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Kunooz Oman plans initial public offering in first half of 2017

September 3, 2016 | 6:14 PM

The shareholder agreement was signed between the two companies on Thursday in the presence of other senior officials from both companies and bankers. - Picture by Talib Al Wohaibi/Times of Oman



Muscat: Kunooz Oman Holding, a leading player in mining,

quarrying, transportation and construction materials sectors in the country, plans to float an initial public offering in the first half of 2017.

The company has obtained an initial approval to offer at least 25 per cent stake in Kunooz Oman to the investing public through a share offer on the Muscat Securities Market. “We are planning to float the IPO hopefully during the first half of next year. The percentage may change or will remain the same,” said Kunooz Oman Holding chairman Salim Abdullah Al Rawas. He was talking to the media on the sidelines of a shareholder agreement with Oman Investment Fund (OIF).

Oman Investment Fund, a sovereign wealth fund, has acquired 20 per cent of shares in Kunooz, which has a paid up capital of OMR16 million. The shareholder agreement was signed between the two companies on Thursday in the presence of other senior officials from both companies and bankers.

The shareholding of Oman Investment Fund is expected to add further depth to the existing board of Kunooz Oman as OIF will be represented by two board members. The inclusion of OIF as a shareholder is set to increase investor confidence, lend credibility and strengthen Kunooz Oman transformation into a public company.

A successful IPO can improve Kunooz Oman’s access to capital, new mining opportunities both in Oman and internationally, which is also in line with Oman’s strategy to reduce its dependence on

hydrocarbon resources.

Mining Development Oman (MDO), another major mining firm promoted by four state-owned firms (State General Reserve Fund, Oman Investment Fund, Oman Oil Company and Oman National Investments Development Company), also plans to come out with an initial public offering either this year or early next year to raise OMR40 million from investing public.

Kunooz Oman is one of the largest mining companies in Oman and comprises Al Rawas Mining, Mihwar Al Wifaq, Al Rawas Marble and Granite, Salalah Readymix and Al Rawas Transport. Two associate companies of the group are Majan Mining and Carmeuse Majan.

Kunooz Oman's current operations are well positioned to supply gypsum, limestone and lime to the Indian Pacific Asian and East coast of African markets collectively fueled by strong activity in urbanisation and infrastructure sectors. "Limestone, lime and gypsum are available in the south and we export through Salalah port. Marble is available in the north and is exported through Sohar Port," noted Al Rawas.