



SPACs in Singapore

Striking the right balance between risk
and opportunities

forv/s
mazars



Contents

- 4** Foreword
- 5** Executive overview
- 6** Why SPAC in Singapore
- 7** Key benefits
- 8** Key risks / challenges
- 10** How Forvis Mazars supports
- 11** About Forvis Mazars

Foreword

“Singapore has remained at the forefront of global capital markets with its established SPAC framework. Today, as market conditions evolve, SPACs continue to present a viable pathway for companies seeking access to public capital. With the increased scrutiny and complexity, strong governance, thorough due diligence and a clear strategic intent are needed for a successful SPAC transaction.

At Forvis Mazars in Singapore, our advisory and capital markets experts have the regulatory knowledge and technical expertise to enhance your organisation’s abilities as you embark on your SPAC efforts. As the capital markets landscape continues to shift, companies who approach SPACs with clarity and foresight will be the best positioned to unlock long-term value.”



Rick Chan

Managing Partner, Singapore
Head of Audit & Assurance APAC
Member of the Group Governing Board





Executive overview

Special Purpose Acquisition Companies (SPACs) have re-emerged as an alternative route to the public capital markets, offering companies a potential pathway to listing outside of the traditional IPO process. Globally, SPAC activity has gained significant traction in recent years, with more than 900 SPACs going public since 2021, raising over US\$300 billion. While much of this activity has been concentrated in the US, other markets, including Singapore, have introduced regulatory frameworks to support and govern SPAC listings.

On 2 September 2021, the Singapore Exchange (SGX) introduced a SPAC framework, making Singapore the first major financial centre in Asia to establish a formal regime for SPAC listings. This reinforces Singapore's continued position at the forefront of global capital markets innovation, supported by a strong regulatory environment and an emphasis on investor protection.

A SPAC is a “blank cheque company” established for the purpose of raising capital to acquire or merge with an operating business. Once listed, the SPAC is given a defined timeframe to identify and complete a business combination, failing which funds are returned to investors.

While SPACs can provide a faster and more flexible route to market compared to traditional IPOs, they also come with distinct challenges. These include compressed deal timelines, valuation uncertainties, regulatory and governance requirements, and potential cost implications relative to a conventional listing.

As market conditions continue to evolve, SPACs remain a viable option for companies seeking access to public capital. However, successful outcomes depend on clear strategic intent, disciplined execution, and robust governance. Organisations that approach SPAC transactions with a thorough understanding of both the opportunities and risks will be better positioned to unlock long-term value.

Why SPAC in Singapore

SPACs have traditionally been a US-led capital markets innovation, but Singapore has emerged as a credible and well-regulated hub in Asia for SPAC listings. Since 2021, more than 900 SPACs have gone public globally, raising over US\$300 billion, with activity predominantly in the US. In Europe, there have been over 35 listings with a total value of almost US\$8 billion.

On 2 September 2021, the Singapore Exchange (SGX) introduced a dedicated regulatory framework for SPAC listings following extensive consultation with over 80 stakeholders. Singapore thus became the first Asian financial hub to establish a comprehensive SPAC regime, reinforcing its position at the forefront of global capital markets developments.

The SGX SPAC framework is designed to strike a balance between market attractiveness and investor protection. In Singapore, SPAC listings are subject to clearly defined requirements, including:

- A minimum market capitalisation of S\$150 million
- A defined timeline for de-SPAC transactions within 24 months, with a potential extension of up to 12 months subject to prescribed conditions
- Moratorium requirements on sponsors' shares from IPO through de-SPAC, followed by post-combination lock-up periods
- Mandatory alignment of sponsor interests through minimum subscription to IPO securities
- Shareholder and independent board approval for de-SPAC transactions
- Redemption rights for independent shareholders
- Limits on dilution arising from warrants and sponsor promote structures

These features underscore Singapore's emphasis on governance, transparency and investor safeguards, providing greater confidence to both issuers and investors.

In addition, Singapore's position as a leading financial centre in Asia offers access to a deep pool of capital, strong regulatory oversight and connectivity to regional growth markets. This makes it an attractive jurisdiction for companies considering alternative routes to public listing, particularly those seeking a pathway that combines speed to market with robust regulatory discipline.

As market conditions continue to evolve, Singapore's SPAC framework provides a viable and structured route for companies to access public capital, while ensuring that transactions are supported by strong governance and clear strategic intent.

Key benefits

SPACs offer an alternative pathway to public markets, providing companies with access to capital and greater flexibility compared to a traditional IPO process. When structured and executed effectively, they can deliver several potential advantages.

Access to significant capital

SPACs enable companies to raise substantial capital through the public markets, supporting growth, acquisitions or strategic expansion initiatives. This can provide immediate funding certainty once a suitable business combination is completed.

Accelerated route to public listing

Compared to a conventional IPO, SPAC transactions can offer a more streamlined pathway to becoming a listed entity. The process allows companies to partner with an already-listed SPAC, potentially reducing time to market and providing greater deal certainty.

Experienced sponsors and deal expertise

SPACs are typically formed by sponsors with strong expertise in management and deal advisory. Their experience and network can support the identification of suitable target companies and help guide the transaction through to completion.

Flexibility in structuring transactions

The SPAC structure allows greater flexibility in negotiating deal terms, including valuation discussions and transaction structure, particularly during the de-SPAC phase. This can be beneficial for companies seeking tailored solutions aligned with their strategic objectives.

Opportunity for value creation

For companies with strong growth potential, SPAC transactions can provide access to public capital while enabling participation in future upside. In some cases, this may lead to meaningful value creation following the business combination and listing.

While these benefits can be attractive, they must be carefully weighed against the associated risks and complexities, with a clear strategic rationale underpinning any decision to pursue a SPAC transaction.

Key risks / challenges

While SPACs present an alternative route to the public markets, they also introduce a distinct set of risks and complexities. Companies considering a SPAC transaction should carefully assess these challenges to make informed decisions.

Condensed timeframe

SPACs raise capital without a pre-identified target, with sponsors typically required to complete a business combination within 24 months, subject to extension under prescribed conditions. This compressed timeline can create pressure to identify and acquire suitable target companies, particularly in competitive environments with limited viable opportunities.

Valuation uncertainty

Determining appropriate valuations for target companies can be challenging. Private companies are not obligated to report earnings and may face underlying financial or cash flow issues. Inaccurate assessment of financial prospects and risks can lead to pricing issues and adverse post-transaction performance.

SPAC readiness and regulatory requirements

SPAC transactions require companies to meet extensive regulatory, accounting and financial reporting requirements within a relatively short timeframe. This includes preparing business combination agreements, undergoing rigorous due diligence and ensuring that internal systems and processes are aligned with public company standards.

Costs and dilution

SPAC transactions may, in some cases, be more costly than a traditional IPO. Sponsors typically acquire founder shares and warrants at a nominal price, which can convert into a significant ownership stake following the business combination. Combined with warrant structures, this can result in meaningful dilution for existing shareholders and a higher overall economic cost.

Understanding these risks and structuring the transaction appropriately are critical to achieving a successful outcome, particularly in an environment of increased scrutiny and evolving regulatory expectations.



“Understanding the key potential risks involved in a SPAC exercise and receiving the proper advice is paramount to success. Failure to properly structure the transaction can trigger significant regulatory implications for Founders, Sponsors, Target companies and its shareholders, and the SPAC and its shareholders. SPACs have been reshaping our capital markets in Singapore. It is essential for companies to look before they leap into this emerging market trend to ensure a safe and rewarding public listing journey.”



Chee Keong Ooi
Partner, Singapore
Head of Capital Markets

How Forvis Mazars supports

The complexities involved in a SPAC transaction require a multi-disciplinary approach, combining technical expertise, regulatory knowledge and practical deal experience. At Forvis Mazars, our capital markets and advisory teams work alongside organisations throughout the SPAC journey, providing support at every stage of the transaction.

Assessing feasibility and readiness

A SPAC transaction represents a significant milestone for any organisation. We work with you to assess your readiness for a public listing, including evaluating your business model, financial performance and organisational preparedness to operate as a listed company. Advising on transaction strategy and structure From early-stage planning through to execution, we provide guidance on structuring the transaction, working closely with sponsors, legal advisors and other stakeholders to ensure alignment with regulatory requirements and strategic objectives.

Navigating regulatory and reporting requirements

Our team supports organisations in meeting the accounting, financial reporting and regulatory requirements associated with SPAC transactions. This includes advising on key accounting treatments, as well as ensuring that financial disclosures meet public market standards.

Managing the transaction process

SPAC transactions involve a rigorous and time-sensitive process. We work alongside sponsors, merchant bankers and issue managers to support project management, helping to coordinate key milestones and maintain momentum throughout the transaction lifecycle.

Supporting valuations and investor engagement

We assist in valuation discussions and pricing considerations, supporting engagement with prospective investors to help facilitate informed decision-making during the de-SPAC process.

Strengthening governance and internal controls

Transitioning to a listed environment requires robust governance and internal control frameworks. Our experienced team reviews existing processes and advises on enhancements to meet listing requirements and support ongoing compliance.

Providing hands-on, partner-led support

Throughout the engagement, clients work with a consistent team, overseen by a Forvis Mazars Partner who provides a hands-on approach and ensures quality control. Ongoing communication and close collaboration are central to our commitment to keeping you informed at every stage.

By combining global reach with local expertise, Forvis Mazars supports organisations in navigating the SPAC landscape with clarity and confidence. As market conditions evolve and scrutiny increases, a disciplined approach grounded in strong governance and clear strategic intent will be critical to achieving successful outcomes and unlocking long-term value.



About Forvis Mazars

Forvis Mazars is a global leader in audit & assurance, tax, advisory and consulting services. Operating in over 100 countries and territories, we redefine collaboration and provide the insight to help our clients prepare for what's next. Combining global reach with deep local knowledge, our teams work together to deliver consistent, seamless services across the world, adapting to work alongside your teams, sector or region.

Our shared values guide us in everything we do: how we work with our clients, how we empower our people and the role we play in our communities. We pride ourselves on being a different kind of firm – one that contributes to a fair and prosperous world by caring for the success of our people and clients, the health of financial markets and the integrity of our profession.

Integrity

Responsibility

Diversity and respect

Technical excellence

Independence

Stewardship

About Forvis Mazars

1

global integrated partnership

61.8%

of our workforce are women

30+

partners and directors

55%

of our workforce are under 30 years old

450+

professionals

420+

hours contributed through volunteering and pro bono initiatives

S\$45m+

fee income

91

hours of training, on average, per Singapore auditor

These figures cover the period 1 September 2024 to 31 August 2025.
For current information, please visit <https://www.forvismazars.com/sg>

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Forvis Mazars Group SC is an independent member of Forvis Mazars Global, a leading professional services network. Operating as an internationally integrated partnership in over 100 countries and territories, Forvis Mazars Group specialises in audit, tax and advisory services. The partnership draws on the expertise and cultural understanding of over 40,000 professionals across the globe to assist clients of all sizes at every stage in their development. Forvis Mazars in Singapore is part of the Forvis Mazars Group SC. Our clientele benefits from the combined expertise of 400+ professionals and our international team.