



THE PROPOSED ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL OF CR HONOS PARENT LIMITED BY DOCTOR NO PARENT LIMITED

1. The Competition Authority of Kenya has approved the proposed acquisition of 100% of the issued share capital of CR Honos Parent Limited by Doctor No Parent Limited unconditionally.
2. Doctor No Parent Limited (Doctor N.P), the acquiring undertaking, is incorporated in Canada. It does not directly or indirectly control any undertaking in Kenya.
3. CR Honos Parent Limited (CR Honos), the target undertaking, is also incorporated in Canada. CR Honos' has operations in Kenya through its subsidiary, Kenya Kazi Limited (KKL). KKL provides manned guarding services -- secure journeys/events, VIP protection, and cash in transit – as well as alarms fire suppression & detection.
4. The proposed transaction involves the acquisition of 100% of the issued share capital of CR Honos Parent Limited by Doctor No Parent Limited. The transaction therefore qualified as a merger within the meaning of Section 2 and 41 of the Competition Act No. 12 of 2010.
5. The parties' combined and relevant turnover for the preceding year was **over Sh1 billion**. The transaction therefore met the threshold for full merger analysis as provided in the **Merger Threshold Guidelines**.
6. The merging parties don't have a horizontal or vertical relationship with respect to their services. Therefore, for purposes on analyzing the transaction the relevant product market was determined as the markets for provision of guarding, alarms and rapid response services.
7. The target provides its services across the country and, therefore, the relevant geographic market is national.
8. The top three players in the **market for guarding** and the approximate market shares are: G4S (9%), KKS Security (13.04%) and Security Group (6%). Pre-merger, the market share of the target

is 13%. Post-merger, the market share will not change since the acquirer does not have a similar business in Kenya. Therefore, the market structure and concentration of the market for guarding is not likely to be affected.

9. The top three players in the market for **alarms and rapid response services** and their approximate market shares are; G4S (26%), KKS Security 15.3%, & Security Group (14%).
10. Post-merger, the market share of the target will be 15.3% and will not change since the acquirer does not have a similar business in Kenya. Therefore, the market structure and concentration of the market for guarding will not be affected.
11. From the foregoing, the proposed transaction is unlikely to lead to substantial lessening or prevention of competition in the markets for guarding and alarms & rapid response provision in Kenya.
12. During merger analysis, the Authority also considers the impact that a proposed transaction will have on public interest. The public interest concerns considerations include;
 - i. extent to which a proposed merger would impact employment opportunities;
 - ii. impact on competitiveness of small and medium enterprises (SMEs);
 - iii. impact on particular industries/sectors; and
 - iv. impact on the ability of national industries to compete in international markets.
13. The proposed transaction is not expected to have negative public interest concerns. The target is being acquired as a going concern and will continue with its current business activities in Kenya. Considering that the acquirer is not in a similar business locally, there are no likely areas of overlap that could affect employment as indicated by the parties.
14. Premised on the above, the Authority approved the proposed acquisition of 100% of the issued share capital of CR Honos Parent Limited by Doctor No Parent Limited unconditionally.