒ Yes

☐ No

Please give reasons for your views.

While we support the Exchange's current framework to deal with Warrant dilution, we query whether the exchange could more elegantly address the matter from a De-SPAC redemption perspective, i.e. the Promoter's Warrants could be cancelled in the proportion of the redemption vote.

Question 41

Do you agree that the Exchange should be willing to accept requests from a SPAC to issue additional Promoter Shares if the conditions set out in paragraph 312 of the Consultation Paper are met?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 42

Do you agree that any anti-dilution rights granted to a SPAC Promoter should not result in them holding more than the number of Promoter Shares that they held at the time of the SPAC's initial offering?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 43

Do you agree that a De-SPAC Transaction must be made conditional on approval by the SPAC's shareholders at a general meeting as set out in paragraph 320 of the Consultation Paper?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 44

Do you agree that a shareholder and its close associates must abstain from voting at the relevant general meeting on the relevant resolution(s) to approve a De-SPAC Transaction if such a shareholder has a material interest in the transaction as set out in paragraph 321 of the Consultation Paper?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 45

Do you agree that the terms of any outside investment obtained for the purpose of completing a De-SPAC Transaction must be included in the relevant resolution(s) that are the subject of the shareholders vote at the general meeting?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 46

Do you agree that the Exchange should apply its connected transaction Rules (including the additional requirements set out in paragraph 334) to De-SPAC Transactions involving targets connected to the SPAC; the SPAC Promoter; the SPAC's trustee/custodian; any of the SPAC directors; or an associate of any of these parties as set out in paragraphs 327 to 334 of the Consultation Paper?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 47

Do you agree that SPAC shareholders should only be able to redeem SPAC Shares they vote against one of the matters set out in paragraph 352 of the Consultation Paper?

☒ Yes

☐ No

Please give reasons for your views.

We verily agree with the Exchange's position in paragraphs 340 to 341. We also note that this position is a key differentiating factor for the HK SPAC framework and should be perceived favourably by genuine market participants both from a Promoter, investor and Target company perspective.

Question 48

Do you agree a SPAC should be required to provide holders of its shares with the opportunity to elect to redeem all or part of the shares they hold (for full compensation of the price at which such shares were issued at the SPAC's initial offering plus accrued interest) in the three scenarios set out in paragraph 352 of the Consultation Paper?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 49

Do you agree a SPAC should be prohibited from limiting the amount of shares a SPAC shareholder (alone or together with their close associates) may redeem?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 50

Do you agree with the proposed redemption procedure described in paragraphs 355 to 362 of the Consultation Paper?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 51

Do you agree that SPACs should be required to comply with existing requirements with regards to forward looking statements (see paragraphs 371 and 372 of the Consultation Paper) included in a Listing Document produced for a De-SPAC Transaction?

- ☐ Yes
☒ No

Please give reasons for your views.

As stated in our response to Question 30, De-SPAC targets are typically high growth companies or those with irregular cash flow profiles. Forward looking statements that go beyond a typical horizon of 1-2 years are required to properly assess the prospects of the business. The SPAC Promoter will certainly consider these aspects of the proposed De-SPAC. If the Exchange requires compliance with existing listing rules regarding forward looking statements, it would be forcing SPAC Promoters and Successor Companies to omit material information in relation to the De-SPAC.

Question 52

Do you agree that a Successor Company must ensure that its shares are held by at least 100 shareholders (rather than the 300 shareholders normally required) to ensure an adequate spread of holders in its shares?

- ☒ Yes
☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 53

Do you agree that the Successor Company must meet the current requirements that (a) at least 25% of its total number of issued shares are at all times held by the public and (b) not more than 50% of its securities in public hands are beneficially owned by the three largest public shareholders, as at the date of the Successor Company's listing?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 54

Are the shareholder distribution proposals set out in paragraphs 380 and 382 of the Consultation Paper sufficient to ensure an open market in the securities of a Successor Company or are there other measures that the Exchange should use to help ensure an open market?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 55

Do you agree that SPAC Promoters should be subject to a restriction on the disposal of their holdings in the Successor Company after the completion of a De-SPAC Transaction?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 56a

Do you agree that the Exchange should impose a lock-up on disposals, by the SPAC Promoter, of its holdings in the Successor Company during the period ending 12 months from the date of the completion of a De-SPAC Transaction?

☒ Yes

☐ No

Please give reasons for your views.

The SPAC Promoters are de facto controlling shareholders, as are any Successor Company shareholders that prior to the De-SPAC were controlling shareholders. As a result, both parties should be subject to a lockup of 6+6 months.

Question 56b

Do you agree that Promoter Warrants should not be exercisable during the period ending 12 months from the date of the completion of a De-SPAC Transaction?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 57

Do you agree that the controlling shareholders of a Successor Company should be subject to a restriction on the disposal of their shareholdings in the Successor Company after the De-SPAC Transaction?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 58

Do you agree that these restrictions should follow the current requirements of the Listing Rules on the disposal of shares by controlling shareholders following a new listing (see paragraph 394 of the Consultation Paper)?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 59

Do you agree that the Takeovers Code should apply to a SPAC prior to the completion of a De-SPAC Transaction?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 60

Do you agree that the Takeovers Executive should normally waive the application of Rule 26.1 of the Takeovers Code in relation to a De-SPAC Transaction, the completion of which would result in the owner of the De-SPAC Target obtaining 30% or more of the voting rights in a Successor Company, subject to the exceptions and conditions set out in paragraphs 411 to 415 of the Consultation Paper?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 61

Do you agree that the Exchange should set a time limit of 24 months for the publication of a De-SPAC Announcement and 36 months for the completion of a De-SPAC Transaction (see paragraph 423 of the Consultation Paper)?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 62

Do you agree that the Exchange should suspend a SPAC's listing if it fails to meet either the De-SPAC Announcement Deadline or the De-SPAC Transaction Deadline (see paragraphs 424 and 425 of the Consultation Paper)?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 63

Do you agree that a SPAC should be able to make a request to the Exchange for an extension of either a De-SPAC Announcement Deadline or a De-SPAC Transaction Deadline if it has obtained the approval of its shareholders for the extension at a general meeting (on which the SPAC Promoters and their respective close associates must abstain from voting) (see paragraphs 426 and 427 of the Consultation Paper)?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 64

Do you agree that, if a SPAC fails to (a) announce / complete a De-SPAC Transaction within the applicable deadlines (including any extensions granted to those deadlines) (see paragraphs 423 to 428 of the Consultation Paper); or (b) obtain the requisite shareholder approval for a material change in SPAC Promoters (see paragraphs 218 and 219 of the Consultation Paper) within one month of the material change, the Exchange will suspend the trading of a SPAC's shares and the SPAC must, within one month of such suspension return to its shareholders (excluding holders of the Promoter Shares) 100% of the funds it raised from its initial offering, on a pro rata basis, plus accrued interest?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 65

Do you agree that (a) a SPAC must liquidate after returning its funds to its shareholders and (b) the Exchange should automatically cancel the listing of a SPAC upon completion of its liquidation?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 66

Do you agree that SPACs, due to their nature, should be exempt from the requirements set out in paragraph 437 of the Consultation Paper?

☒ Yes

☐ No

Please give reasons for your views.

Click or tap here to enter text.

Question 67

Do you agree with our proposal to require that a listing application for or on behalf of a SPAC be submitted no earlier than one month (rather than two months ordinarily required) after the date of the IPO Sponsor's formal appointment?

- ☐ Yes
☒ No

Please give reasons for your views.

As with our response to Question 30, we urge the Exchange to reconsider it's position on whether an IPO Sponsor is at all required in the SPAC regime.

Question 68

Should the Exchange exempt SPACs from any Listing Rule disclosure requirement prior to a De-SPAC Transaction, or modify those requirements for SPACs, on the basis that the SPAC does not have any business operations during that period?

- ☒ Yes
☐ No

Please give reasons for your views.

Click or tap here to enter text.

- End -