



MERGER NOTICE NO 15: 2023

THE PROPOSED ACQUISITION OF 100% OF THE ENTIRE ISSUED SHARE CAPITAL AND THE SHAREHOLDER CLAIMS AGAINST LEGAL EXPENSES GROUP AFRICA LIMITED BY SITHEGA PROTECT PROPRIETARY LIMITED

Pursuant to section 49(1) of the Competition Act 2018, the Competition and Consumer Authority ("the Authority") has received a merger notification for the proposed acquisition of 100% of the entire issued share capital and the shareholder claims against Legal Expenses Group Africa Limited ("Legal Expenses" or "the Target Enterprise") by Sithega Protect Proprietary Limited ("Sithega Protect" or "the Acquiring Enterprise").

The Acquiring Enterprise, Sithega Protect, is a private company controlled by Sithega SPV One Proprietary Limited ("Sithega SPV One"), a subsidiary of Sithega Financial Services Fund Proprietary Limited ("Sithega Fund"). Sithega Fund is managed and controlled by Sithega GP Proprietary Limited ("Sithega GP"), which is in turn managed and controlled by Sithega Holding Proprietary Limited ("Sithega Holding"). Sithega Holding is owned by Mr. Thabo Dloti. Save for Sithega Fund, none of the enterprises outlined above directly or indirectly control any other enterprises. Sithega SPV owns and controls Prescient Empowerment Trust Proprietary Limited ("PET"). PET, in turn, owns and controls, Prescient Holdings Proprietary Limited ("PFH"). All the above companies are incorporated in accordance with the Laws of the Republic of South Africa.

Sithega Protect and Sithega SPV One are newly incorporated entities created solely for the purposes of the Proposed Transaction and have not yet traded. Sithega Holding is a black owned and black-run investment holding company focused on expanding its investment portfolio with a particular interest in the financial services industry, including asset management, long and short-term insurance and related businesses. Thus far, Sithega Holding's investment portfolio consists of its acquisition of the Prescient group of companies ("the Prescient Group"), an asset management business offering services including investment management, stock broking, retirement solution, fund services and administration. The Prescient Group conducts financial services businesses in South Africa and other markets. The Prescient Group does not carry out any business activities in Botswana.

The Directors of Sithega Protect are Thabo Dloti and Graham Vermaak (both South African).

The Target Enterprise, Legal Expenses, is a public company incorporated in accordance with the Laws of the Republic of South Africa. It is the holding company for various entities which form part of the Target Group of companies (the "Legal Expenses Group of Companies"). Legal Expenses is owned and controlled by Mr. IJ Crafford ("Mr. Crafford"), a private individual.

Legal Expenses controls Legal Expenses Insurance Southern Africa Limited (“Legal Expenses Insurance”) which, in turn, owns and controls the following South African registered companies: Family Insurance (Pty) Ltd; LegalWise South Africa (RF) (Pty) Ltd; Scorpion Legal Protection (RF) (Pty) Ltd; Yes Loans Proprietary Limited; Legal Expenses Insurance Botswana (Pty) Ltd [“LegalWise Botswana”], a company registered Botswana; and Legal Expenses Insurance Namibia (Pty) Ltd, a Namibian registered company.

The Legal Expense Group of Companies offering includes the provision of the following services: (i) short-term legal expenses insurance cover (including legal services to its members), throughout Botswana, Namibia and South Africa; and (ii) long-term funeral cover (including legal and administration services), throughout South Africa. In Botswana, the Legal Expense Group of Companies is active through LegalWise Botswana, a registered Insurance Broker that provides legal expenses insurance in Botswana. This service is also extended to Batswana residing in South Africa. LegalWise Botswana also provides paralegal services, legal counselling and representation for the main member and immediate family members.

The Directors of Legal Expense Group of Companies are Izak Johannes Crafford (South African/Australian), Gilbert John Melles Carlin, Vincenzo Antonio Fornali, Stefanos Theofanidis, Peter De Smidt, Carel Jan Luwes (all South African).

The Directors of LegalWise Botswana are Carel Jan Luwes, Robert William Smith (both South African) and Happy Kufigwa Siphambe (Motswana).

According to section 50 (3) of the Competition Act 2018, “any person, including a third party not a party to the proposed merger, may voluntarily submit to the inspector or the Authority any document, affidavit, statement or other relevant information in respect of a proposed merger.”

The Competition and Consumer Authority therefore seeks any stakeholder views for or against the proposed merger, which may be sent within 10 days from date of this publication to the following address:

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