

## MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD  
(Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))

New Straits Times, Business Times – Friday, September 24, 2021 (C)

### THREE-YEAR DEADLINE

# 'RETURN CONTRIBUTIONS TO INVESTORS'

Don't go for listing if there are no solid assets to acquire, MSWG tells SPACs

JOHN GILBERT  
KUALA LUMPUR  
br@nst.com.my

**E**XISTING and new special purpose acquisition companies (SPACs) in Malaysia should not become public-listed companies if there are no worthwhile assets to acquire.

Minority Shareholders Watchdog Group (MSWG) chief executive officer Devanesan Evanson said SPACs should instead refund

subscribers' contributions, subject to permitted expenses, and abort the SPAC initiative if no solid assets were acquired.

"Some SPACs in Malaysia had in the past failed to meet the three-year timeline to convert into a full-fledged listed entity.

"Simply refunding subscribers' contributions and terminating the SPAC initiative should be viewed as a responsible outcome on the part of the SPACs," he told the *New Straits Times* yesterday. Evanson said previously, SPACs

in Malaysia had included a built-in safety mechanism that provided subscribers with a refund of their contributions if the acquisition timeline was not met.

He was responding to the Securities Commission's (SC) announcement at the 3rd Capital Market Masterplan of a review of the SPAC framework following the surge in demand for such fundraising vehicles globally.

"It is the right move to reconsider the SPAC framework in Malaysia.

"The SC is also mindful that whatever is relevant in other markets may not necessarily be directly transportable or adaptable in the Malaysian ecosystem."

He also noted rising interest in SPACs as an alternative listing route that is simpler and more flexible than the traditional initial public offerings.

Singapore has jumped onto the bandwagon by publishing its SPAC framework while Hong Kong is fine-tuning its SPAC framework.

Malaysia launched its first SPAC in 2011 with the listing of Hibiscus Petroleum Bhd.

The shares of the oil and gas company have risen about eight per cent this year, versus the six per cent decline in Bursa Malaysia's main equities index.

When asked about the SC's timely move towards a global sus-

tainability agenda and placing a greater emphasis on environmental, social and governance-related initiatives in the capital market, Evanson said MSWG expected shareholders to embrace it as the sustainability agenda was in the best interest of all companies.

"Already, there are five best practices in the updated Malaysian Code on Corporate Governance 2021.

"The SC has also stated that moving forward, it will emphasise the identification and assessment of vulnerable investors and minority shareholders are definitely a subset of these vulnerable investors," he added.