CHULALONGKORN BUSINESS SCHOOL

FLAGSHIP FOR LIFE

Practical Corporate Financial Modeling

Public Listing

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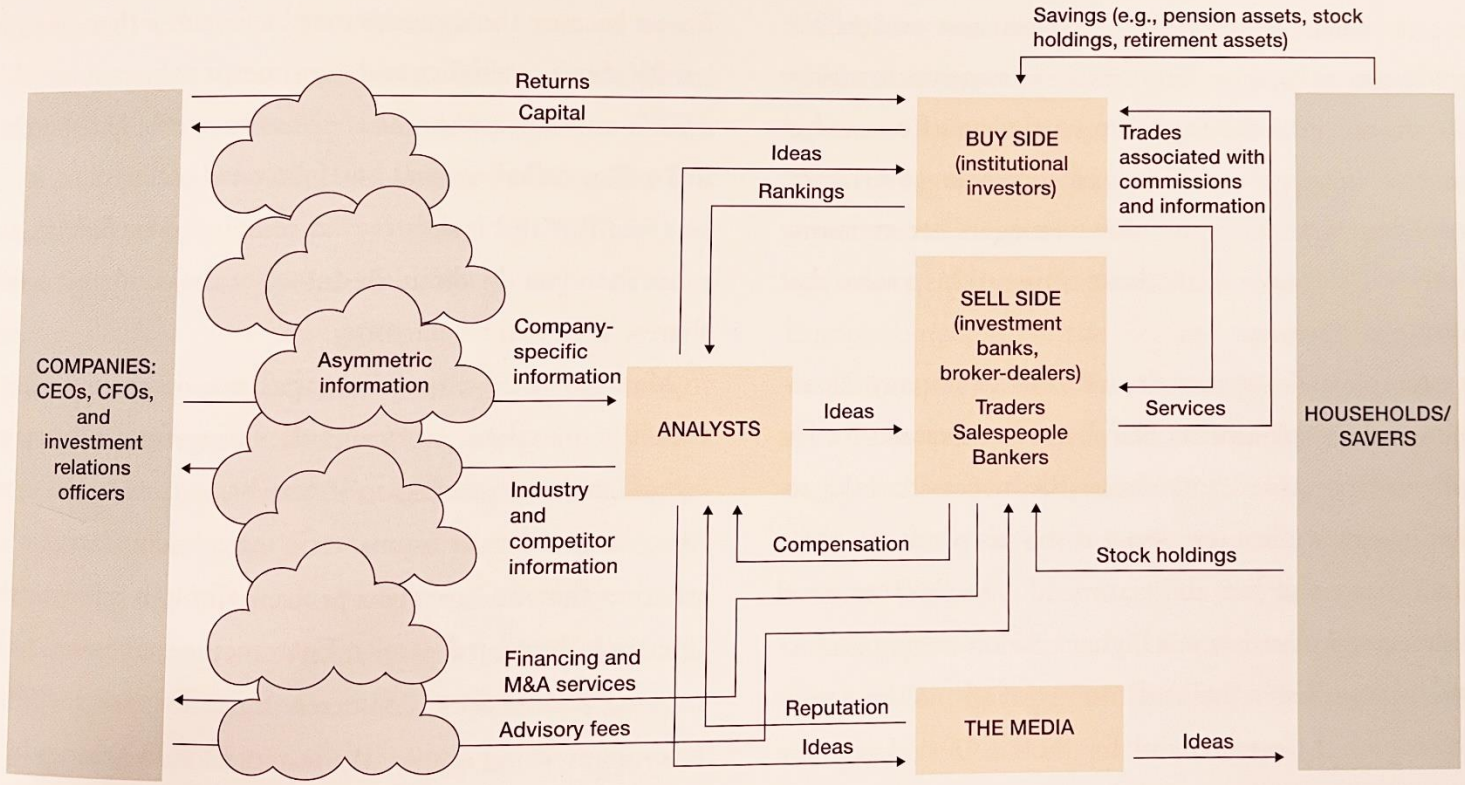
Financial markets and information asymmetry

FIGURE 3-5

The problem of asymmetric information



Source: How Finance Works, page 65

The equity capital market (ECM) landscape involves participants that reduce information asymmetry and increase trust.

↳ fund raising & trading

Issuing
- Underwriter
- Financial Advisor

Trading
- Exchange
- Dealer
- Broker
- Fund Manager
- Financial Advisor

Clearing
- Securities Clearing
- Interbank Clearing

Settlement
- Cash
- Net settlement

Custody
- Security Depository

Primary market
Listing process
- issuing new shares

Secondary market

* Homogenous product
↳ exactly same right
↳ don't know counterparty → just match

Post-trading

SET TFEX settrade www.settrade.com

TCH Thai Clearing House
Improve efficiency of trading
↳ operation in back-end like check clearing

TSD
Help firm to know who are shdrs → to pay div

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Example: Euronext

SET → change condition for firm to be list ⇒ reduce fraud like STARK case
→ short-sell stock condition & limit

EURONEXT
10 YEARS SINCE IPO

Connect portal Live Markets

Home > Raise capital > How to go public > IPO journey

This page is available in multiple languages English

The IPO Journey

Feedback

The key steps in a stock market listing explained, from preparation to IPO results.

Going Public with Euronext: The IPO Journey

How can you truly turn your big dreams and ideas of a listing operation into a success?
Learn more from Sarah's experience through the key steps of going public on Euronext.

English

https://www.euronext.com/en/raise-capital/how-go-public/ipo-journey

The debt capital market (DCM) is more fractured. Trading often occur over-the-counter (OTC), and rating agencies play a big role in reducing information asymmetry.

asset is unique → expired over time
↳ mkt more fragmented
OTC → know counterparty → matching is more negotiation

	Moody's	S&P	Fitch	Meaning
Investment Grade	Aaa	AAA	AAA	Prime
	Aa1	AA+	AA+	High Grade
	Aa2	AA	AA	
	Aa3	AA-	AA-	
	A1	A+	A+	Upper Medium Grade
	A2	A	A	
	A3	A-	A-	
	Baa1	BBB+	BBB+	Lower Medium Grade
	Baa2	BBB	BBB	
	Baa3	BBB-	BBB-	
Junk	Ba1	BB+	BB+	Non Investment Grade Speculative
	Ba2	BB	BB	
	Ba3	BB-	BB-	
	B1	B+	B+	Highly Speculative
	B2	B	B	
	B3	B-	B-	
	Caa1	CCC+	CCC+	Substantial Risks
	Caa2	CCC	CCC	Extremely Speculative
	Caa3	CCC-	CCC-	In Default w/ Little Prospect for Recovery
	Ca	CC	CC+	
		C	CC	In Default
			CC-	
	D	D	DDD	

Source: http://learnbonds.com/bond-credit-ratings-table/

STANDARD & POOR'S * credit rating
↳ ability to repay debt
⇓
Debt capacity

MOODY'S

FitchRatings

TRIS RATING
A Strategic Partner of S&P Global

e.g. credit rating ↓ if bond has selling issue
⇓
price ↓, yield↑
funding cost↑
⇓
increase cost of capital
mkt opportunities might not profitable anymore

* Main investors : long-term duration (banks, pension fund) → utilize this credit rating

* Investment policy:
Asset allocation : low risk asset with low correlation
↳ allocation limit in fund → treat bond on credit rating
e.g. may invest more in inv grade but limit invest in non

Why do firms IPO?

PROS

- Improves access to capital market
- Increases liquidity of entrepreneur/private investor wealth
- Generates employee compensation incentives
  - action reflect in stock performance & can buy firm stock
  - aligning incentive
  - moral hazard theory
- Builds firm credibility with customers and employees
  - Good governance structure to be able to be listed
    - encourage stakeholders of firm
- Exposes management to public scrutiny (encourages value creation)
  - takeover
    - incentive managers to manage better
    - invest in profitable projects

CONS

- Consumes company resources
  - need investor relation, pay in order to maintain requirement & communicate with investors
- Reveals information to competitors
  - give out future plan
  - If price ↓ → investors buy shares → lose control
- Exposes management to public scrutiny (forces management to emphasize short run over long run performance)
  - Pecking order theory / timing theory
    - a lot of IPOs in bullish mkt but cancel in bearish mkt
  - make firm voluntarily delist from mkt

Case Study: BYND and market timing
~alternative meat narrative in 2019

meat alternative

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Beyond Meat Inc

already has price point

Beyond Meat investors to sell more shares after white-hot IPO

at current price

Fast-growing veggie burger business taps equity market again as sales forecasts rise

→ bad news to investors

Matthew Rocco in New York JULY 30 2019

Beyond Meat shares fell sharply in after-hours trading after the vegan burger maker said its early shareholders would be selling another chunk of stock, just two months after an initial public offering that was one of the hottest in recent years.

The news overshadowed strong results in which quarterly sales more than tripled and the company raised its sales forecast for 2019.

in 2 months

The new offering comes after Beyond Meat shares soared more than 700 per cent from their market debut, as investors bet on rising consumer interest in meat alternatives and on the company's plans to expand through new partnerships with restaurant chains around the world.

The additional share sale would include between 3m and 3.49m shares from stockholders and 250,000 new shares from the company, it said. Just under 10m shares were offered in the IPO in May. % own ↓ → but wealth not change

owner exits! → bad signal! investors guess that

↳ firm thinks share price is too high / owner exits

money goes to existing shares

The development sent the shares tumbling 13 per cent to roughly $192 in after-hours trading, on top of a 5.4 per cent fall in Monday's official session that snapped a seven-day winning streak.

↑ investors then adjust expectation

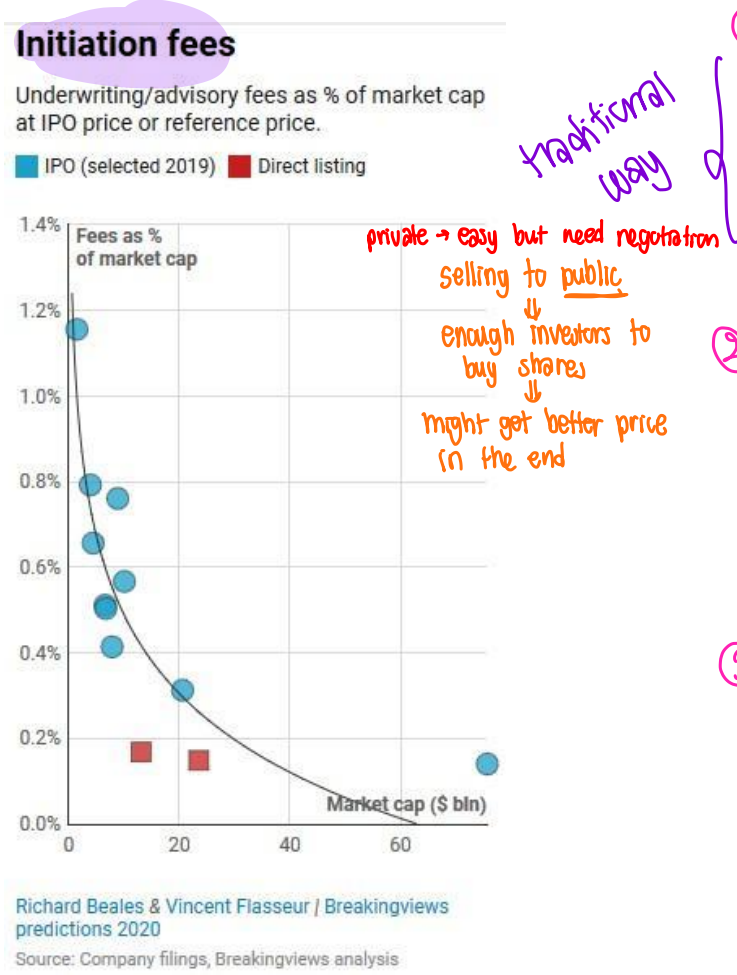
info asymmetric → investor re-evaluate expectation with firm action ↑ material

The selling shareholders include Beyond Meat chief executive Ethan Brown, venture capital firm Kleiner Perkins, food company General Mills and the Gates Frontier fund that invests money for Microsoft founder Bill Gates, according to a regulatory filing.

There are many ways for a firm to become listed in a stock market, and firms have viewed investment banking and financial advisor fees as unnecessary.

↳ charge based on capital firm wants to raise (# share want to raise & sell) not mkt cap!!

↳ lower mkt cap → fee ↓



traditional way

private → easy but need negotation

selling to public ⇓ enough investors to buy shares ⇓ might get better price in the end

① IPO

CORPORATION → INVESTMENT BANK

Shares ↓ PRIVATE INVESTORS

Takes shares and places them with public investors using a bookbuilding process ↳ ask everyone what're price & # shares that they want

list share & get proceed from fund raising

TRADING

balance # shares & price from all sides

difficult & take time to do

② Dutch auction

CORPORATION → DUTCH AUCTION

Shares ↓ PRIVATE INVESTORS

Public investors can bid on a private company's shares

don't need IB

TRADING

③ Direct listing

Slack

peer-to-peer buying

Corporations cannot participate

before day of listing

existing shar can sell share & match with buyer

wider range of investors

CORPORATION → DIRECT LISTING

Shares ↓ PRIVATE INVESTORS

Private investors can sell shares to public investors

TRADING

IPOs with a Dutch auction are rare.

not norm

Note: these are also IPOs, but the way in which the offer price is determined is different from traditional IPOs.

has expertise & resource

WIRED STAFF BUSINESS 08.11.2004 02:00 AM

auction process not book-building

Google IPO Sets Odd Precedent

Google's offbeat approach to its upcoming stock offering is creating plenty of headaches for Wall Street underwriters. But if all ends well, the complex, auction-style offering will represent Google's most profitable option. By Joanna Glasner.

GOOGLE MOVED A few steps closer to completing its much-anticipated initial stock offering this week, settling a troublesome lawsuit with Yahoo and nailing down a deadline of Thursday for potential investors to register to participate in its IPO.

On its website for IPO investors, the Mountain View, California, company said Tuesday that those interested in participating in the offering have until Thursday at 5 p.m. EDT to register as bidders. Shortly after registration is finished, potential investors will be able to submit offers for shares, which are being doled out to high bidders through a process known as a Dutch auction.

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2021 → no primary transaction!

Direct listings are IPOs without fundraising

This became quite popular among tech companies in the past decade.

shdr exchange ownership!, no lock-up requirement

CNBC DISRUPTOR 50

not issue price

Coinbase closes at $328.28 per share in Nasdaq debut, valuing crypto exchange at $85.8 billion

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Ari Levy
@LEVYNEWS

SHARE

KEY POINTS

- Coinbase's market cap exceeded $100 billion after its debut Wednesday morning on the Nasdaq, though the stock fell later in the day.
- Nasdaq provided a reference price late Tuesday of $250, but because it's a direct listing no shares changed hands at that price.
- Coinbase has soared in value in the past year alongside bitcoin and ethereum, which account for most of the volume on the site.

to merge with private firm ⇒ then go public (not allowed in Thailand)

Special Purpose Acquisition Company (SPAC) offers another way for companies to list in the stock market.

put in $10 in SPAC
⇓
cash - fee → kept safe
&
↓
risk-free return in worst case

* For illustrative purposes, the SPAC life cycle presented is based on a 24 month timeline to complete a merger.

Source: PwC analysis

Source: Special purpose acquisition companies (SPACs) - A closer look at the new listing framework in Singapore, by PwC Singapore

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Key parameters

SPAC		IPO
2% Underwriter fees; **3.5%** Completion fees	**Cost**	Atleast **5-7%** additional cost including legal, audit, registration and administrative expenses
Shorter time frame	**Listing timeline**	**Longer time needed**
Valuation can be determined based on prior negotiations between SPAC sponsor and target company	**Valuation**	Stock price entirely dependent on market conditions and listing time
Flexibility to negotiate more favourable deal terms, such as additional investment through public equity, board of director appointment	**Deal terms**	No room for negotiation - if investors are not comfortable with company's deal terms, investor will stay away
Companies get access to sponsors which are commonly known to have successful track records and long histories of strong performance for merger and acquisition activities	**Management support**	Companies need to independently recruit experienced professionals after listing

Source: Special purpose acquisition companies (SPACs) - A closer look at the new listing framework in Singapore, by PwC Singapore

From blind pool to SPAC. First available in 1980s, but not popular until 2019. Chamath: King of SPAC.

TECH & INNOVATION

LOST IN SPCE

How the rocket business launched a wave of blank check acquisitions

Richard Branson, center, celebrates Virgin Galactic's first day as a public company.

Image: Reuters/Brendan McDermid

By Tim Fernholz Published March 8, 2021

In 2019, Virgin Galactic took the first small step for a space company—and a giant leap for global finance. It became a publicly traded company through a merger with a special purpose acquisition company, or SPAC.

The transaction kicked off a trend, with risky private ventures of all stripes arriving on public markets through the same mechanism. In 2019, there were 87 SPAC transactions, with an average value of about $390 million, according to the financial data firm Refinitiv. In 2020, there were 163, with an average value of $965 million. And in the first two months of 2021, there have been 72 SPAC transactions, with average value of over $2 billion.

Social Capital Hedosophia Holdings Corp.	IPOA	SPCE
Social Capital Hedosophia Holdings Corp. II	IPOB	OPEN
Social Capital Hedosophia Holdings Corp. III	IPOC	CLOV
Social Capital Hedosophia Holdings Corp. IV	IPOD	shut down
Social Capital Hedosophia Holdings Corp. V	IPOE	SCH
Social Capital Hedosophia Holdings Corp. VI	IPOF	shut down

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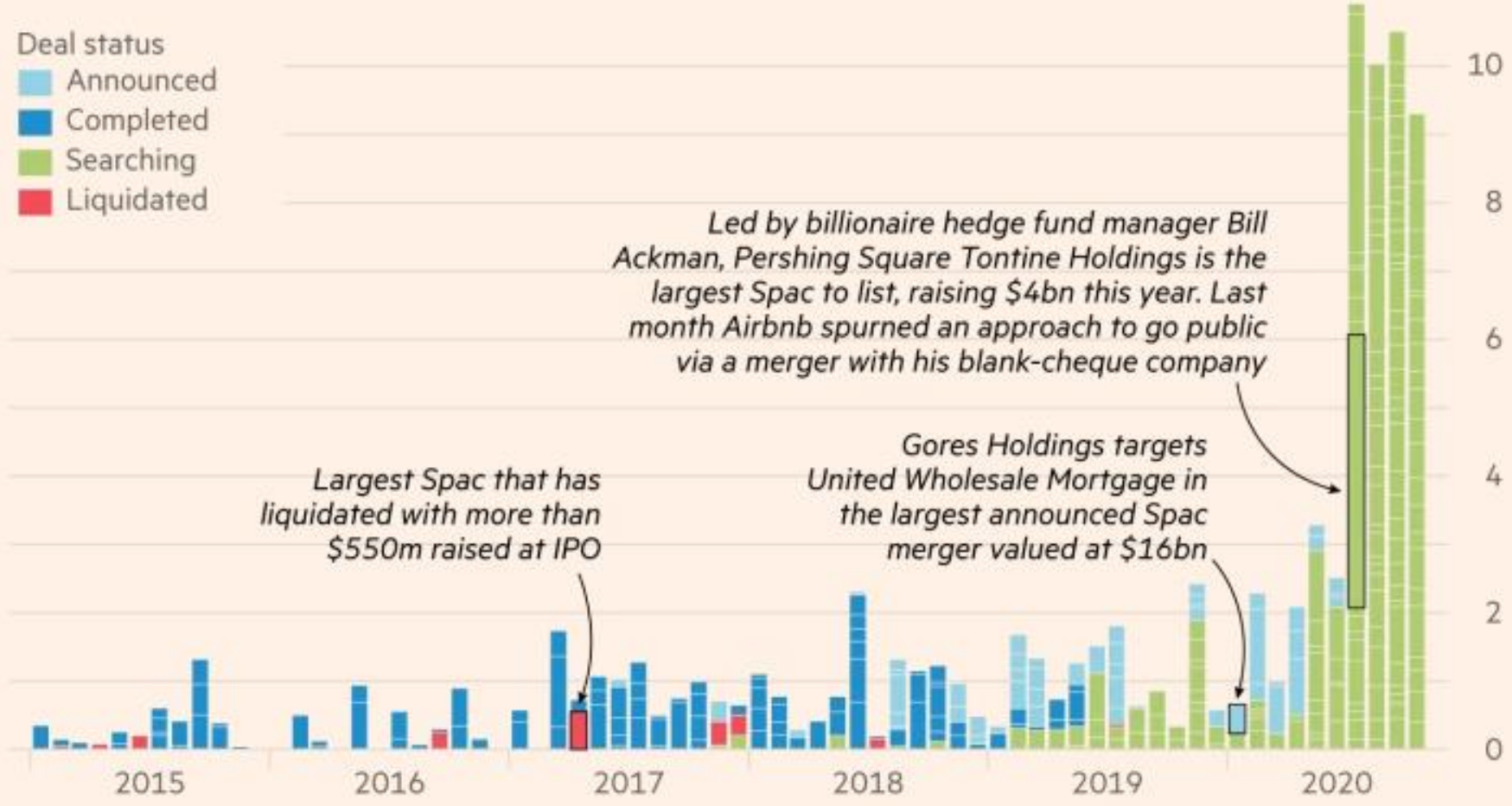
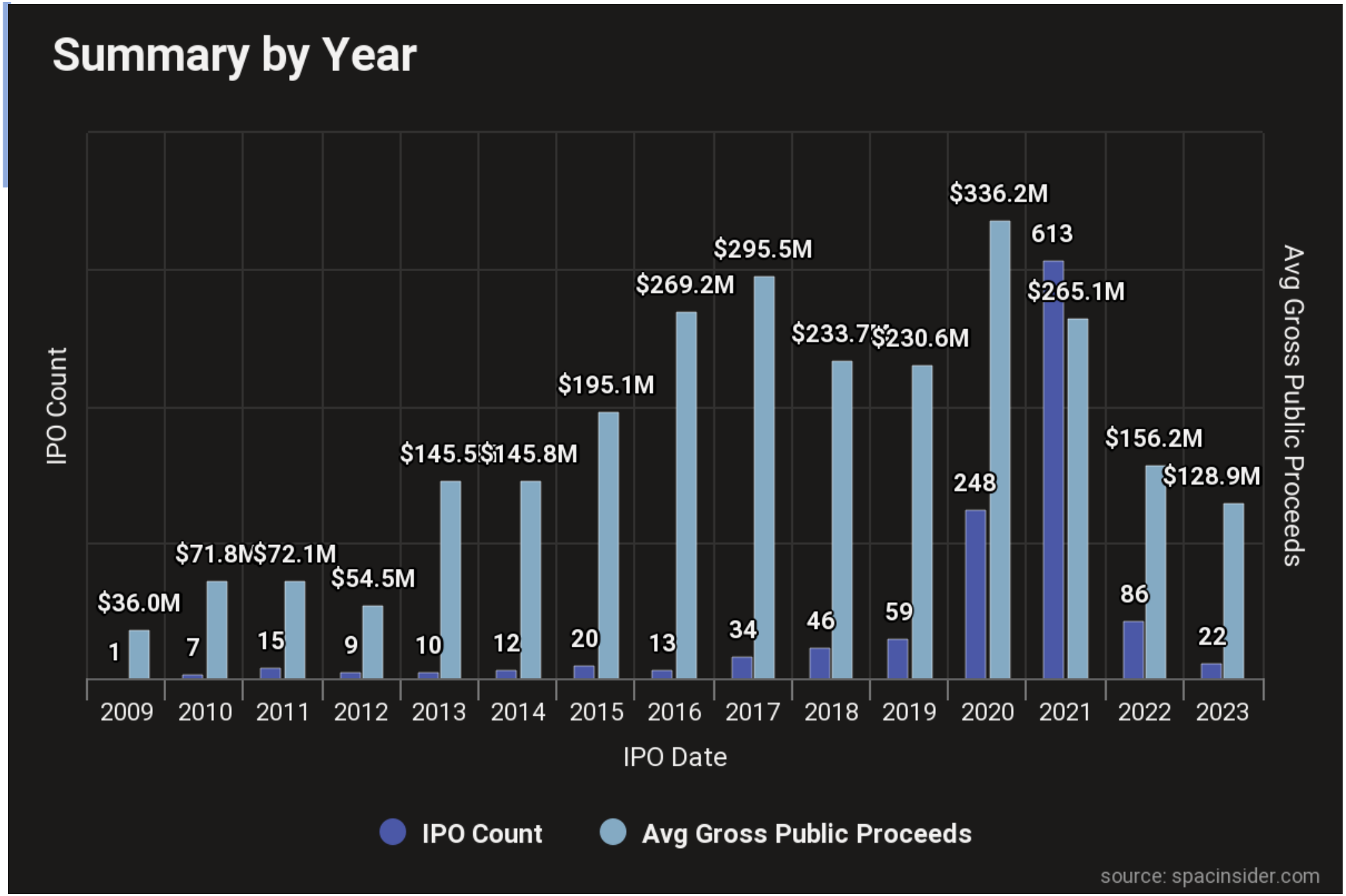
Spac listings boom in 2020

IPO value for each Spac, by month ($bn)



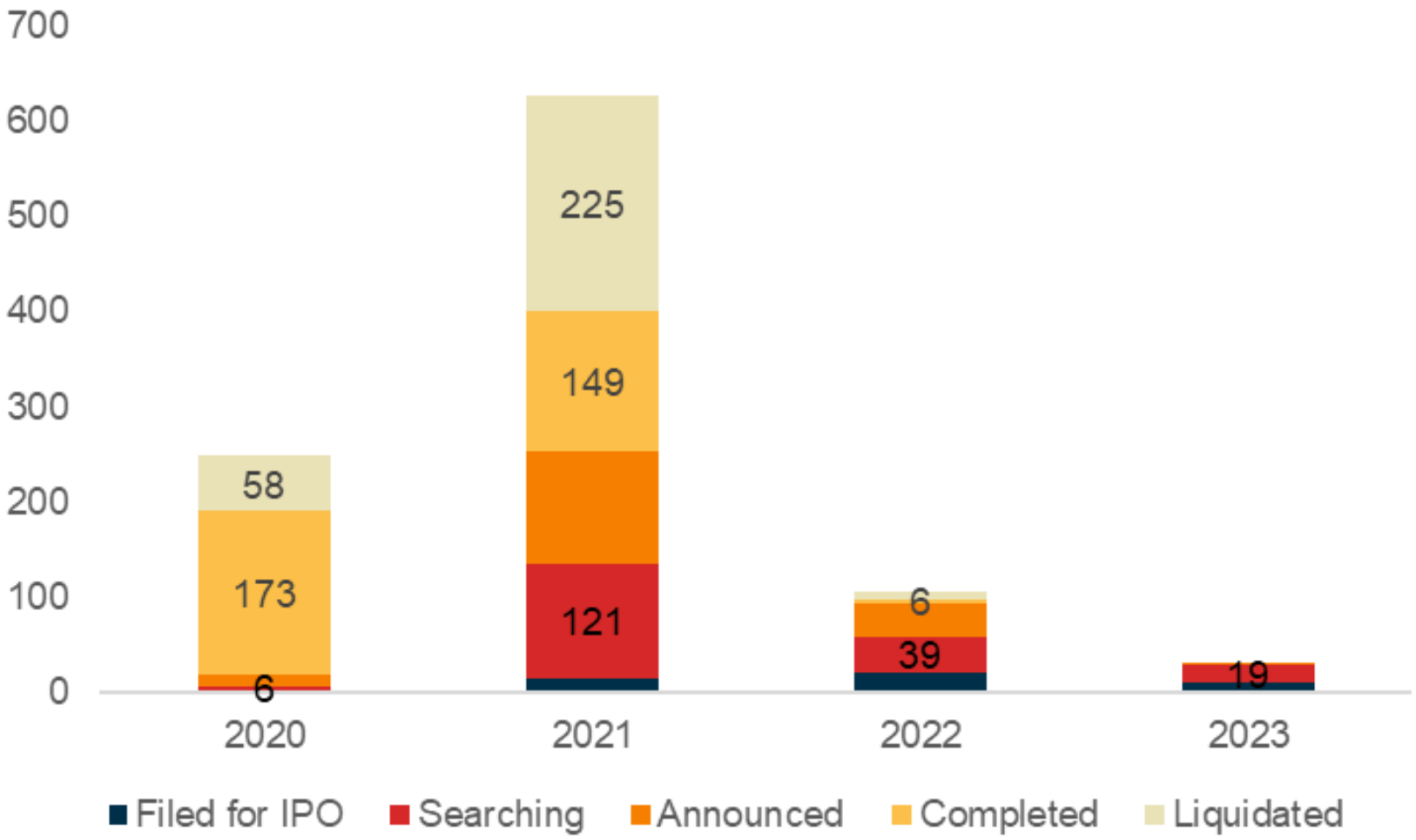
Sources: Dealogic; IPOX Schuster LLC; FT research

© FT



Source: https://spacinsider.com/

Acquire or die.



Source: https://spacinsider.com/

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Singapore's Grab set to list in New York in biggest Spac merger

Deal with Altimeter Capital's blank-cheque vehicle will value technology start-up at $35bn

Founded in 2012, Grab offers access to a regional consumer market of more than 655m people across countries including Indonesia, Thailand and Vietnam © Reuters

Mercedes Ruehl in Singapore, **James Fontanella-Khan** in New York, **Arash Massoudi** in London and **Miles Kruppa** in San Francisco APRIL 7 2021

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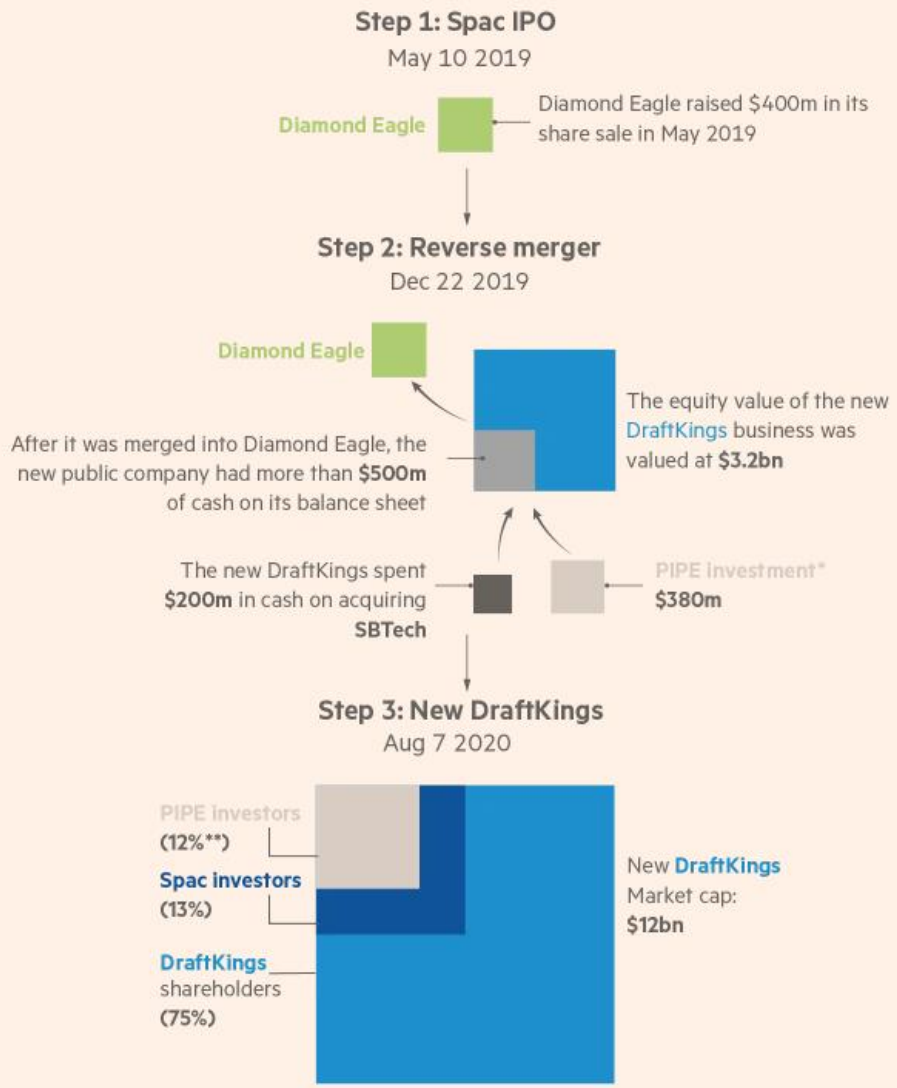
Grab, south-east Asia's most valuable start-up, is set for the largest merger between a private business and a blank-cheque vehicle in a deal that will value the SoftBank-backed technology group at about $35bn.

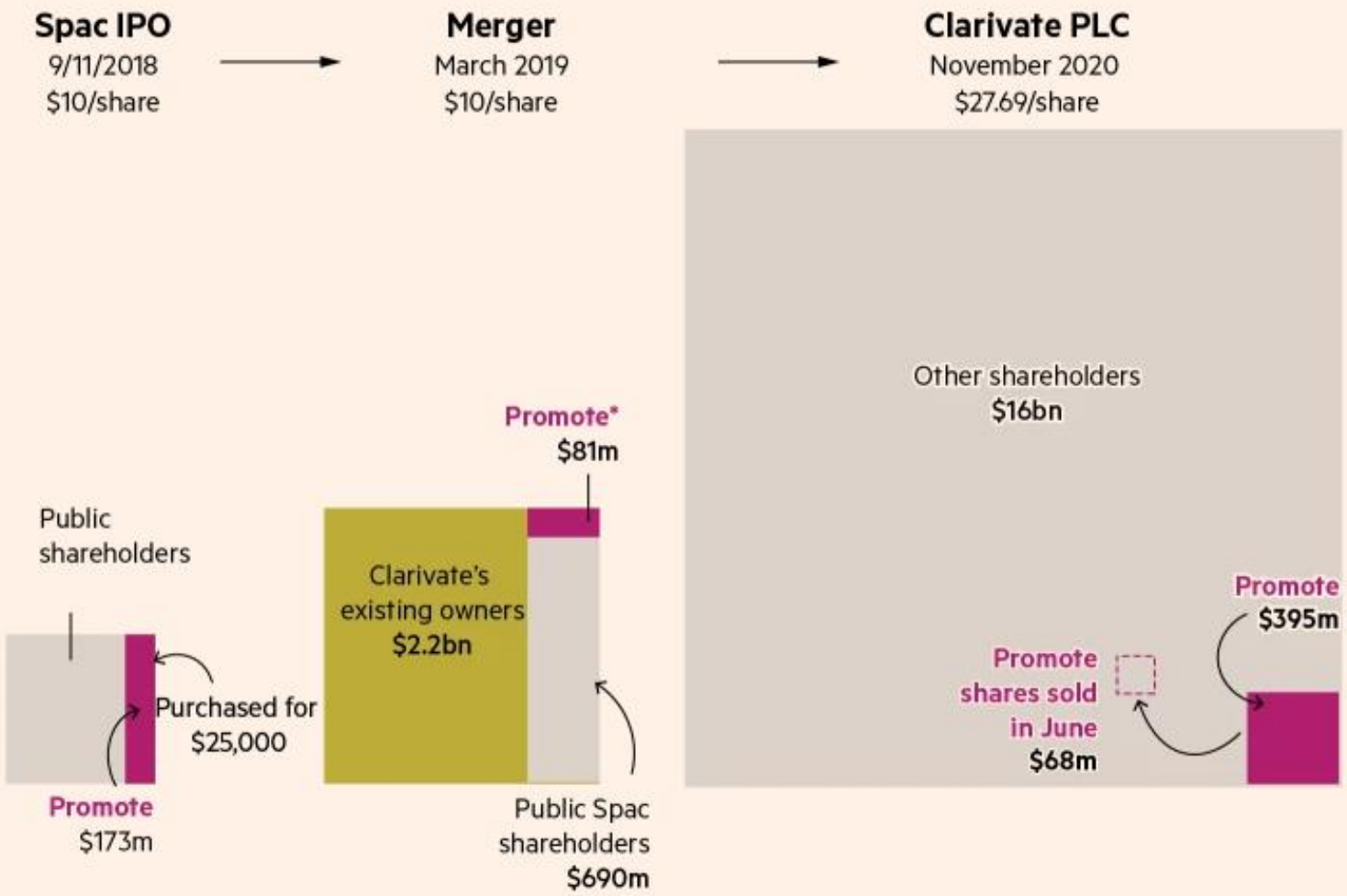
Mechanics of a Spac merger



*Private investment in public equity **Ownership % based on original merger terms
Sources: Company reports, FT research Graphic by Fan Fei and Sujeet Indap
© FT

Minimal investment can lead to windfall for Spac sponsor

The example of Clarivate



*reflects promote shares held back for vesting
Source: FT research
© FT

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The Tesla Effect and the Mispricing of Special Purpose Acquisition Companies (SPACs)

Kanis Saengchote*

Chulalongkorn Business School

ABSTRACT

Special purpose acquisition companies (SPACs) are publicly traded companies that raise funds through an initial public offering (IPO) for future acquisition. Because they are pools of capital with known value to be deployed, their exchange value is already predetermined prior to merger. However, many SPACs in 2020 trade at prices far above the $10 value, which can be interpreted as mispricing. Many mispriced SPACs are linked to electric vehicle-related businesses, which may be attributable to the "Tesla effect" that can represent behavioral bias, raising concern whether investors fully understand this novel investment opportunity.

Key words: behavioral finance, mispricing, Tesla effect, SPACs

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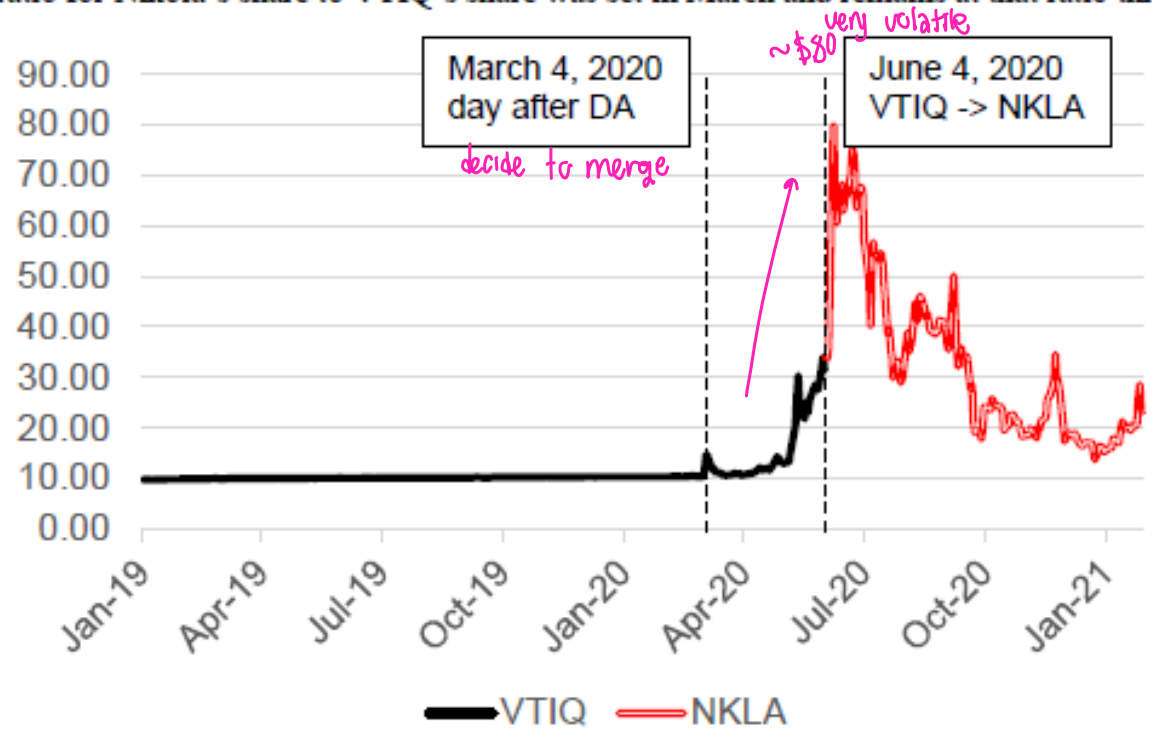
Figure 1: VectoIQ Acq Corp / Nikola common stock price

This figure plots the average daily prices between January 2019 and January 2021 of VectoIQ Acquisition Corporation (NASDAQ:VTIQ) and Nikola Corporation (NASDAQ:NKLA). VTIQ listed in May 2018 and traded very close to $10 until March 2020, when it entered into a definitive agreement for business combination with Nikola. The exchange ratio for Nikola's share to VTIQ's share was set in March and remains at that ratio throughout the process.



Saengchote (2021)

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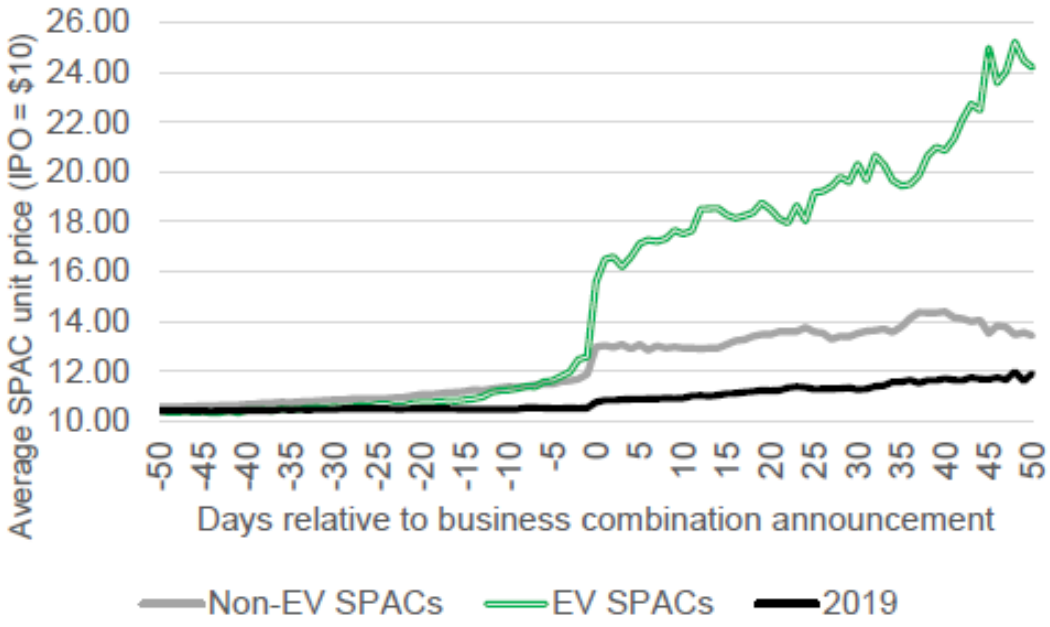
Figure 3: Average SPAC unit prices after announcement of business combination

This figure plots the average daily prices of SPAC units that have entered into definitive agreement (DA) for business combination between January 2019 and December 2020. Day 0 is the date when the DA is announced, which in most cases is the same as the SEC registration date. The window is 50 days before and after the announcement date. The average SPAC unit prices are calculated separately for announcements in 2019, electric vehicle (EV) SPACs in 2020 and non-EV SPACs in 2020. There is no EV SPAC in 2019 in this sample. There are 17 announcements in 2019 and 105 in 2020, 27 of which are EV.



Saengchote (2021)

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As filed with the U.S. Securities and Exchange Commission on June 29, 2021

Registration No. 333-_____

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Black Spade Acquisition Co
(Exact Name of Registrant as Specified in Its Charter)

Cayman Islands	6770	N/A
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Suite 2902, 29/F, The Centrium, 60 Wyndham Street,
Central, Hong Kong
Tel: +852 3955 1316
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

$150,000,000

Black Spade Acquisition Co

15,000,000 Units

combine with vinfast

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BLACK SPADE ACQUISITION

Overview About News SEC Filings Governance

Company Overview

Black Spade Acquisition Co is a special purpose acquisition company focused on identifying a business combination target that can benefit from the extensive collective network, knowledge and experience of our founder and management team that is related to or in the entertainment industry, with a focus on enabling technology, lifestyle brands, products, or services, and entertainment media. While we intend to pursue opportunities globally, we will focus on opportunities with existing or future growth potential underpinned by the transformative consumption forces in Asia.

Our Founder and Our Sponsor

Black Spade Capital Limited ("Black Spade Capital") is the private investment arm of **Mr. Lawrence Ho** and an affiliate of our sponsor, Black Spade Sponsor LLC. Mr. Ho is a visionary entrepreneur and a globally recognized leader within the leisure and entertainment industry. Mr. Ho has been the chairman and chief executive officer since March 2006 of Melco International Development Limited, a company listed on the Stock Exchange of Hong Kong (collectively with its subsidiaries, "Melco International", or "Melco Group"). Mr. Ho is also currently the chairman and chief executive officer of Melco Resorts & Entertainment Limited, a company listed on the NASDAQ Global Select Market and a director of Studio City International Holdings Limited, a company listed on the New York Stock Exchange, both listed subsidiaries of Melco International.

Headquartered in Hong Kong, **Black Spade Capital** runs a global portfolio consisting of a wide spectrum of cross-border investments, and consistently seeks to add new investment projects and opportunities to its portfolio. Black Spade Capital's investment strategy covers all geographic regions and sectors whilst maintaining a portfolio of diversified asset classes, including equities (including SPAC and pre-IPO investments), fixed income and real estate. In 2018, Black Spade Capital became the first ever issuer of bonds denominated in Macau's local currency patacas with its MOP$2 billion bond issuance.

VINFAST

Investor Presentation

June 2023

Black Spade Acquisition Co

Black Spade Acquisition Co ("BSAQ") has entered into a merger agreement with VinFast, the leading automotive manufacturer in Vietnam. VinFast remains committed to its mission of creating a green future for everyone through its full portfolio of electric SUVs, e-scooters and e-buses.

Founder

Lawrence Ho
Founder

Management Team

Dennis Tam
Chairman and Co-CEO

Kester Ng
Co-CEO

Francis Ng
President and CFO

Independent Directors

Russell Galbut

Patsy Chan

Robert Moore

Sammy Hsieh

Senior Advisors

Betty Liu

Richard Taylor

Transaction Summary Overview

Transaction Structure	• On May 12, 2023, VinFast and BSAQ jointly entered into a business combination agreement • BSAQ and VinFast are working towards a completion by September 30th 2023, subject to regulatory and shareholder approvals, along with other customary closing conditions[1]
Valuation	• The business combination values VinFast at an enterprise value of ~ US$27 billion and an equity value of US$23 billion, not including BSAQ's ~US$169 million of cash in trust[2][3][4] • After the transaction, existing VinFast shareholders will hold approximately 99% of the outstanding shares of the combined company
Capital Structure	• The transaction will be funded by a combination of BSAQ cash held in a trust account and VinFast ordinary shares and existing capital resources including debt • Proceeds from the transaction and VinFast's existing capital resources to fund continued growth of the combined company and accelerate the roll-out of its next-generation electric vehicles and solutions • Backstop of US$30.0 million provided by BSAQ Sponsor

Note:
1. The business combination agreement can be terminated for reasons including if the Closing has not occurred on or before September 30, 2023 and there is not cause for an automatic extension to a date no later than December 30, 2023
2. Assumes 0.0% redemptions
3. Not giving effect to public and private warrants striking at $11.50 and potential PIPE
4. Does not include earnout shares issued to select VinFast employees upon achieving or exceeding 2023 revenue target of US1.875 billion as set out in the business combination agreement. The VinFast management incentive earnout is not intended to be a projection or forecast. It reflects numerous assumptions concerning VinFast's anticipated future performance, including those that remain beyond Black Spade's or VinFast's control, and that may not materialize. No reliance should be placed on the earnout as a projection or forecast about Vingroup.

need to do when present M&A

Transaction Overview

assuming:
Based on all SPAC investors remain in the deal → cash not even enough to pay for fee!

Price of VinFast went down to ~$5 per share as investors redeemed from SPAC

Estimated Sources & Uses

Sources	Amount ($mm)
VinFast Equity Shareholders[1]	23,000.0
BSAQ Cash in Trust[2]	169.0
PIPE	TBD
Total Sources	**23,169.0**

roll-over

Uses	Amount ($mm)
VinFast Rollover Equity	23,000.0
Cash to VinFast Balance Sheet	149.0
Illustrative Transaction Expenses	20.0
Total Uses	**23,169.0**

Illustrative Pro Forma[4]

Pro Forma Capitalization	Amount	%
VinFast Rollover Equity	2,300.0	99.1%
Public BSAQ Shareholders[2][3]	16.9	0.7%
BSAQ Sponsor Shares	4.2	0.2%
Total Shares Outstanding	**2,321.1**	**100.0%**

Pro Forma Valuation	Amount
Share Price	$10.00
Vinfast Shares Outstanding	2,321.1
Pro Forma Market Capitalization	$23,211.3
Plus: VinFast Net Debt[5]	$4,000.0
Less: Cash	$149.0
Pro Forma Enterprise Value	**$27,062.3**

Note:
1. Does not include earnout shares issued to select VinFast employees upon achieving or exceeding 2023 revenue target of US1.875 billion as set out in the business combination agreement. The VinFast management incentive earnout is not intended to be a projection or forecast. It reflects numerous assumptions concerning VinFast's anticipated future performance, including those that remain beyond Black Spade's or VinFast's control, and that may not materialize. No reliance should be placed on the earnout as a projection or forecast about Vingroup. Does not include award shares issued to select VinFast employees post closing
2. Assumes 0.0% redemptions
3. Not giving into effect public and private warrants striking at $11.50
4. Not including PIPE
5. Illustrative Net Debt held by VinFast at Close calculated as short-term liabilities plus long-term liabilities less cash and cash equivalents

Item 5.07 Submission of Matters to a Vote of Security Holders.

At the Extraordinary General Meeting held on July 13, 2023 (the "Extraordinary General Meeting"), holders of 15,802,394 Class A ordinary shares and Class B ordinary shares (collectively, the "Ordinary Shares") of Black Spade Acquisition Co (the "Company"), which represents 74.8% of the Ordinary Shares outstanding and entitled to vote as of the record date of June 7, 2023, were represented in person or by proxy.

At the Extraordinary General Meeting, the shareholders approved the proposal to amend and restate (the "Articles Amendment") the Company's current amended and restated memorandum and articles of association to, among other things, extend the date by which the Company has to consummate a business combination (the "Combination Period") for an additional twelve months from July 20, 2023 to July 20, 2024 by adopting the second amended and restated memorandum and articles of association, a copy of which is attached to this Current Report on Form 8-K as Exhibit 3.1 and incorporated herein by reference. The voting results were as follows:

Votes For	Votes Against	Abstentions	Broker Non-Vote
14,334,018	1,468,276	100	N/A

In connection with the vote to approve the Articles Amendment, the holders of 14,150,715 Class A ordinary shares of the Company properly exercised their right to redeem their shares for cash at a redemption price of approximately $10.38867176 per share, for an aggregate redemption amount of approximately $147.01 million.

Following the redemption in connection with the Articles Amendment, the amount of funds remaining in the trust account is approximately $28.56 million.

get money back

right to vote "yes" to deal & also redeem

Sponsor almost doesn't get anything

then agree & redeem → get $10 for sure

obvious conflict of interest within SPAC sponsor

VinFast → want to be listed & low spend on fee → buy SPAC $10/share

very few process of listing compared to IPO book building

LT SPAC performance is bad

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Item 5.07 Submission of Matters to a Vote of Security Holders.

At the Extraordinary General Meeting held on August 10, 2023 (the "Extraordinary General Meeting"), holders of 5,372,291 Class A ordinary shares and Class B ordinary shares (collectively, the "Ordinary Shares") of the Company, which represents 77.0% of the Ordinary Shares issued and outstanding and entitled to vote as of the record date of July 18, 2023, were represented in person or by proxy. This constituted a quorum.

The shareholders approved the Business Combination Proposal and the Merger Proposal. Although the adjournment proposal would have received sufficient votes to be approved, no motion to adjourn was made because the adjournment of the Extraordinary General Meeting was determined not to be necessary or appropriate. Set forth below are the proposals voted upon at the Extraordinary General Meeting, which are described in more detail in the definitive proxy statement/prospectus filed with the Securities Exchange Commission on July 28, 2023 (the "Proxy Statement/prospectus"), and the final voting results.

1. Proposal No. 1—The Business Combination Proposal—to consider and vote upon a proposal to ratify, approve and adopt by way of ordinary resolution the Business Combination Agreement, dated as of May 12, 2023, by and among Black Spade, VinFast and Nuevo Tech Limited, a Cayman Islands exempted company and wholly owned subsidiary of VinFast ("Merger Sub"), as amended by the First Amendment to Business Combination Agreement, dated as of June 14, 2023 and as may be further amended, supplemented or restated from time to time, by and among Black Spade, VinFast and Merger Sub, and the transactions contemplated therein, including the merger whereby Merger Sub will merge with and into Black Spade, with Black Spade surviving the merger as a wholly owned subsidiary of VinFast and the securityholders of Black Spade becoming securityholders of VinFast (the "Business Combination Proposal").

The voting results were as follows:

Votes For	Votes Against	Abstentions	Broker Non-Vote
5,371,924	367	0	N/A

Item 8.01 Other Events.

In connection with the shareholder vote at the Extraordinary General Meeting, the holders of 1,440,385 Class A ordinary shares of the Company properly exercised their right to redeem their shares for cash at a redemption price of approximately $10.41 per share, for an aggregate redemption amount of approximately $15.0 million. Following the redemption in connection with the Extraordinary General Meeting, the amount of funds remaining in the trust account is approximately $13.6 million.

Transaction Overview

Estimated Sources & Uses

Sources	Amount ($mm)
VinFast Equity Shareholders[1]	23,000.0
BSAQ Cash in Trust[2]	169.0
PIPE	TBD
Total Sources	**23,169.0**

Uses	Amount ($mm)
VinFast Rollover Equity	23,000.0
Cash to VinFast Balance Sheet	149.0
Illustrative Transaction Expenses	20.0
Total Uses	**23,169.0**

Illustrative Pro Forma[4]

Pro Forma Capitalization	Amount	%
VinFast Rollover Equity	2,300.0	99.1%
Public BSAQ Shareholders[2][3]	16.9	0.7%
BSAQ Sponsor Shares	4.2	0.2%
Total Shares Outstanding	**2,321.1**	**100.0%**

Pro Forma Valuation	Amount
Share Price	$10.00
Vinfast Shares Outstanding	2,321.1
Pro Forma Market Capitalization	$23,211.3
Plus: VinFast Net Debt[5]	$4,000.0
Less: Cash	$149.0
Pro Forma Enterprise Value	**$27,062.3**

Note:
1. Does not include earnout shares issued to select VinFast employees upon achieving or exceeding 2023 revenue target of US1.875 billion as set out in the business combination agreement. The VinFast management incentive earnout is not intended to be a projection or forecast. It reflects numerous assumptions concerning VinFast's anticipated future performance, including those that remain beyond Black Spade's or VinFast's control, and that may not materialize. No reliance should be placed on the earnout as a projection or forecast about Vingroup. Does not include award shares issued to select VinFast employees post closing
2. Assumes 0.0% redemptions
3. Not giving into effect public and private warrants striking at $11.50
4. Not including PIPE
5. Illustrative Net Debt held by VinFast at Close calculated as short-term liabilities plus long-term liabilities less cash and cash equivalents

DOI: 10.1111/eufm.12366

ORIGINAL ARTICLE

EUROPEAN FINANCIAL MANAGEMENT WILEY

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SPAC merger announcement returns and subsequent performance

Florian Kiesel[1,2] | **Nico Klingelhöfer**[3] | **Dirk Schiereck**[3] | **Silvio Vismara**[4]

[1]Department of Accounting, Law and Finance, Grenoble Ecole de Management, Grenoble, France

[2]Faculty of Economics and Management, Free University of Bozen-Bolzano, Bolzano, Italy

[3]Department of Business Administration, Economics and Law, Technical University of Darmstadt, Darmstadt, Germany

[4]Department of Management, University of Bergamo, Bergamo, Italy

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Email: florian.kiesel@unibz.it

Abstract

Special purpose acquisition companies (SPACs) are created to raise capital and then find non-listed operating companies with which to merge. While most of the extant research has focused on SPAC initial public offerings, we study what happens when SPACs announce business combinations. Our analysis of 236 'deSPACs' completed between January 2012 and June 2021 in the United States documents an average short-term announcement return of +7.4% and a 1-year abnormal return of −14.1% (−18.0% over 2 years) for public investors beginning from the merger announcement. Short-term returns decrease with longer times from initial public offering until announcement.

KEYWORDS

deSPACs, IPO, performance, special purpose acquisition companies (SPACs)

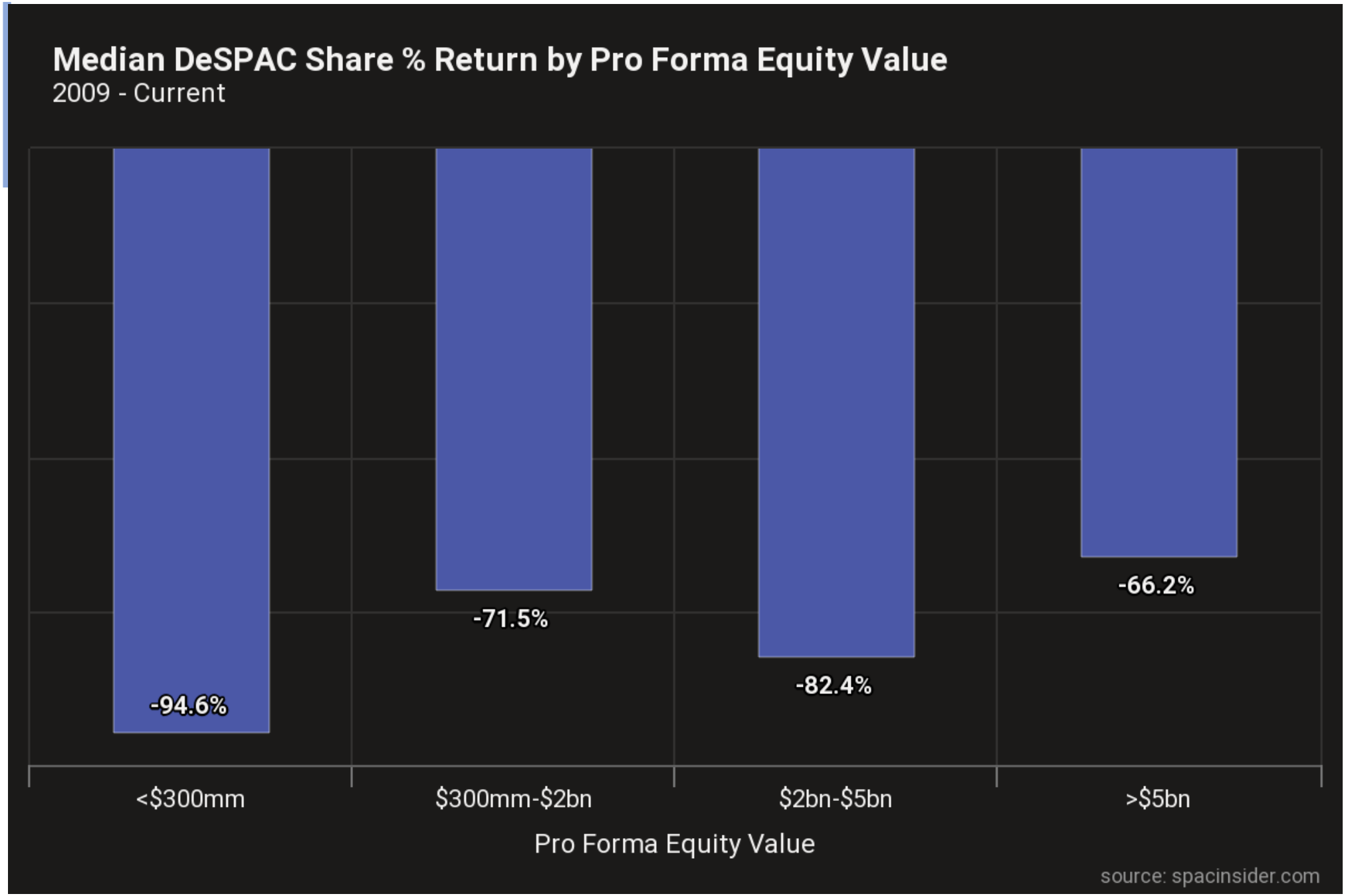
JEL CLASSIFICATION

G14, G30, G34, G24

TABLE 2 Short-term event study.

This table reports average and median abnormal returns computed using the market-adjusted model, calculated as the difference between the firm's stock return and the return of the reference market on day t. We use three event windows relative to the announcement day: [−1, +3], [−1, +2] and [−1, +1]. Panel (a) considers the original sample of 375 merger announcements from SPACs that went public between January 2012 and June 2021. This sample is divided into 236 deSPACs that completed a business combination (b), 12 deSPACs that later withdrew from a merger deal (c) and 127 SPACs that had not yet completed a merger as of 1 July 2021 (d). The remainder of the paper focuses on the sample of 236 completed deSPAC deals. To test the significance of the abnormal returns, a parametric cross-sectional *t* test (*t* test) and a nonparametric sign test (Sign *z*) are applied. To take into account the possible correlation of returns for a given year, the standard errors of the *t* test are clustered at the year level in (a) to (c). As the pending deals in (d) are obtained only from 2020 and 2021, the standard errors of the *t* test are not clustered by year for this subsample. Abbreviations: CAAR, cumulative average abnormal return; CAR, cumulative abnormal return. *, ** and *** indicate statistical significance at the 10%, 5% and 1% levels, respectively.

Event window	CAAR (%)	Median CAR (%)	*t* test	Sign *z*
(a) Original sample (375 obs.)				
[−1,+3]	6.44	1.45	3.75***	5.983***
[−1,+2]	6.35	1.63	3.70***	5.429***
[−1,+1]	6.67	1.03	3.65***	5.850***
(b) deSPACs with completed business combinations (236 obs.)				
[−1,+3]	7.41	2.09	3.69***	5.663***
[−1,+2]	7.22	2.05	3.45***	4.958***
[−1,+1]	7.75	1.61	3.47***	5.403***
(c) deSPACs later withdrawn (12 obs.)				
[−1,+3]	1.03	0.49	0.83	0.932
[−1,+2]	1.09	0.19	1.33	0.622
[-1,+1]	0.88	−0.01	0.90	0.207
(d) Merger announced but not completed (127 obs.)				
[−1,+3]	5.10	1.00	3.60***	2.425**
[−1,+2]	5.20	1.00	3.63***	2.446**
[−1,+1]	5.22	1.00	3.73***	2.551**



Source: https://spacinsider.com/

◆ WSJ NEWS EXCLUSIVE | FINANCE

As SPAC Creators Get Rich, How Incentives Are Shared Remains Murky

Some investment executives who back SPACs keep lucrative benefits known as 'sponsor promotes' for themselves rather than share with clients

Private companies are flooding to special-purpose acquisition companies, or SPACs, to bypass the traditional IPO process and gain a public listing. WSJ explains why some critics say investing in these so-called blank-check companies isn’t worth the risk. Illustration: Zoë Soriano/WSJ

By Juliet Chung Follow and Amrith Ramkumar Follow

Updated Aug. 3, 2021 3:50 pm ET

Many investment executives who back special-purpose acquisition companies are scoring big paydays as more deals get completed. Some of their clients are missing out.

The divergence results from the varying methods SPAC creators use to share the lucrative incentives known as the "sponsor promote." It typically consists of deeply discounted shares and other securities executives receive for risking capital to set up the SPAC and vet a company to take public. The promote typically allows creators to make tens of millions of dollars on paper on average—sometimes several times their initial investment—even if that company's shares fall.

How promotes get distributed is murky. The Securities and Exchange Commission doesn't require detailed disclosures about how they are shared, though it has said it is looking into the issue. Clients of investment firms whose principals create SPACs don't always ask, or say they have limited means of pushing back against arrangements they don't like.

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Grab Holdings

Grab co-founder set to dramatically increase voting rights with Nasdaq listing

Anthony Tan will have 60.4% of the voting power while owning just 2.2% of the Singaporean tech group

reverse merger
↓
control right > CF right

Proponents say Anthony Tan needs the control to make quick and difficult decisions in navigating Grab's eight markets © FT montage; Reuters

Mercedes Ruehl and **Stefania Palma** in Singapore APRIL 19 2021

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MARKETS **NOW**

Wall Street's blank-check boom has gone bust

By Paul R. La Monica, CNN Business
Updated 1801 GMT (0201 HKT) June 8, 2022

Proposed regulations from the Securities and Exchange Commission to increase disclosure requirements for SPACs may lead to a further chill in the market.

Blank-check companies that haven't yet acquired anything may struggle to find an attractive target in this environment.
And for many of these SPACs, the clock is ticking. Because of the way the firms are structured legally, once a SPAC goes public, it typically has about 18 to 24 months to purchase a company before it is forced to dissolve and return cash to investors.

That means several blank-check firms are now going to be scrambling to find merger targets to take public. Many won't succeed.

DOI: 10.1111/eufm.12366

ORIGINAL ARTICLE

EUROPEAN FINANCIAL MANAGEMENT WILEY

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Public Listing – Kanis Saengchote, Ph.D. ©

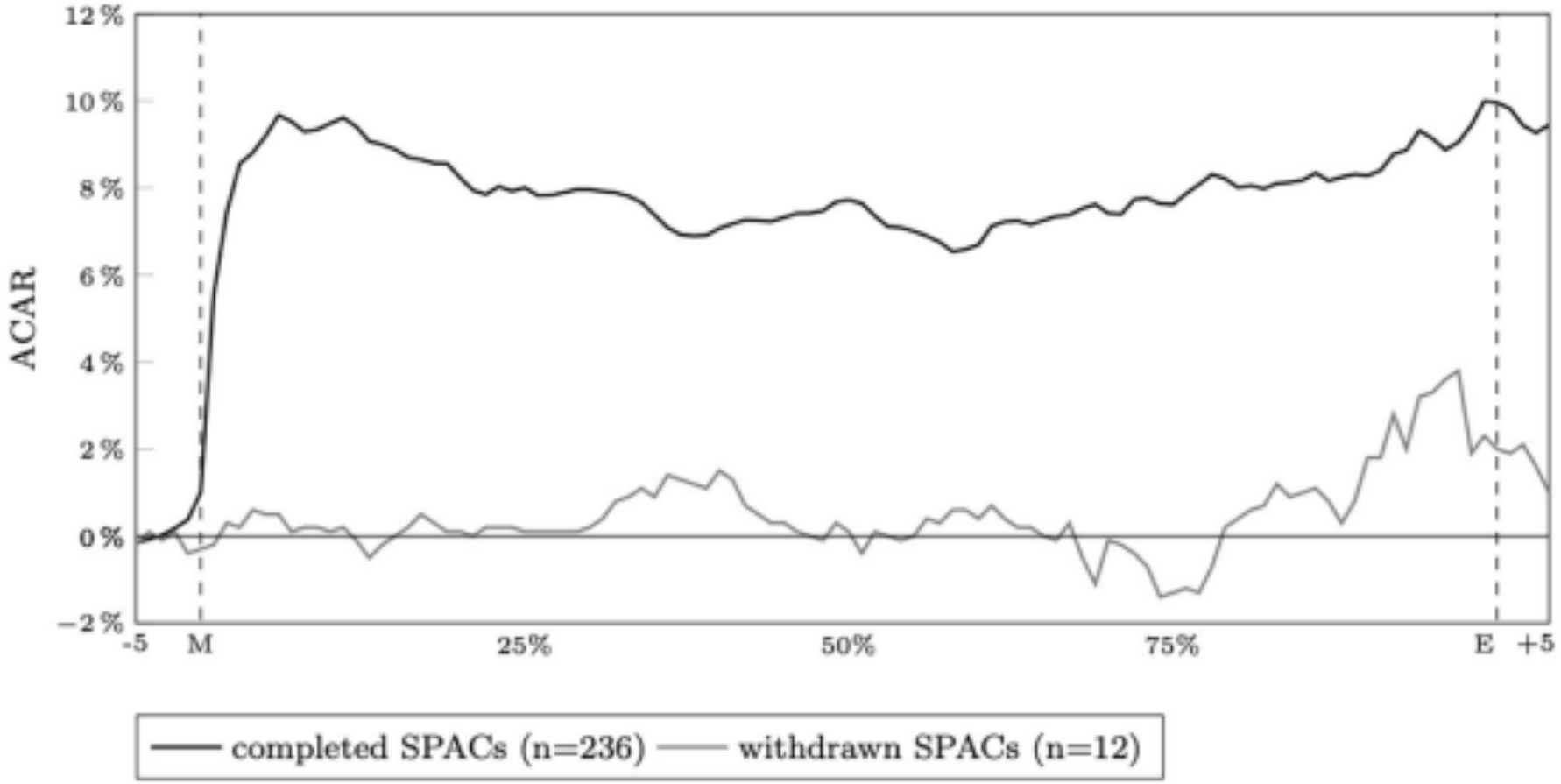

FIGURE 1 Abnormal performance until completion/withdrawal of the deal. This figure shows the results of the cumulative abnormal stock returns (CARs) for the sample of 248 merger announcements through the time of the final merger decision (either completion or withdrawal). The sample is divided into 236 completed and 12 withdrawn merger announcements. The CARs are standardized between merger announcement day (M) and effective day (E) following Malmendier et al.'s (2016) approach. The graphic illustration shows the cumulative average abnormal return development during the $[R - 5; \hat{D} + 5]$ event window, beginning 5 days before the merger announcement and ending 5 days after the effective date. SPAC, special purpose acquisition company.

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TABLE 6 Long-term abnormal performance from effective date.

This table reports the results of the long-term market performance, starting from the effective date special purpose acquisition companies (deSPAC date) and using the largest sample size possible for each event window. Returns are measured until 1 September 2021. Thus, all 6-month BHARs involve deSPACs effective before 28 February 2021, all 12-month BHARs involve deSPACs before 31 August 2020, all 18-month BHARs involve deSPACs effective before 28 February 2020 and 24-month BHARs involve deSPACs before 31 August 2019, respectively. Therefore, the number of observations in the sample diminishes with the increase in the time horizon (192 for 6 months, 126 for 12-month returns, 107 for 18-month returns and 91 for 24-month returns) due to the end of our investigation period. None of the SPACs was delisted during this time. Buy-and-hold abnormal returns (BHARs) are calculated for the post-event periods of 6, 12, 18 and 24 months, with the BHAR methodology using the Russell 2000 as the benchmark. The bootstrapped skewness-adjusted *t* test as suggested by Lyon et al. (1999) is applied. *, ** and *** indicate statistical significance at the 10%, 5% and 1% levels, respectively.

BHAR (months)	No. obs.	Median (%)	Mean (%)	Standard deviation	Max	Min	Neg:Pos	*t* test
6	182	−19.355	−18.749	43.715	122.564	−124.65	119:63	4.19***
12	126	−24.850	−18.528	70.353	304.875	−130.82	84:42	2.48**
18	107	−29.501	−6.878	160.74	1239.44	−116.84	72:38	0.41
24	91	−37.354	−13.451	227.06	1979.35	−146.44	59:32	0.55

Remarks at Virtual Roundtable on the Future of Going Public and Expanding Investor Opportunities: A Comparative Discussion on IPOs and the Rise of SPACs

Commissioner Caroline A. Crenshaw

Washington D.C.

April 28, 2022

SPACs are not equivalent to public companies, "not with respect to liquidity, not with respect to alignment of incentives between large and small shareholders, not with respect to the vetting and disclosure practices the next Section will discuss. Current SPACs claim all the benefits of public markets without providing the liquidity and disclosure we expect from them."

The recent SPAC boom raised concerns about the rigor of forward-looking statement disclosures, potential conflicts of interests, and whether adequate liability attached to the key second-phase of a SPAC, the de-SPAC. In some cases, SPACs may have elevated companies to the public markets sub-optimally.[36] One question I will be thinking through is whether this alternative path to the public markets provides unjustified opportunities for legal or regulatory arbitrage when compared to the traditional IPO. In other words, whether the form, an IPO through merger rather than offering, has been elevated over substance.

SEC Proposes Rules to Enhance Disclosure and Investor Protection Relating to Special Purpose Acquisition Companies, Shell Companies, and Projections

FOR IMMEDIATE RELEASE
2022-56

Washington D.C., March 30, 2022 — The Securities and Exchange Commission today proposed new rules and amendments to enhance disclosure and investor protection in initial public offerings by special purpose acquisition companies (SPACs) and in business combination transactions involving shell companies, such as SPACs, and private operating companies.

The proposed new rules and amendments would require, among other things, additional disclosures about SPAC sponsors, conflicts of interest, and sources of dilution. They also would require additional disclosures regarding business combination transactions between SPACs and private operating companies, including disclosures relating to the fairness of these transactions. Further, the new rules would address issues relating to projections made by SPACs and their target companies, including the Private Securities Litigation Reform Act safe harbor for forward-looking statements and the use of projections in Commission filings and in business combination transactions.

If adopted, the proposed rules would more closely align the required financial statements of private operating companies in transactions involving shell companies with those required in registration statements for an initial public offering.

Bill Ackman to wind up Spac and return $4bn to investors

Billionaire says he failed to find a suitable company to take public using his investment vehicle

Bill Ackman attempted to take a 10% stake in Universal Music, which was being spun off by the French media conglomerate Vivendi, through his Spac last year. Photograph: Mike Blake/Reuters

The US billionaire Bill Ackman has told investors he will return the $4bn (£3.4bn) he raised for the biggest-ever special purpose acquisition company (Spac), after failing to find a suitable target firm to take public through a merger.

Ackman wrote to shareholders in Pershing Square Tontine Holdings (PSTH) to say he would return the sum, blaming the faster-than-expected economic recovery from the Covid-19 pandemic for the failure.

Beware of 'frothy' US investment firms, LSE boss warns

David Schwimmer warns of risk from special purpose acquisition companies - Spacs - if plans to liberalise market rules go ahead

Plans to liberalise rules regarding Spacs were announced this week as part of a package of reforms designed to attract more fast-growing companies to list in London. Photograph: Getty Images

A "frothy" US market for so-called "Spac" investment companies could end poorly for some investors, with the trend a risk to UK investors if plans to liberalise market rules go ahead, according to the chief executive of the London Stock Exchange.

The proposals regarding special purpose acquisition companies (Spacs) - "blank cheque" shell companies that raise money first and seek businesses to buy later - were announced earlier this week as part of a sweeping package of reforms designed to attract more fast-growing companies to list in London, in an attempt to maintain the UK's position as a leading global financial centre post-Brexit.

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*requirement of backdoor listing will be like normal listing

Luminar → has forward projection
↳ even don't provide this → we still don't know % ownership as we don't know whether investors will redeem or not

หุ้น-การเงิน

ก.ล.ต. รื้อใหญ่เกณฑ์กำกับ SET ตั้งแต่ IPO ยันเพิกถอน-ชู บจ. โปร่งใส

วันที่ 7 กุมภาพันธ์ 2567 - 09:12 น.

เลขาฯ ก.ล.ต. ยกเครื่องกำกับ SET ขนานใหญ่ หวังปราบทุจริต-คุมเข้มบริษัทจดทะเบียน ล่าสุด บอร์ดอนุมัติแผนตลาดหลักทรัพย์ฯแล้ว ลุยกำกับ บจ. ตั้งแต่เข้าไอพีโอ ถึงกระบวนการเพิกถอน เพิ่มเกณฑ์ "กำไร-ส่วนผู้ถือหุ้น" ธุรกิจเข้าจดทะเบียน SET-mai เริ่มใช้ 1 ม.ค. ปีหน้า แย้มต้นเดือน มี.ค.นี้ ออกเกณฑ์กำกับโปรแกรมเทรดดิ้ง

Timeline
แผนงาน ก.ล.ต. ยกระดับบริษัทจดทะเบียนเข้มแข็ง 2567

กลต

ม.ค.
- รายงานซื้อขายหลักทรัพย์ (ม.59)
- Investment Company
- ซักซ้อมการจัดประชุมผู้ถือหุ้นสามัญประจำปี (AGM)
- เริ่มโครงการ Value of Audit กับสภาวิชาชีพบัญชี

ก.พ.
- ปรับปรุงนิยามและเกณฑ์อนุญาตตั่วเงิน PP-10
- ระบบข้อมูล whitelist
- แนวปฏิบัติที่ดี ประชุมผู้ถือหุ้นกู้

มี.ค.
- รายงานผลการขายอย่างย่อ 81-1
- ผ่อนผันกรณี บจ. ฟื้นฟู
- การเปิดเผยรายชื่อผู้ถือหุ้น
- แนวปฏิบัติที่ดี เลขานุการบริษัท
- แนวปฏิบัติที่ดี ผู้แทนผู้ถือหุ้นกู้
- สัมมนาโครงการบริษัทจดทะเบียนเข้มแข็งครั้งที่ 1

เม.ย.
- เพิ่มทุน PP SME
- เกณฑ์การออกเสนอขายและการเปิดเผยข้อมูลตราสารหนี้

เกณฑ์เกี่ยวกับ
- กระบวนการพิจารณา Blackdoor Listing / Resume Trade
- การเตือนผู้ลงทุน
- มาตรการดำเนินการกรณี Free Float ไม่เป็นไปตามเกณฑ์
- แนวปฏิบัติที่ดี Credit Rating Agency (CRA)
- คู่มือการตั้งชื่อหุ้นกู้

พ.ค.
- สัมมนา Financial Advisor (FA) Workshop

มิ.ย.
- เกณฑ์ Material Transaction (MT) / Related Party Transaction (RPT)
- กำหนดจำนวนผู้สอบบัญชีขั้นต่ำ
- ยกระดับการกำกับดูแลระบบ IT ของผู้สอบบัญชี

ก.ย.
- แนวปฏิบัติที่ดี Chief Financial Officer (CFO)
- สัมมนา MT/RPT
- สัมมนาโครงการบริษัทจดทะเบียนเข้มแข็งครั้งที่ 2
- เริ่มอบรมเรื่อง Group Audit

ม.ค. 68
- Listing Rules มีผลบังคับใช้ 1 ม.ค. 68

ตราสารทุน | ตราสารหนี้ | ออกประกาศ/เกณฑ์ | สัมมนา/อบรม | คู่มือ/แนวปฏิบัติ/บทความ

ข้อมูล วันที่ 6 กุมภาพันธ์ 2567

• potential to make profit & sustainable
& solid proof

Hedge → always redeem (get risk-free return) → has warrant