



28 MAR, 2024

KNM signs agreement to sell Italian unit for 16.5 mil euros, of which 11.5 mil to be repaid over 10 years

The Edge CEO Morning Brief, Malaysia

Page 1 of 2

KUALA LUMPUR (March 27): KNM Group Bhd has signed a share purchase agreement with two buyers to sell its wholly-owned unit FBM Hudson Italiana SpA, a heat exchanger and high-pressure equipment manufacturer.

Under the agreement, both buyers, namely BM Carpenterie Oil & Gas Srl and Officine Piccoli SpA, will take over the 11.5 million euro loans that FBM Hudson owes to KNM as settlement for sale consideration.

The buyers will pay the first one million euros within five business days upon fulfilment of all conditions precedent, and one million euros monthly instalments for the following four-month period, according to the bourse filing.

The remaining 11.5 million euros will be repaid over 10 years through equal annual instalments, said KNM in its stock exchange filing.

Milan-based BM Carpenterie will be buying a 60% stake in FBM Hudson at 9.9 million euros, while Verona-based Officine Piccoli will be acquiring the re-

KNM signs agreement to sell Italian unit for 16.5 mil euros, of which 11.5 mil to be repaid over 10 years

BY CHESTER TAY
theedgemalaysia.com

maining 40% stake at 6.6 million euros.

KNM announced that the agreement is subject to obtaining the Golden Power clearance from the Italian government.

According to the International Association of Defense Counsel, the Italian government's Golden Power refers to its special power to stop any foreign direct investment, or halt corporate transactions involving strategic assets that include defence, national security, and infrastructure such as transpor-

tation, energy and communications.

The Italian government had rejected the disposal once in November last year when KNM proposed to sell FBM Hudson to United Arab Emirates' Petro MAT FZCO for 22 million euros.

KNM said it received binding and irrevocable offers from BM Carpenterie and Officine Piccoli to acquire FBM Hudson in February.

KNM said the proposed disposal is expected to result in an estimated loss of about RM94.34 million.

"In view of the continued loss-making operations of KNM Europa and uncertainty in business prospect, KNM Group has decided to exit this loss-making segment and the expected proceeds to be received from the proposed disposal of FBM Hudson Italiana, albeit in tranches, to be withheld to repay borrowings and for working capital purposes," said KNM.

Shares of KNM closed half sen or 6.25% higher at 8.5 sen on Wednesday, giving it a market capitalisation of RM343.9 million.



28 MAR, 2024

KNM signs agreement to sell Italian unit for 16.5 mil euros, of which 11.5 mil to be repaid over 10 years

The Edge CEO Morning Brief, Malaysia

Page 2 of 2

SUMMARIES

KUALA LUMPUR (March 27): KNM Group Bhd has signed a share purchase agreement with two buyers to sell its wholly-owned unit FBM Hudson Italiana SpA, a heat exchanger and high-pressure equipment manufacturer. Under the agreement, both buyers, namely BM Carpenterie Oil & Gas Sri and Officine Piccoli SpA, will take over the 11.5 million euro loans that FBM Hudson owes to KNM as settlement for sale consideration.