

## ► Introduction for Listing on AIM

---



**October 2004**

**CHARLTONS**  
易周律師行

---

[www.charltonslaw.com](http://www.charltonslaw.com)

## What is AIM?

---

- ▶ AIM is the second board of the London Stock Exchange for the Listing of smaller, growing companies;
- ▶ AIM is structured to provide the flexibility that companies require to facilitate their growth by way of fund raising and/or acquisition;
- ▶ Since AIM opened in 1995, approximately 1,300 companies have been listed on it raising approximately £10 billion in total

---

## **Requirements for Listing on AIM**

**CHARLTONS**  
易周律师行

---

## Requirements for Listing on AIM

---

- ▶ The prime requirement must be the investment community views your company as an attractive business with good commercial prospects.
  
- ▶ Documentary Requirements under the AIM Rules:
  - Admission Document containing certain disclosures about such matters as the directors' backgrounds, the shareholders, business activities and the issuer's financial position;
  
  - audited accounts of the issuer for a period ending no more than 6 months prior to the date of listing

## Requirements for Listing on AIM (Cont'd)

---

- ▶ the issuer should have an independent trading and revenue-earning record covering the same period of the accounting period as stated above
- ▶ the issuer's directors and senior management must show they have appropriate collective experience and expertise to run all aspects of the business and must be free of conflicts of interest
- ▶ the issuer must be able to show it has enough working capital needs and for at least the next 12 months

---

# Market Requirements

CHARLTONS  
易周律师行

---

## Market Requirements

---

Although these are not mandatory requirements under the AIM Rules, to be suitable and ready to float and be of interest to the investor, the issuer should possess the following attributes:

- ▶ Track record as a sound, well managed business
- ▶ Viable and realistic business plan
- ▶ Management quality and continuity
- ▶ Sound corporate governance structure

---

## **Appointment of Advisers**

**CHARLTONS**  
易周律师行

---



## Appointment of Advisers

---

The following professional parties are integral to a listing on AIM:

- (1) Nominated Adviser (“Nomad”) – the Nomad has the responsibility of ensuring that the issuer meets all the requirements of the AIM Rules. The Nomad will also co-ordinate the listing process and will arrange with the AIM Panel for the scheduling of the date of admission of the issuer to the market.
- (2) Lawyers – normally 2 sets of lawyers, one will act for the existing shareholders of the issuer and the other will act for the Nomad.
- (3) Reporting Accountant – the reporting accountant will be responsible for reviewing the issuer’s financial records and internal accounting systems.

## The Corporate Broker

---

- ▶ The corporate broker acts as the main interface with the Stock Market and potential investors. The corporate broker will be responsible for advising the issuer and the sponsor on the likely level of market demand and will continue to work with the issuer after the listing

## Other Advisers

---

Depending on the method of listing, the issuer may choose to appoint the following advisers:

- ▶ financial public relations consultants
- ▶ share registrar
- ▶ chartered surveyors or valuers
- ▶ actuaries to assess the position of the issuers' pension schemes
- ▶ security printers

---

## Timing of Listing & Costs

CHARLTONS  
易周律师行

---

# Timing of Listing

---

## Timing of Listing

The time required to complete a listing involves many variables – including the size, sector, the method of listing and the degree and complexity of due diligence.

## Costs

The overall fees for a listing on AIM could range from £150,000 for a listing by way of introduction without cash raising to £350,000 for a particularly complex introduction with significant sums being raised. There is also a likelihood of commissions charged by brokers ranging from 3% to 5%.

---

## **Different methods of Listing on AIM**

## Different methods of Listing on AIM

---

- ▶ public offer – shares are offered to private and/or institutional investors. This method of listing is generally most expensive and normally used by larger companies
- ▶ placing – shares are offered to a selected base of institutional investors. This allows the issuer to choose. This allows the issuer to choose its shareholder base however with the narrower shareholder means less liquidity

## Different methods of Listing on AIM (Cont'd)

---

- ▶ Introduction – this method of listing will not allow the issuer to raise further capital and requires a large spread of shareholders. This method is usually used by issuer already listed on other recognised exchanges.
- ▶ Reverse - this method requires the issuer to acquire a company already listed on AIM but the value is substantially less than the acquiring company. Assets are then injected into the newly acquired “shell”



---

## Conclusion for Listing on AIM

CHARLTONS  
易周律师行

---

## Conclusion for Listing on AIM

---

To successfully complete an AIM listing, the issuer will need a good team of advisers to:-

- (1) satisfactorily completing the admission
- (2) minimise the costs and time of the listing
- (3) advise directors and management on the requirement of the AIM Rules
- (4) advise the issuer of the market conditions

## Contact us

---

### Hong Kong Office

12<sup>th</sup> Floor  
Dominion Centre  
43 – 59 Queen's Road East  
Hong Kong

Telephone: (852) 2905 7888  
Fax: (852) 2854 9596  
Email: [enquiries@charltonslaw.com](mailto:enquiries@charltonslaw.com)  
Website: <http://www.charltonslaw.com>



CHARLTONS  
易周律師行

---

## Other Locations

---

### China

#### **Beijing Representative Office**

3-1703, Vantone Centre  
A6# Chaowai Avenue  
Chaoyang District  
Beijing  
People's Republic of China  
100020

Telephone: (86) 10 5907 3299  
Facsimile: (86) 10 5907 3299  
[enquiries.beijing@charltonslaw.com](mailto:enquiries.beijing@charltonslaw.com)

### Myanmar

#### **Yangon Office of Charltons Legal Consulting Ltd**

161, 50<sup>th</sup> Street  
Yangon  
Myanmar  
[enquiries.myanmar@charltonslaw.com](mailto:enquiries.myanmar@charltonslaw.com)

#### **Shanghai Representative Office**

Room 2006, 20th Floor  
Fortune Times  
1438 North Shanxi Road  
Shanghai  
People's Republic of China  
200060

Telephone: (86) 21 6277 9899  
Facsimile: (86) 21 6277 7899  
[enquiries.shanghai@charltonslaw.com](mailto:enquiries.shanghai@charltonslaw.com)

#### **In association with:**



#### **Networked with:**



**CHARLTONS**  
易周律師行