



The business of relationships.™

Accessing London Capital Markets

Phnom Penh, 21 October 2015

Reed Smith Overview



Leading international, full service global law firm with sector expertise

Over 1,800 lawyers and more than 800 partners

Trusted legal adviser to leading international business, including Fortune 100 & FTSE 100 corporations

One fully integrated global partnership across markets and sector groups

A theme of seamless and consistent service – tailored for each client and led by Client Relationship Partners

A client relationship firm - Reed Smith ranked in the BTI Client Service 30 in *The BTI Client Service A-Team 2014*. We have been a Client Service 30 firm for eleven **years running**

Reed Smith Network

More than 1,800 lawyers within 26 offices worldwide.

Substantive practices are organised across geographic boundaries and assisted by technology so our work is performed in the most cost-effective and efficient manner.



| U.S. West | U.S. Central | U.S. East | Europe | Middle East | Asia |
|-----------|--------------|-----------|--------|-------------|------|
| 270+ | 180+ | 800+ | 420+ | 25+ | 150+ |

Asian IPOs to London



**TOP CREATION
INVESTMENTS
LIMITED**



**Sorbic
International Plc**



**ASEANA
PROPERTIES
LIMITED**

GEONG

**RADIANT GROWTH
INVESTMENTS LIMITED**



Overview

- Pros & cons of listing
- Choosing the right bourse
- What you can expect from your lawyer
- Due diligence
- Verification
- Common pitfalls for IPOs
- Why London?
- Key features



Pros & cons of listing

| Pros | Cons |
|---|--|
| <ul style="list-style-type: none"><li data-bbox="272 389 653 432">▪ Access to capital<li data-bbox="272 504 658 546">▪ Profile/reputation<li data-bbox="272 618 498 661">▪ Exit route<li data-bbox="272 732 894 775">▪ Motivation/incentive (ESOS) | <ul style="list-style-type: none"><li data-bbox="987 389 1319 432">▪ Loss of control<li data-bbox="987 504 1435 546">▪ Ongoing obligations<li data-bbox="987 618 1570 661">▪ Disclosure / accountability<li data-bbox="987 732 1126 775">▪ Costs<li data-bbox="987 846 1300 889">▪ Transparency<li data-bbox="987 961 1329 1003">▪ Loss of privacy<li data-bbox="987 1075 1522 1118">▪ Management distraction<li data-bbox="987 1189 1503 1232">▪ Increased litigation risk |

Choosing the right bourse

- Consider:

- Type of business
 - ✓ Active/operating
 - ✓ Passive/investment holding
- Stage of development
 - ✓ Exploration/development
 - ✓ Production
- Location
 - ✓ Assets
 - ✓ Customers
 - ✓ Management
- Required speed/timing to market
- Management/technical resources
- Market conditions
- Costs



ASX

ស្ថាប័នសុវត្ថិភាពស្តុក



CSX

Cambodia Securities Exchange



London
Stock Exchange

AJM

SGX 
SINGAPORE EXCHANGE

What you can expect from your lawyer

- Pre IPO structuring / fundraising
- Licences / regulatory approvals
- Reviewing engagement terms
- Admission document / prospectus
- Due diligence / verification
- Placing documents
- Securities legislation
- Directors' duties / corporate governance
- Ongoing compliance



Due diligence: Why?

- Directors: have a general obligation to ensure that Admission Document/Prospectus contains all information reasonably necessary to enable investors to form a full understanding of, inter alia, the assets and liabilities, financial position, profits and losses, and prospects of the Group and the rights attaching to the securities to be listed.
- Nomad is also required to confirm to AIM that, in its opinion, it is satisfied that the applicant is appropriate for listing on AIM.
- Due Diligence is one of the processes in the listing process for satisfying these requirements.

Due diligence: Scope

- Covers the company's entire business:
 - Commercial (Nomad / Sponsor)
 - Financial (Reporting Accountant)
 - Legal (Lawyer)
- Due diligence findings:
 - Information to be included in AD/Prospectus
 - Matters to be "fixed":
 - ✓ Pre IPO requirements
 - ✓ Post IPO commitments / recommendations

Due diligence: Detail

- General company information
- Accounts
- Real property and other material assets
- Indebtedness and financing documents
- Creditors and debtors
- Other material contracts and arrangements
- Employees, pensions and benefits
- IP, marketing, sales and operations
- Insurance
- Regulatory matters
- Litigation and disputes
- Environmental and health



Verification

- Need to verify:
 - Admission Document/Prospectus
 - Presentation Materials
- AIM verification period can be short (2/3 weeks) because:
 - Admission Document is comparatively short
 - No vetting by the Exchange
- More work required for a Main Market Listing
- With good planning, a lot of the information required for verification will come from the Due diligence process

Common pitfalls for IPOs

- Going to the market too soon...or too late
- Thinking too much about process not strategy
- Seeing the IPO as the end of the journey
- Under-estimating the commitment
- Not embracing the consequences of an IPO
- Not trusting your advisers
- Not being flexible



#Mistake

Why London?



Considerable investor knowledge and expertise

Track record of liquidity

Well differentiated ECM products

Strong research platform

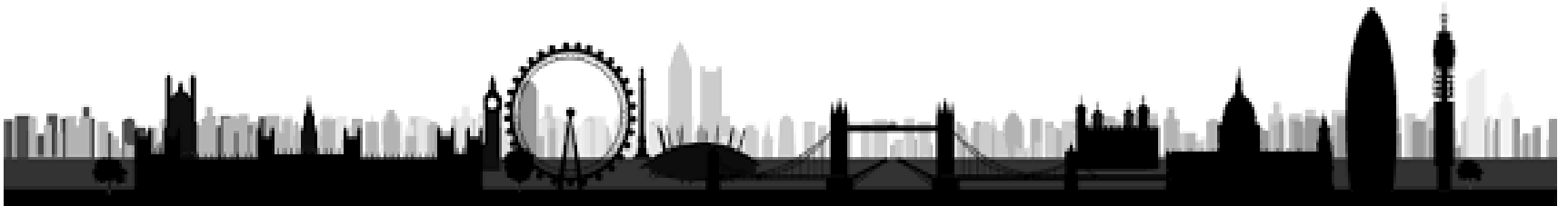
Deep pool of international capital

International visibility and profile

Why London?

Options:

- Main Market (Premium)
- Main Market (Standard)
- AIM



Premium Listing

- Sponsor required for listing
- And thereafter for certain transactions

Standard Listing

- Not required
- But sponsor often acts as financial adviser on listing

AIM

- Nomad required for listing
- And on ongoing basis

Premium Listing

- 25%
- In EEA

Standard Listing

- 25%
- In EEA

AIM

- None stipulated
- 15% in practice

Premium Listing

- GBP 700k
- Ideal size? FTSE 350

Standard Listing

- GBP 700k
- Ideal size?

AIM

- None stipulated
- Ideally GBP 40-100m

Premium Listing

- 3 years for 75% of business
- Independent business

Standard Listing

- None stipulated
- Up to 3 years if they exist

AIM

- None stipulated
- Up to 3 years if they exist

Premium Listing

- Annual report - 4 months
- Half-year report - 2 months
- Quarterly summary - 45 days

Standard Listing

- Annual report - 4 months
- Half-year report - 2 months
- Quarterly summary - 45 days

AIM

- Annual report - 6 months
- Half-year report - 3 months

Premium Listing

- Announce price sensitive information
- Class 1 transaction requires shareholder approval and sponsor opinion
- RTO treated as new listing

Standard Listing

- Announce price sensitive information
- Class tests by voluntary adoption
- RTO treated as new listing

AIM

- Announce price sensitive information
- Disclose significant and related party transactions
- RTO requires shareholder approval and treated as new listing

Premium Listing

- NEDs – ½ the Board (usually at least 3)
- CG Regime: Combined Code

Standard Listing

- NEDs – None stipulated (usually 2 by voluntary adoption)
- CG Regime: None specified (usually Combined Code or QCA Guidelines)

AIM

- NEDs – None stipulated (usually 2 by agreement with Nomad)
- CG Regime: None specified (usually QCA Guidelines)

Why Reed Smith?

"Reed Smith are really nice people - the culture in the firm is fantastic. They're easy to work with, efficient, good on costs and very experienced in what they do."

"They're very capable, consummate lawyers. Would I work with them again? Absolutely."

Chambers UK 2016

Matthew Gorman



Matthew Gorman

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Overview

Matthew is a corporate partner based in Reed Smith's Singapore office and a member of the firm's Energy & Natural Resources Group. He has extensive transactional experience across a range of corporate and commercial disciplines including mergers and acquisitions, joint ventures, equity capital markets and private equity and venture capital.

Matthew provides strategic advice to both private and public companies and his knowledge of complex financing issues and his experience in understanding clients' objectives makes him a skilled advisor in sectors spanning, energy and resources, transportation and logistics, media, real estate and financial services.

Having worked in London for over 10 years before moving to Asia, Matthew has built up particular expertise in advising companies, financial institutions and intermediaries on transactions on the London Stock Exchange and its AIM market in particular. He also brings to any fund-raising transaction his thorough knowledge of the investment process and his understanding of Asian markets, cultures and corporate business styles.

Matthew's extensive cross-border experience covers a wide range of jurisdictions throughout Asia and beyond - including Singapore, Malaysia, China, Vietnam, Myanmar, Indonesia, Oman and Georgia.

Matthew is recognised by Chambers Asia 2015 as a Leading Individual in the Corporate/M&A and Capital Markets categories. Clients have commented that:

"Matt impressed us with his hands-on commercial approach which, combined with his experience of cross-border M&A deals and an ability to work well with local counsel, meant that he was able to focus our attention on the critical issues."

"Matt has considerable experience of doing deals in Asia and always combines his expertise and experience with a measured and commercial approach to the transactions on which he advises."

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Thank you
