
CHAPTER 3 ADMISSION**PART A – GENERAL****3.01 Introduction**

- (1) This Chapter sets out the requirements that must be complied with by an applicant seeking admission to the Official List.
- (2) Additional or exceptional requirements relating to admission to the Official List are also set out in the following Chapters:
 - (a) Chapter 4 for applicants which are closed-end funds, management companies of real estate investment trusts or exchange-traded funds as well as real estate investment trusts and exchange-traded funds, and the special purpose acquisition companies; and
 - (b) Chapter 4A for applicants which are foreign corporations and corporations seeking a secondary listing on the Exchange.
- (3) Where a listed corporation undertakes a corporate proposal which will result in a significant change in the business direction or policy of a listed corporation, the Exchange will treat such listed corporation as if it were a new applicant seeking admission to the Official List. In such instance, the listed corporation must comply with the requirements under this Chapter, where applicable.
- (4) For the purposes of this Chapter, unless the context otherwise requires, references to “applicant” includes a listed corporation that undertakes a corporate proposal which will result in a significant change in the business direction or policy of a listed corporation.

PART B - ADMISSION**3.02 Admission**

- (1) The Exchange will exercise discretion over the admission and continued listing of securities on its Official List and may approve or reject applications for listing, as it deems fit.
- (2) The Exchange may also approve applications for listing unconditionally or subject to such conditions, as it deems fit.
- (3) An applicant must submit its listing application through a Principal Adviser.
- (4) An applicant must comply with the relevant admission procedures and requirements as may be prescribed by the Exchange.

[Cross-reference: Practice Note 21]

3.03 Approval from other authorities

An applicant must first obtain approval(s) from the SC and other relevant authorities (where applicable) before listing and quotation of any security will be considered by the Exchange.

3.04 Independent directors

- (1) An applicant must ensure that at least 2 directors or 1/3 of the board of directors of the applicant, whichever is the higher, are independent directors.
- (2) If the number of directors of the applicant is not 3 or a multiple of 3, then the number nearest 1/3 must be used.

3.05 Audit committee

An applicant must establish an audit committee comprising a majority of independent directors (see also Chapter 15).

3.06 Shareholding spread

- (1) An applicant must have at least 25% of the total number of shares for which listing is sought in the hands of a minimum number of 1,000 public shareholders holding not less than 100 shares each.
- (2) An applicant which has or will be having shares listed on another stock exchange may have these shares included for the purpose of computing the shareholding spread.

3.07 Articles of association

- (1) An applicant must incorporate into its articles of association, the various provisions set out in Chapter 7.
- (2) An applicant must furnish to the Exchange a letter of compliance pursuant to paragraph 2.12 together with its articles of association and a checklist showing compliance with the relevant provisions of Chapter 7.

PART C - PRICE STABILIZATION MECHANISM**3.08 Additional requirements for price stabilization mechanism**

An applicant which intends to undertake stabilizing action must comply with Part I of Chapter 8.

PART D - TRANSFER OF LISTED CORPORATION TO THE MAIN MARKET**3.09 Transfer to the Main Market**

- (1) A corporation listed on the ACE Market may be considered for a transfer to the Main Market provided that the listed corporation meets the requirements for listing on the Main Market or such other requirements as may be imposed by the Exchange and it obtains the prior approval of the SC.
- (2) A listed corporation seeking a transfer to the Main Market must also comply with the relevant listing procedures and requirements as may be prescribed by the Exchange.

[Cross-reference: Practice Note 22]

[End of Chapter]