Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
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www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Pegasus Asia

Stock code: PGS

Meeting details:
Date: 25 April 2023
Time: 2.00 p.m.
Venue: 79 Robinson Road, Bridge+, Metro 2 Event Space, Level 2, CapitaSky Singapore 068897

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Q1. The company is a special purpose acquisition company ("SPAC") incorporated for the purpose of effecting a business combination with one or more target businesses within 24 months from 21 January 2022.

The company has less than 12 months to effect a business combination prior to the regulatory timeline in January 2024.

The SPAC will focus on businesses in technology-enabled sectors, including but not limited to consumer-technology ("consumer-tech"), financial technology ("fintech"), property-technology ("prop-tech"), insurance-technology ("insurance-tech"), healthcare and medical technology ("health-tech"), and digital services, primarily, but not exclusively, in Asia Pacific.

In the business combination, the SPAC seeks to help such businesses pursue their ambition by providing patient capital and operational support, making a transformative impact and creating value.

(i) **What progress has the company made in identifying an operating business for a potential business combination? Has the company conducted any due diligence on potential targets since its listing as a SPAC?**

(ii) **What valuation framework does management use to evaluate potential acquisition targets? What are the key criteria and factors that are considered when evaluating such targets?**

(iii) **Given the relatively weak performance of some SPACs post-business combination, how does the company's board and management plan to navigate these challenges and ensure a successful outcome for shareholders?**

(iv) **Which of the technology sectors show the most resilience or remains most attractive as a target given the current macro-economic and geopolitical situation?**

(v) **Can management elaborate on the strength of the sponsor's network in Asia, particularly given that it is based in France/Europe? How does the sponsor plan to leverage its network and resources to identify and pursue potential business combinations in the Asian market?**

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Q2. For FY2022, the loss for the year amounted to $(9.7) million.

This was mainly due to administrative expenses of $(12.3) million and finance costs of $(2.7) million. In addition, the operating expenses of $5.64 million for the period from 13 October 2021 (date of incorporation) to 31 December 2022 was higher than the total estimated expenses of $4.09 million as set out in the prospectus.

	Prospectus S$'000	Actual S$'000	Variance %	Note
Underwriting commission and expenses	2,394	2,587	7.5	**1**
Legal fees	821	1,532	46.4	**2**
Professional fees	412	563	26.9	**3**
Listing fees	128	128	-	
Insurance	-	432	Nm	**4**
Other expenses	335	399	15.8	**5**
Total	**4,090**	**5,641**		

Notes

1 The variance is due to underwriting fees related to public offering and lead issue manager's fees previously not included.

2 The variance is mainly attributable to increase in legal fees from estimates incurred in Singapore, Cayman and US counsels for the purposes of IPO offering.

3 The variance is mainly attributable to increase professional fees in audit and valuation of financial instruments.

4 The variance is mainly attributable to Directors and Officers insurance previously not included as IPO expenses.

5 The variance is mainly attributable to operating costs incurred on administrative and staff salaries not included as IPO expenses.

(Source: company announcement dated 1 March 2023)

In particular, legal fees were 46% higher and insurance premium of $432,000 was not included in the prospectus. Other than listing fees, all the estimated operating expenses included in the prospectus were under-budgeted.

(i) **What is the reason that the SPAC purchased insurance for the directors and officers and why was this not included in the prospectus?**

(ii) **Similarly, what are the reasons that legal fees have exceeded the prospectus amount by 46%?**

(iii) **Have the sponsors and management utilised the experience gained during the IPO to enhance their understanding of the business and governance practices, regulations, and business norms of a SGX-listed company?**

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Q3. Mr Neil Parekh is the chief executive officer and executive director. Based on his biography (page 7), Mr Parekh is concurrently a Partner and Head of Asia, Australia & New Zealand at Tikehau Capital.

(i) **Would Mr Neil Parekh help shareholders understand how he splits his time between his two principal commitments?**

(ii) **Can the CEO help shareholders understand the SPAC's competitive advantage over other SPACs in securing a business combination?**

The biography of the CEO can be found on page 7 of the annual report. Additional information on directors seeking re-election pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found on pages 65 to 68. An extract is shown below:

Name of Directors	Mr. Neil Parekh
Past (for the last 5 years)	**Directorships:** ▪ National Australia Bank ▪ Singapore Indian Chamber of Commerce & Industry ▪ Nautilus Insurance Pte Ltd ▪ Graymatics-SG Pte Ltd ▪ The Indus Entrepreneurs Singapore Limited ▪ Fibronostics Pte Ltd
Present	**Principal Commitments:** ▪ Partner and Head of Asia, Australia & New Zealand, Tikehau Capital **Directorships:** ▪ Tikehau Investment Management Asia Pte. Ltd. ▪ Tikehau Investment Management Japan K.K. ▪ TK Asia GP Pte Ltd ▪ Singapore Institute of Directors ▪ Elevandi ▪ AMTD Digital Inc. ▪ Poseidon Infinity Fin Tech ▪ Starin Capital Pte Ltd

Neil Parekh – *Chief Executive Officer, Non-Independent Director*

Date of appointment:
- 13 October 2021

Date of last re-elected as Director:
- N/A

Board Committee served on:
- Nominating Committee (Member)

Present directorships:
- Tikehau Investment Management Asia Pte. Ltd.
- Tikehau Investment Management Japan K.K.
- TK Asia GP Pte Ltd
- Singapore Institute of Directors
- Elevandi
- Poseidon Infinity Fin Tech
- Starin Capital Pte Ltd
- Singapore Indian Chamber of Commerce & Industry (SICCI)

Past directorships held in last five years:
- National Australia Bank
- Nautilus Insurance Pte Ltd
- Graymatics-SG Pte Ltd
- The Indus Entrepreneurs Singapore Limited
- Fibronostics Pte Ltd
- AMTD Digital Inc.

(Adapted from annual report; emphasis added)

(iii) **Can the director clarify his current and past directorships? What are the reasons for the discrepancies in the same annual report? Did the directors approve the annual report?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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