# EQUITY CAPITAL MARKETS

Legal partner for
your growth plans.

CDH
INCORPORATED

Cliffe Dekker Hofmeyr Inc. is a leading commercial law firm with an established South African presence in Johannesburg, Cape Town and Stellenbosch as well as a presence in Nairobi, Kenya.

Equity capital markets (ECM) are evolving fast within the current market environment. New options for growth are being created. However, this often comes with more complex choices and challenges that complicate capital market decisions.

Any company on a growth trajectory needs a legal advisor with a proven track record and expertise across the full ECM spectrum.

With our tailored advisory and solutions-based approach, CDH is the right legal partner in any ECM project.

## We have extensive capabilities in ECM transactions and considerable experience in:

- Initial public offerings
- Rights issues/ claw-back offers
- Private placements/ accelerated bookbuilds
- Issues of convertible and exchangeable securities
- Stock exchange listings, inward listings and dual listings
- REITs

We offer integrated transaction services in:

- Transaction structuring and advice
- Legal due diligences
- Drafting documentation
- Co-ordination of cross-border legal requirements
- Interaction with regulators and regulatory compliance
- Implementation of transactions
- Tax structuring

We demonstrate our excellence throughout Africa and internationally through:

- Working alongside and building strong relationships with other top-tier international law firms, sponsors, investment banks and financial institutions
- Advising on cross-border securities offers, dual and inward listings, and other ECM projects

We are able to move quickly and seamlessly on ECM transactions throughout the African continent and work across all major industries.

## OUR EXPERIENCE

We have established a leading, pan African practice in ECM and hold top-tier rankings in legal directories.

We advise and work with issuers, sponsors, investment banks and underwriters on a broad array of primary and secondary securities offerings. We advise dominant market participants as well as first-time issuers and new players in the equity capital market sector.

Our team is commercial, solutions-oriented, responsive and dynamic, and includes leading professionals from our various practice areas.

## OUR AFRICAN AND INTERNATIONAL REACH

We are able to move quickly and seamlessly on ECM transactions throughout the African continent and work across all major industries.

We maintain relationships with the best law firms in the rest of Africa so we can co-ordinate all the legal services for each matter and serve as your single point of contact.

## A DIFFERENT APPROACH

- You will always enjoy high partner visibility and involvement on your matter
- We put lead partners, experienced in ECM transactions, on every deal to ensure the correct strategic approach
- The team will have in-depth ECM experience and knowledge of your industry with a unique blend of commercial, funding, competition and tax expertise
- We work in partnership with you to develop commercial, pragmatic, constructive and timeous solutions
- We tailor our approach to your specific needs and will customise transaction documents to suit you
- We offer flexible and innovative billing arrangements to suit your requirements

# SELECT EXAMPLES OF OUR EQUITY CAPITAL MARKETS TRANSACTIONAL AND ADVISORY WORK

## We have advised:

**Remgro Limited** in relation to a share and cash offer (by way of a scheme or arrangement and prospectus) by a new company established by Heineken Southern Africa for all the shares in Distell Group Limited and the simultaneous spin-off by way of an unbundling of none-core assets of Distell Group Limited.

**Richemont Securities and Richemont**, the leading Switzerland-based luxury goods holding and parent of brands including Cartier, Van Cleef & Arpels, and Dunhill, on the initiation, development, and implementation of Richemont's proposed equity-based loyalty scheme whereby Richemont issued tradable warrants to its shareholders. This was the largest corporate action by Richemont on the JSE in the past 12 years. There is no other instrument listed on the JSE which is similar to the A warrant receipts and they are unique in South Africa.

**Irongate Funds Management** as South African legal counsel in relation to the fully underwritten accelerated bookbuild offering to fund an acquisition, by way of a vendor consideration placing in terms of the JSE Listings Requirements.

**Hyprop Investments Limited**, a leading JSE-listed South Africa-based specialist shopping centre real estate investment trust (REIT), in a complex matter that put it at odds with the JSE, in relation to the regulation of REITs and their ability to issue alternative instruments in lieu of cash distributions.

**Stor-Age Limited**, a leading South Africa-based specialist self-storage REIT and the only JSE-listed personal storage space provider, in relation to an equity raise through an accelerated (and significantly oversubscribed) bookbuild.

**PSG Group Limited,** a leading South Africa-based JSE-listed investment holding company, in relation to the distribution of its shareholding in Capitec Limited, by way of a distribution in specie in terms of section 46 of the Companies Act, and section 46 of the Income Tax Act. The unbundling resulted in PSG Group Limited's shareholders holding Capitec Limited shares directly.

**Brimstone Investment Corporation Limited**, a JSE-listed investment holding company, in relation to an accelerated bookbuild process to dispose of a portion of its shares in Equites Property Fund Limited, a specialist logistics real estate investment trust (REIT) listed on the JSE.

**A2X Markets Limited**, the South Africa-based stock exchange which provides a multilateral equities trading platform for secondary listed securities with primary listings in South Africa, and overseas, on its application for an exchange licence (which was granted in 2017), and providing on-going advice to A2X.

**Curro Limited**, the largest independent school network in South Africa, in relation to a rights offer aimed at raising additional capital for potential opportunities that presented themselves in the market, and proactively reducing Curro's gearing levels due to the uncertainty created by the COVID-19 pandemic.

**Vivo Energy plc** on its secondary listing on the JSE and initial public offering in South Africa.

**Distell Group Limited** on the restructuring of its multi-tiered ownership structure, and the listing of New Distell on the JSE.

# SELECT EXAMPLES OF OUR EQUITY CAPITAL MARKETS TRANSACTIONAL AND ADVISORY WORK*...continued*

**Libstar Holdings Limited** on its JSE primary listing, and its initial public offering of shares in South Africa.

**Kaap Agri Limited** on its JSE listing.

**Premier Food and Fishing Limited** on its JSE listing.

**Sea Harvest Group Limited** on its JSE listing and IPO.

**Vodacom Group Limited** and YeboYethu Limited regarding the listing of YeboYethu's shares on the BEE Segment of the JSE.

**Mediclinic International Limited**, as South African legal adviser, in relation to the reverse take-over by Mediclinic of London listed Al Noor Hospitals plc and the inward listing of Al Noor plc (renamed Mediclinic International plc) on the JSE.

**New Europe Property Investments plc (NEPI)**, as South African legal counsel, in relation to the merger of NEPI and Rockcastle Global Real Estate Company Limited into a new entity, and the listing of such new entity on the JSE.

On the South African IPO and JSE inward listing of **Echo Polish Properties N.V.**, a Polish Property Fund promoted by Redefine Properties Limited.

In relation to the listing of the **GAIA Fund 1** on the Cape Town Stock Exchange (CTSE):

- GAIA Fund 1 was established by Gaia Fund Managers, as a collective investment scheme compliant entity, for the express purpose of providing institutional and retail investors access to infrastructure investments in South Africa.
- In 2020, we acted as lead legal advisor to GAIA in relation to the listing of GAIA Fund 1 on the CSTE. GAIA Fund 1's listed on the CTSE as a listing by introduction.
- GAIA intends to list a series of independent classes of securities on the CTSE, each of which will speak to the economics associated with a particular infrastructure project to be undertaken by GAIA. Each class of securities issued and to be issued is ringfenced.
- The share capital model adopted by GAIA Fund 1 provides the holders of such class of shares the ability to participate in the economics of the specific linked asset/project.
- GAIA Fund 1's listing on the CTSE has enabled its investors to hold listed securities which is important both from a liquidity perspective and also from an investment mandate perspective.

In relation to the listing of **Altvest Capital Limited (Altvest)** on the CTSE:

- Altvest is an investment holding company that seeks to provide predominantly retail investors with access to investment in assets traditionally suited to private equity investment.
- We acted as legal advisor to Altvest in its initial listing of its ordinary shares on the CTSE during 2022 as a listing by introduction.
- As part of this project, we crafted a share capital structure in terms of which Altvest is able to raise capital by issuing securities from a series of classes. Each such class of securities will ultimately speak to the economics associated with an underlying investment asset thereby enabling Altvest to offer itemised investment opportunities to investors or to create its own specialised buckets of investment assets.
- Subsequent to its listing on the CTSE, Altvest has undertaken two equity capital raises by way of offer to the public with the shares issued in terms of those capital raises being listed on the CTSE.

# SELECT EXAMPLES OF OUR EQUITY CAPITAL MARKETS TRANSACTIONAL AND ADVISORY WORK*...continued*

Various property funds and **REITs**, including Equites Limited, Spear Properties Limited, Ascension Limited, Pivotal Property Fund Limited, Annuity Property Fund Limited, Rebosis Properties Limited, Vividend Income Fund Limited, Synergy Income Fund Limited, Fairvest Property Fund, Paramount Properties Limited and Spearhead Property Fund Limited, on their respective JSE listings and initial public offerings.

**Rand Merchant Bank**, Morgan Stanley and Credit Suisse in their capacities as joint placing agents, joint global co-ordinators, joint book runners and underwriters, in respect of the international private placement of shares by Life Healthcare Group Holdings and the subsequent listing of its entire issued ordinary share capital on the main board of the JSE).

**Rand Merchant Bank**, Morgan Stanley and Macquarie in their capacities as joint, global coordinators and joint-book runners and Nedbank Capital, in its capacity as the co-lead manager, in respect of the international private placement of shares by Royal Bafokeng Platinum Limited and the listing of its entire issued ordinary share capital on the main board of the exchange operated by JSE.

**Brait SE**, a company with its primary listing on the Luxembourg Stock Exchange (LuxSE) and a secondary listing on the exchange operated by JSE Limited, on a restructuring and capital raising transaction involving:

- the listing of new shares on the LuxSE and the JSE pursuant to a fully underwritten rights offer to its shareholders on the LuxSE and the JSE and a private placement;
- the acquisition of a direct 24,6% stake in Pepkor Holding Limited plus a further 10,3% indirect stake through the subscription of preference shares in an SPV; and
- the acquisition of a direct 49% stake in Premier Group (Pty) Limited.

**Holdsport Limited** (issuer) and Ethos Private Equity and management (selling shareholders) in respect of the South African and international placement of shares of Holdsport and the subsequent listing of its entire issued share capital on the JSE.

JSE-listed, **Pioneer Foods Limited**, South Africa's second largest food group, in respect of the unbundling and separate listing of its poultry division, Quantum Foods Limited.

**Lonrho plc** on the acquisition by FS Africa from Lonrho minorities of shares in Lonrho through a scheme of arrangement. We acted for Lonrho in advising on the South African aspects of the transaction, and specifically regarding Lonrho's secondary listing on the JSE.

**Petmin** regarding its secondary listing on AIM.

**Tradehold** on the JSE listing of certain preference shares.

The book-runners in the **Royal Bafokeng Platinum Limited** IPO.

The joint bookrunners (**Standard Bank and Java Capital**) in relation to the structuring, IPO and JSE listing of the property portfolio owned by Liberty Life, as a collective investment scheme in property under the name Liberty Two Degrees.

**Capitec Bank Holdings Limited** (as Issuer), as to SA law, in relation to a renounceable rights offer by Capitec Bank Holdings Limited, listed on the Main Board of the JSE (in respect of an international, underwritten, renounceable rights offer and listing of ordinary shares.

**Lonmin plc** in relation to an all-share offer from Sibanye-Stillwater Limited through a scheme of arrangement under the UK Companies Act.

**Vunani Property Investment Fund Limited** in relation to a rights issue.

# SELECT EXAMPLES OF OUR EQUITY CAPITAL MARKETS TRANSACTIONAL AND ADVISORY WORK*...continued*

**Platinum Group Metals Limited**, a leading Canada-based mining company focused on the production of platinum and palladium, in the unbundling of the Western Bushveld Joint Venture with Anglo American Platinum, the extension, rationalisation and corporatisation of its Waterberg joint venture with Japan Oil, Gas and Metals National Corporation (JOGMEC) and the subsequent disposal of an interest in the corporatised entity to Impala Platinum.

Various issuers, including **RCL Foods Limited, Torre Industrial Limited and Sea Harvest Limited**, in relation to various specific share repurchases.

Various issuers, including **RCL Foods Limited, Tower Property Fund Limited, BK One Limited and Firestone Energy Limited**, in relation to various specific share issues.

**Atlatsa Resources Corporation**, a Canadian-listed entity, in the restructuring of its joint venture with Anglo American Platinum in the Bokoni Platinum Mine, including mineral asset sales, preference share and share rationalisation, debt restructuring, share subscriptions, debt reduction structuring, complex company and equity capital markets advice, exchange control, substantive and regulatory mining law advice, increase in working capital facilities and the addition of further mineral properties to the sale portfolio.

Either, the relevant issuer or the book-runner, on numerous local and international equity capital raisings by way of private placings or institutional book-builds, those recently undertaken by **Redefine International Plc, Redefine Properties Limited, Emira (a REIT), Grindrod and Mediclinic International Limited**.

The issuer, the bookrunner, corporate advisor and sponsor in a capital raising implemented by way of a partial claw back offer and a rights offer by **Omnia Limited** of new ordinary shares.

One Capital Advisory, as corporate advisor and bookrunner, and a consortium of black investors, in the landmark black economic empowerment transaction undertaken by Northam Platinum Limited, including the capital markets leg of the transaction involving a capital raising for **Northam Platinum Limited**, the third largest Platinum producer in South Africa by market capitalization and world's fourth largest platinum producers.

**Remgro Limited** in respect of its 2008 restructuring, which included the distribution of 90% of Remgro's indirect shareholding in British American Tobacco plc as well as depositary receipts in Reinet Investments S.A. to shareholders of Remgro. The transaction was named 'Deal of the Year' 2008.

**Rembrandt Group Limited** in the restructuring of the Rembrandt Group to form Remgro Limited and Venfin Limited, and the listing of Venfin Limited on the JSE.

On the creation, structuring and subsequent JSE listings of Brimstone Investment Corporation Limited and **Cape Empowerment Trust Limited**.

**Mvelaphanda Group Limited** in its unbundling and the listing on the JSE of all of its shares in its erstwhile subsidiary, Mvelaserve.

**Rebosis Property Fund** on the establishment and inward listing of New Frontier Properties, a Mauritian-registered REIT.

In a co-lead capacity on the proposed acquisition by **PBT Group Limited of Prescient Holdings (Pty) Limited** and **Prescient Capital (Pty) Limited**, and the subsequent reverse listing of these entities into PBT Group Limited.

# OUR TEAM

For more information about our Equity Capital Markets sector and services in South Africa and Kenya, please contact:

**Peter Hesseling**
Director:
Corporate & Commercial
T +27 (0)21 405 6009
M +27 (0)82 883 3131
E peter.hesseling@cdhlegal.com

**Willem Jacobs**
Director:
Corporate & Commercial
T +27 (0)11 562 1555
M +27 (0)83 326 8971
E willem.jacobs@cdhlegal.com

**Sammy Ndolo**
Managing Partner | Kenya
T +254 731 086 649
+254 204 409 918
+254 710 560 114
E sammy.ndolo@cdhlegal.com

**BBBEE STATUS:** LEVEL ONE CONTRIBUTOR
Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

**PLEASE NOTE**
This information is published for general information purposes and is not intended to constitute legal advice. Specialist legal advice should always be sought in relation to any particular situation. Cliffe Dekker Hofmeyr will accept no responsibility for any actions taken or not taken on the basis of this publication.

**JOHANNESBURG**
1 Protea Place, Sandton, Johannesburg, 2196. Private Bag X40, Benmore, 2010, South Africa.
Dx 154 Randburg and Dx 42 Johannesburg.
T +27 (0)11 562 1000 F +27 (0)11 562 1111 E jhb@cdhlegal.com

**CAPE TOWN**
11 Buitengracht Street, Cape Town, 8001. PO Box 695, Cape Town, 8000, South Africa. Dx 5 Cape Town.
T +27 (0)21 481 6300 F +27 (0)21 481 6388 E ctn@cdhlegal.com

**NAIROBI**
Merchant Square, 3rd floor, Block D, Riverside Drive, Nairobi, Kenya. P.O. Box 22602-00505, Nairobi, Kenya.
T +254 731 086 649 | +254 204 409 918 | +254 710 560 114
E cdhkenya@cdhlegal.com

**STELLENBOSCH**
14 Louw Street, Stellenbosch Central, Stellenbosch, 7600.
T +27 (0)21 481 6400 E cdhstellenbosch@cdhlegal.com

**©2023** 11697/NOV



CDH
INCORPORATED