

Chapter 1: Admission to Listing OVERVIEW

This chapter sets out the requirements that need to be satisfied before an entity can be listed on the Exchange. The Exchange takes into account the circumstances of each particular entity applying for listing. As a result, the Exchange may admit an entity to the official list even though all requirements in this chapter have not been met. The Exchange may also refuse to admit an entity to the official list even if all requirements have been met.

Application for Listing

1.1 An entity applying for admission to the official list must provide to the Exchange:

- (a) a completed copy of Annexure 1A;
- (b) the documents that are required to accompany Annexure 1A;
- (c) any other documents or information required by the Exchange from the applicant, or any other person, in relation to the application for admission; and
- (d) the fees payable on listing under chapter 13.

Listing Requirements

1.2 An entity must meet the following conditions to the satisfaction of the Exchange to be admitted to the official list:

- (a) it must have a structure and operations that are appropriate to be listed on the Exchange;
- (b) it must have a constitution that is consistent with the Listing Rules;
- (c) if the entity is a trust that is a managed investment scheme, the responsible entity must not be under an obligation to allow a security holder to withdraw from the trust;
- (d) if the entity is a trust that is not a managed investment scheme, no-one must be under an obligation to buy-back units in the trust;
- (e) if the entity is a trust, it must satisfy the additional requirements in rule 1.9;
- (f) it must have issued a prospectus or product disclosure statement that complies with all relevant provisions of the Corporations Act. Alternatively, and if agreed by the Exchange, it must have issued an information memorandum that complies with Annexure 1A;
- (g) it must apply for and be granted permission for quotation of all the securities in its main class of securities;
- (h) it must satisfy the spread requirement in rule 1.3;
- (i) it must satisfy either the profit test in rule 1.5 or the assets test in rule 1.7; and
- (j) if it has issued, or proposes issuing, restricted securities before it is admitted to the official list, it must provide completed restriction agreements to the Exchange which comply with chapter 8.

Spread Requirement

1.3 To satisfy the spread requirement an entity must have:

- (a) at least 50 security holders each having a parcel of the main class of securities of the entity with a value of at least \$2,000, (excluding restricted securities); and
- (b) at least 25% of its main class of securities held by security holders who are not related parties of the entity (excluding restricted securities).

1.4 The spread requirement must not be obtained by artificial means.

Profit Test

1.5 An entity must satisfy each of the following to meet the profit test:

- (a) it must be a going concern (or the successor of a going concern);
- (b) if the entity's main business activity has not been the same over the last three full financial years, the entity must disclose details of how its business activities have changed either in its prospectus, product disclosure statement or information memorandum or to the Exchange; and
- (c) its aggregated profit for the last two full financial years must have been at least USD \$1,376,000.

1.6 If relying upon the profit test, an entity must provide to the Exchange:

- (a) audited financial statements and audit reports for the last three full financial years. The audit reports must not have been qualified in a way that raises doubt about whether the entity can continue as a going concern or has satisfied the profit test in rule 1.5;
- (b) audited or reviewed financial statements for the last half year (or longer period if available) from the end of the last full financial year, together with the audit report or review, if the entity applies for admission more than eight months after the end of the last full financial year;
- (c) a reviewed pro forma balance sheet (conducted by a registered auditor or an independent accountant) together with the review, unless the Exchange indicates the pro forma balance sheet is not required; and
- (d) a statement from all directors of the entity confirming they have made enquires and believe the entity has continued to earn profit from continuing operations up to the date of its application.

Assets Test

1.7 To meet the assets test an entity must satisfy each of the following:

- (a) the entity must have net tangible assets of at least USD \$3,000,000, after deducting the costs of fund raising, or a likely market capitalisation of at least \$1 million at the time of admission;

- (b) if half or more of the entity's total tangible assets (after raising any funds) are cash or in a form readily convertible to cash, the entity must have commitments consistent with its business objectives to invest or spend enough money to reduce the proportion to less than half. If the prospectus, product disclosure statement or information memorandum does not contain a statement of the entity's business objectives the entity must give a statement of its business objectives to the Exchange;
- (c) the entity must have enough working capital to carry out its stated objectives. If the prospectus, product disclosure statement or information memorandum does not contain a statement to that effect, the Exchange may require the entity to provide it with one from an independent expert; and
- (d) the entity's business must be developed to the point where it is reasonably likely it will generate revenue from its ordinary activities within three years of admission. The Exchange may require the entity to provide it with a written statement to that effect from an independent expert.

1.8 If relying upon the assets test, an entity must provide to the Exchange:

- (a) any financial statements, together with any audit report or review, for the last three full financial years (or shorter period if the Exchange agrees). The entity must notify the Exchange if the financial statements have not been audited or reviewed; and
- (b) a reviewed pro forma balance sheet, together with the review, unless the Exchange indicates the pro forma balance sheet is not required. The review must be conducted by a registered auditor or an independent accountant.

Additional Requirements for Trusts

1.9 A trust must either have a deed that is approved under the Corporations Act or be a registered managed investment scheme.

Listing Procedures

1.10 The Exchange will not admit an entity to the official list, unless the Exchange is satisfied the entity will comply with the Listing Rules.

1.11 The Exchange may submit, or require an entity to submit, any information provided to it in relation to an application to the scrutiny of an expert selected with the approval of the Exchange. If so, the Exchange may require the entity to pay for the expert.

1.12 The Exchange has absolute discretion in relation to admitting an entity to the Exchange Official List and the category of the entity's admission. The Exchange may admit an entity on any conditions it thinks appropriate. The Exchange may also grant or refuse admission without giving any reasons.

1.13 An entity is admitted to the official list in the particular category in which the Exchange decides to admit it.

1.14 If the decision of the Exchange to admit an entity to the official list is conditional, the entity is admitted when the conditions are met or the Exchange accepts undertakings from the entity to meet them.

1.15 If the decision of the Exchange to admit an entity is unconditional, the entity is admitted on the date specified by the Exchange. If no date is specified, the entity is admitted on the date of the decision.