

LUSAKA SECURITIES EXCHANGE

LuSE LISTING PROCESS

LISTING PROCESS

The Listing process that an Issuer must follow when seeking an equity listing is as follows:

1. Method of Listing

New Applicants may bring their securities to listing by way of:

- (a) an offer for sale
- (b) an offer for subscription

2. Documents to be Submitted for an Offer for Sale or Offer for Subscription

The following information is required to be submitted to and **approved** by the LuSE before listing is granted:

- (a) the circular or pre-listing statement/prospectus;
- (b) an original copy of the signed accountant's report(s) and relevant consent letters;
- (c) the information with respect to any underwriting;
- (d) the application for listing;
- (e) original copies of any experts' consents
- (f) the director's declaration for each director of the applicant.
- (g) the detailed valuation reports if the applicant is a property entity

3. Conditions for Listing – Main Board

An applicant Issuer must comply with the conditions for listing set out in Section 4 which are set out in summary as follows:

- i. Applications for listing are to be submitted to the LuSE through a sponsoring broker.
- ii. Applicant to be duly incorporated
- iii. An applicant seeking a listing on the LuSE must contractually undertake to the LuSE, to comply with the Listings Rules.

- iv. The directors and senior management of an applicant must collectively have appropriate expertise and experience for the management of the applicant.
- v. An applicant's financial statements must have been reported on by the auditors without qualification, disclaimer, adverse audit opinion or reference to an emphasis of matter.
- vi. An applicant must publish audited annual financial statements for its financial year.
- vii. The type of securities to be listed must be issued in conformity with the law of the applicant's country of incorporation.
- viii. Securities of a certain class must have identical features.
- ix. Shares must be fully paid up and transferable.
- x. Must have share capital of at least K 500,000.00
- xi. Must not have less than 10 000 000 shares in issue.
- xii. Must have a satisfactory audited profit history for the preceding three financial years. The LuSE may in its absolute discretion list a company which is in its development stage (other than a mineral company) and which does not have the required profit history.
- xiii. it must be carrying on as its main activity, either by itself or through one or more of its subsidiaries, an independent business which is supported by its historic revenue earning history and which gives it control over the majority of its assets.
- xiv. it must have 25% of each class of equity securities held by the public;
- xv. its number of the public shareholders in respect of listed securities shall be at least:
 - (a) 300 for equity shares;
 - (b) 50 for preference shares or equity instruments;

4. Conditions for Listing

An applicant Issuer must comply with the conditions for listing set out in Alt M. Rules which are set out in summary as follows:

- i) The Company must be a public company.
- ii) The Company must have a minimum trading turnover of K 250,000 and a maximum of K 20 million.

- iii) The public must hold a minimum of 10% free float.
- iv) The Issuer must appoint a designated Adviser
- v) The Company must show that it has been in operations for a period of five years or show increased revenues and market share for three years.
- vi) The Company must have a minimum of five directors the majority of whom should be non-family.
- vii) The Directors must undertake a Directors training induction with the IOD

5. Underwriting

An offer for sale or subscription need not be underwritten. However, with respect to new applicants, if an offer for subscription is not underwritten, the offer must be conditional upon the minimum subscription being received that will fulfil the purpose of the offer. If the offer is underwritten, the underwriter must satisfy the LuSE that it can meet its commitments in the manner required by the LuSE.

6. Contents of Prospectus

6.1 An offer for sale or subscription must take the form of a prospectus and, apart from complying with the Securities Act and Companies Act, it must also comply with Section 6. This section sets out the requirements relating to pre-listing statements and prospectuses that are issued in place of pre-listing statements. Section 6 states that a prospectus must contain the information set out in Section 7.

6.2 Additional Financial Information Required is contained in Section 8 as follows:

- i. Historical financial information is to include the following historical financial information, prepared in accordance with IFRS:
 - (a) income statements;
 - (b) balance sheets;
 - (c) statements of changes in equity;
 - (d) cash flow statements;
 - (e) accounting policies;
 - (f) notes thereto;
 - (g) segmental information;

ii. Accountant's report
