



03 JUL, 2024

KNM explores fresh options to sell Italian unit after another failed attempt

The Edge CEO Morning Brief, Malaysia

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KUALA LUMPUR (July 2): KNM Group Bhd (KL:KNM) said it is considering fresh options for selling its Italian subsidiary, FBM Hudson Italiana SpA (FBMHI), following a third failed attempt.

“The company has received offers of purchase from other interested parties and is currently evaluating its options,” KNM informed Bursa Malaysia on Tuesday. “Further development in relation to the proposed disposal will be announced in due course.”

The announcement follows the collapse of KNM’s deal to sell the loss-making FBMHI, a manufacturer of heat and high-pressure equipment, to Milan-based BM Carpenterie Oil & Gas Srl (BMC) and Verona-based Officine Piccol SpA for €16.5 million (RM83.54 million). KNM said the initial agreement with these buyers expired on June 30.

On June 6, the Italian government rejected the attempt by KNM, via wholly owned KNM Europa BV, to sell FBM Hudson to BMC and Officine as the transaction failed to obtain the required Golden Power clearance.

This marks the second time the Italian government has blocked such a sale. Last November, KNM Europa BV’s proposal to sell FBM Hudson to United Arab Emirates’ Petro MAT FZCO for €22 million was rejected.

Petro MAT had also failed to obtain the same Golden Power clearance, which allows the Italian government to intervene in foreign direct investments and corpo-

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rate transactions involving strategic assets, including defence, national security, transportation, energy, and communications.

Prior to Petro MAT, KNM had another deal to dispose of FBM Hudson to British Midland FZE for €12 million, which did not materialise. KNM did not disclose the reason for this.

KNM has applied for a further time extension from Bursa Malaysia to submit its plan to regularise its Practice Note 17 status. It is seeking a 12-month extension until April 30, 2025.

As of the end of March, KNM’s borrowings totaled RM1.286 billion, of which RM1.281 billion were short-term debts, including term loans of RM743.6 million and secured revolving credit of RM527.7 million. This compares with its equity of RM410.76 million, taking into account its accumulated losses of RM1.6 billion.

KNM’s share price closed half a sen or 6.25% higher at 8.5 sen on Tuesday, giving the group a market capitalisation of RM324.8 million.

KNM Group Bhd said it is considering fresh options for selling its Italian subsidiary, FBM Hudson Italiana SpA (FBMHI), after a third attempt to sell the loss-making FBMHI to Milan-based BM Carpenterie Oil & Gas Srl (BMC) and Verona-based Officine Piccol SpA for €16.5 million (RM83.54 million) collapsed.



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SUMMARIES

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