



Capital and Finance Corp UK Ltd

London Stock Exchange

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**Alternative Investment Market
(AIM)**



Capital and Finance Corp UK Ltd

**Procedures required
for Company listing of a
Chinese Company
on
AIM
London Stock Exchange**



Capital and Finance Corp UK Ltd

- **ICG Capital & Finance Corp (UK) Ltd** is an international consultancy firm providing services related to:
 - Preparation of finance packages such as equity and debt finance.
 - Assistance in project development.
 - Provision of EPC contractors.
 - Advice on Mergers & Acquisitions and joint ventures.
- **ICG** is a private Investment Company that specializes in raising finance for Government and Private Clients in the infrastructure and energy sector particularly in Europe and Africa.
 - We have a consortium that finances development of large-scale Infrastructure and Energy projects.
 - We have connections to reputable European and American Insurance Companies, Pension Funds and Investment Banks.
 - ICG procure the financing for undertaking development of Infrastructure and Energy Projects, renewable and conventional, ranging from £50m - £500m.

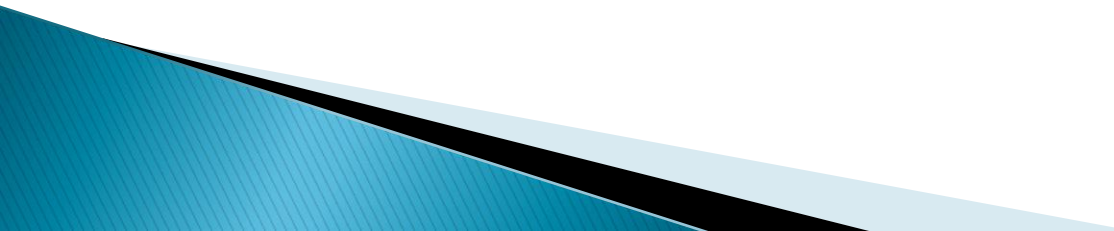


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- **ICG** focuses on raising finance for projects in the private and public sectors. ICG is currently helping its clients to deliver environmentally friendly projects; introduce new technologies; commission infrastructure projects; and implement projects in the health and energy sectors.
- **ICG**'s executives draw on their deep and broad business experience, gained from decades working in governmental organizations and in the private sector; in areas such as banking, international law, insurance, engineering, the US money markets, bonds, mortgages and securitization.

Our focus is global: **ICG** has implemented projects in the Middle East, Central and Eastern Europe, Africa and the CIS.

AIM (Alternative Investment Market)

- AIM is an exchange owned by the London Stock Exchange, allowing smaller, growing companies to raise expansion capital with the advantage of a more flexible regulatory system than is applicable to the main market.
 - AIM, launched in June 1995, has raised almost £24 billion and has helped more than 3,000 small-medium-sized companies raise equity to support their growth.
 - Among these are companies from particularly high-growth areas such as technology, clean-tech and biotech.
 - Flexibility is provided by less regulation and no requirements for capitalization or number of shares issued.
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AIM

- For additional offerings, no additional prospectus will be required if the offering falls within either the “qualified investor” or the “100 person” offering rule.
- exemptions should mean that a placing is not an “offer to the public”
- Significantly more companies transferred from the Main Market to the LSE.
- LSE has significant tax advantages for investors, as well as less regulatory burden for the companies themselves.
- LSE has increasingly become the exchange of choice for international issuers, often due to its low regulatory burden, especially in relation to the Sarbanes–Oxley Act in the USA.

- Procedure for Listing on AIM

1. Prepare company presentation and business plan for presentation to prospective ‘nomads’ and brokers.

- AIM is characterized as a market with a moderate and balanced regulatory regime that is effectively enforced by one of the company’s professional advisers, the **Nominated Adviser** or “Nomad”.
- This regulatory regime is unique in that the Nominated Adviser owes its sole duty to the London Stock Exchange but is selected and compensated by the London AIM-listed company.



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- The Nominated Advisers are generally boutique investment banks or other professional firms, ranging in size from 10 to 200 employees.
- All London LSE-AIM listed companies must have a Nominated Adviser at all times therefore careful investigation prior to selection is crucial.

2. Prepare corporate and accounting due diligence and accounts to latest audit date in accordance with IFRS.

Depending on the time of year of admission, audited accounts will be required for the previous year end or half year as appropriate and unload it in the end of the previous quarter to admission. Thereafter, management accounts from that date until date of admission will sometimes be requested.

Comprehensive legal due diligence materials and report will be prepared by our legal team and provided to Nomad's legal counsel. This includes all corporate and ownership information including group structure, material contracts, ownership structure, property, intellectual property etc.

3. Preparation of Admission Document (Prospectus) including legal, accounting and business section (a précis of the company's business plan).

Verification of Admission Document and drawdown to Closing.

When preparing prospectus it is essential that every fact be substantiated by a source even if it is market estimation. The verification file is a file of every source to which each statement or figure in the prospectus refers. Much of this will follow the due diligence materials but some points from the corporate section may well be from market research you have conducted.

4. Appointment of Nomad and Broker (or Nomad/broker)

As stated, appointment of the appropriate nominated advisor (NOMAD) is crucial. This advisor not only accompanies the listing process but also remains as advisor to the company in accordance with stock exchange rules after admission. Many nominated advisors are also brokers and will fulfill the role of raising the money from the institutions. However, that is not always the case and it may be that a nominated advisor is willing to take on this project who is not a broker in which case they will together with ourselves need to identify a suitable broker.

5. Meetings with brokers (if Nomad is not a broker), valuation and pricing.

The client may have differing expectations than those the broker anticipates the market will accept as to the valuation/listing price of the offering. This will need to be agreed at a valuation that gives the offering the greatest chance of succeeding.

6. Roadshow in London with selected Nomad presentations to institutional investors.

We will accompany you to London at the appropriate time to present the company and the offering to institutional investors. This requires preparation both on presentation techniques and comprehensive knowledge of your industry and awareness of the cultural requirements in the UK in order to make this project a success.

7. Appointment of appropriate PR/IR

If the client wishes to sustain the valuation and attract market investors to the newly issued stock after admission then the appropriate PR/IR is essential. They will work with the company to ensure the creation and supply of a constant and steady flow of news to the market.

8. Take all corporate actions necessary - increase share capital if necessary, board approval of the transaction, POAs etc. Possible corporate restructuring/incorporation in England.

Which actions are necessary will become clear as we proceed with the due diligence.

9. Submission of Admission Document to FCA.

Admission documents over a certain amount need to be submitted for approval to the Financial Conduct Authority who may request clarification or amendment of certain sections in the prospectus.



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10. Admission on AIM and trading.



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11. Maintaining and sustaining the value - good PR/IR.

- The entire preparation and AIM listing process (from kick-off to admission for trading) will normally take between 3 - 6 months.
- Up-front payment for legal, accounting and consulting services is required.



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