

Kunooz Oman's IPO set for first half of next year

Miner receives initial CMA nod to float 25% shares; OIF picks up 20% stake in company



Hassan al Nabhani (second from left), CEO of OIF, and Ahmed Abdullah al Rawas, chairman of Al Rawas Holding, exchange documents after signing them, on Thursday, as Salim Abdullah al Rawas (right), chairman of Kunooz Oman, and Duriad al Jamali, head of legal at OIF, look on (Muscat Daily)

Our Correspondent Muscat

Kunooz Oman Holding, a leading Omani miner, plans to come up with an initial public offering (IPO) in the first half of next year.

The company, with a paid-up capital of RO16mn, has received initial approval from the Capital Market Authority (CMA) to float 25 per cent of its shares through the IPO, Kunooz Oman chairman Salim Abdullah al Rawas said on Thursday.

"However, the percentage of shares on offer could change or

remain the same. We are hopeful of the IPO during the first half of next year," Rawas said.

Rawas was talking to reporters on the sidelines of an agreement-signing ceremony with the Oman Investment Fund (OIF).

Under the agreement, OIF will pick a 20 per cent stake in Kunooz Oman and will have two members on the company board.

The inclusion of OIF as a shareholder is set to increase investor confidence, lend credibility and strengthen Kunooz Oman's transformation into a public company, company officials said.

The company hopes that a successful IPO can improve its access to capital, new mining opportunities both in Oman and internationally and at the same time contributing to the sultanate's strategy to reduce its dependence on oil.

Commenting on the new Mining Law, which is yet to be announced, Rawas said he expects the new law to serve the sector better. He said there are lots of companies that have received licences but are yet to start operations and he hoped that the new law will look into this issue.

The new Mining Law, drafted by the Public Authority for Mining (PAM), is currently being reviewed by the government and is expected to be enacted this year. The new law is expected to give a major boost to the sector and attract investments.

Kunooz Oman is one of the sultanate's largest mining companies and comprises Al Rawas Mining, Mihwar Al Wifaq, Al Rawas Marble and Granite, Salalah Readymix and Al Rawas Transport, and two associate companies Majan Mining and Carmeuse Majan.

Mining sector to witness more investments

★ OIF takes 20 per cent shares in Kunooz ★ IPO in first half of 2017

SAMUEL KUTTY
MUSCAT

Sept 3: On the back of large investments by the private sector, the mining sector contribution to the national GDP is expected to witness remarkable growth in the coming years.

"Mining is one of the five sectors acknowledged for driving growth in the long term and helping the government in its economic diversification strategy. The sector is a major contributor to the national GDP as well as employment generation", said Salim Abdullah Al Rawas, chairman of Kunooz Oman Holding.

Talking to the *Observer* on the sidelines of signing an investment agreement with Oman Investment Fund (OIF), Al Rawas said that while GDP originating from other sectors contracted in the previous years, mining and quarrying sector recorded positive growth in 2015.

Although the figure of the amount in the agreement was not announced, OIF, a sovereign wealth fund, acquired 20 per cent of shares in Kunooz on Thursday.

On the occasion, the company also announced its plans to float 25 per cent of its shares on the Muscat Securities Market as part of initial public offer (IPO) in the first half of 2017. Oman Arab Bank has been appointed financial adviser.



Picture for illustration only

consuming.

The government is strongly committed to diversifying its economy in order to reduce its reliance on oil exports; the mining and downstream capabilities of Kunooz, therefore, are set to play central role in this strategy.

The inclusion of OIF as a shareholder is set to increase investor confidence, and strengthen Kunooz Oman transformation into a public company.

"A successful IPO can improve Kunooz Oman access to capital, new mining opportunities and help contribute to the Sultanate's strategy to reduce dependence on oil", he said.

In the beginning of this year, four state-owned investment branches of Oman have formed a RO 100-million mining development company — Mining Development Oman to stimulate the country's mining sector.

While the state firms hold 60 per cent of the shares, the remaining 40 per cent shares equivalent to RO 40 million is to be obtained from the market through IPO.

Oman's mining sector foresees notable growth in the next few years, following the discovery of sizeable reserves of minerals, gold, copper and rare earths, which will significantly boost mining activities and attract investment to the Sultanate.

Kunooz Oman Holding was incorporated in January 2014 following the consolidation of five subsidiaries and two associates within the mining, quarrying, transportation and construction materials sectors.

Plans are under way to set up mineral processing and refining facilities in the Port of Duqm's industrial zone mining cluster. Al Rawas said that the new mining law to be announced by the government is expected to provide a major overhaul of the Sultanate's mining regulations.

"A comprehensive strategy with more transparency for the sector will definitely broaden the base of the sector and its contribution to GDP", he said. GDP from mining in Oman is expected to be RO 147.46 million by the end of this quarter, according to Trading Economics global macro models and analysts' expectations. In the long-term, the GDP is projected to trend around RO 194.05 million in 2020.

Al Rawas said that the government should have a fast-tracking policy which should not be bureaucratic and time-

Kunooz mining to tap capital market in 2017

MUSCAT

KUNOOZ OMAN HOLDING, one of the Sultanate's major mining, quarrying, transportation and construction materials groups, plans an initial public offer of its shares in the first half of 2017, chairman Salim Abdullah Al Rawas said.

The company had obtained initial approval from the Capital Market Authority (CMA) to offer

at least 25 per cent of Kunooz's shares. Oman Arab Bank has been appointed



The company had obtained initial nod from the Capital Market Authority

financial adviser.

Oman Investment Fund, a sovereign wealth fund,

acquired 20 per cent of shares in Kunooz, Rawas said without giving a figure for the size of the deal.

The Kunooz Group of companies comprises Al Rawas Mining Company, Mihwar Al Wifaq, Majan Mining Company, Al Rawas Marble & Granite, Salalah Readymix and Al Rawas Transport, Machinery Hiring & Trading, and two associates Majan Mining and Carmeuse Majan.

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