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CAPITAL

IPO lull in Malaysia seen as short term, say market experts

STORIES BY CHERYL POO

Malaysia's initial public offering (IPO) market has hit its first notable pause since the Covid-19 pandemic, with no new listings slated for August thus far, as sentiment is tempered by global trade tensions and liquidity concerns.

Still, industry professionals say the pipeline remains robust as companies focus on long-term goals over short-term volatility.

The gap in the listing schedule is the first since the second quarter of 2020 (2Q2020) — during the pandemic — as some companies delayed their IPOs while others that proceeded saw weaker balloting demand and softer debut-day trading.

Baker Tilly Malaysia managing partner Datuk Lock Peng Kuan tells *The Edge*: "From our vantage point, sentiment among our IPO clients has remained steady despite external market noise. It's important to recognise that IPOs are long-term strategic decisions, not short-term responses to market fluctuations. The companies we work with are looking beyond the next few months. Their decision to proceed is based on broader objectives such as raising capital for expansion, enhancing brand profile and institutionalising governance rather than trying to time the market for the perfect liquidity window."

He points to two contrasting examples. One involved a Baker Tilly client that debuted strongly on March 18, 2020, which was the first day of the Movement Control Order, and has continued to perform well since. The other involved glove manufacturers that began IPO planning during the pandemic boom only to face falling valuations by the time it came to market.

"These examples show there is no perfect time to list, but the best time to prepare is always now. Timing in the IPO market can be unpredictable," says Lock.

"While some businesses may adjust timelines in response to market movements, most promoters are not deterred by short-term volatility in share prices. Their primary concern is ensuring the IPO is fully subscribed, which underwriting arrangements are designed to achieve. From recent IPOs, we have seen positive take-up rates and encouraging pricing in certain industries such as ESG (environmental, social and governance)-related businesses and semiconductors."

IPO performance so far

As at Aug 14, there were 38 IPOs on Bursa Malaysia — six on the Main Market, 29 on the ACE Market and three on the LEAP Market — accounting for 63% of the year's 60



Lock: Once there is more certainty around global trade and economic conditions, liquidity typically flows back into the market

targeted listings despite market turbulence.

This performance comes against a volatile backdrop, with the FBM KLCI plunging to a year-to-date (YTD) low of 1,400.59 points on April 9 from 1,642.33 points at end-2024, before recovering to close at 1,581.05 points on Aug 14. The index remains 3.73% lower YTD, weighed by trade tensions and foreign investor selling.

Malaysia's IPO market remains resilient, with 38 listings in just the first seven months of 2025 — already exceeding the full-year totals of most previous years, except for 2024's record-high listings. According to Deloitte's Mid-Year IPO Snapshot 2025, Malaysia led Southeast Asia in IPO performance during the first half of the year across all key metrics: total funds raised; market capitalisation; and number of listings.

"Deal volume has outpaced 2024, with RM4.2 billion raised in the first seven months, up 24% year on year from RM3.4 billion. We have led deals involving 70% of Main Market funds raised (RM1.69 billion of RM2.4 billion) and 40.5% of all IPO funds YTD," says Raymond Chooi, regional head of equity capital markets at Maybank Investment Bank.

Chooi remains confident that Bursa Malaysia will hit its target of 60 IPOs for the year. He notes that Maybank is working on several flotation exercises expected to be completed in 2H2025, including its first ACE Market IPO in the digital media space.

"We expect the second half to be more vibrant than the first half, and we continue to see a build-up of IPOs for 2026," he says.

Despite the strong pipeline, post-listing performance has been mixed. Of the

FBM KLCI



six Main Market listings in 2025, four are trading below their IPO price. Notable exceptions include HI Mobility Bhd (KL:HI), which has surged 86.89% above its RM1.22 offer price, and Eco Shop Marketing Bhd (KL:ECOSHOP), up 16.81% from its RM1.13 debut (see table).

The ACE Market, which has seen 40 listings so far this year, reflects similar trends, with more than half trading below issue price. The standout performers include Oriental Kopi Holdings Bhd (KL:KOPI), up a whopping 123.86%; followed by iCents Group Holdings Bhd (KL:ICENTS), up 79.17%; Oxford Innotech Bhd (KL:OXB), up 41.38%; ES Sunlogi (KL:SUNLOGY), up 36.67%; and Signature Alliance Group Bhd (KL:SAG), up 27.21%.

M&A Equity Holdings Bhd managing director Datuk Bill Tan believes the 60 IPO target is within reach, provided issuers stay the course.

"If companies don't back out, I believe the local exchange will achieve the targeted 60 IPOs this year. Institutional investors will back RM1 billion IPOs if they are solid. IPOs in the RM100 million to RM300 million range are still able to attract investors, but those in the RM500 million to RM1 billion bracket could face challenges unless they are in 'unique' industries," he says.

This trend towards "first-of-their-kind" listings has proven effective. Baker Tilly's Lock highlights successful debuts such as those of pawnbroking company Pappa Jack Bhd (KL:PPJACK), vegetable distributor Farm Price Holdings Bhd (KL:FPHB) and live commerce player Oasis Home Holding Bhd (KL:OHM).

"Each of these listings created conversations within the investment community and broadened what investors associate with the Malaysian capital market," Tan says.

Upcoming IPOs in 2H

While market participants remain tight-

lipped about specific IPOs expected to debut on Bursa in the second half of 2025, several high-profile listings are widely anticipated.

One is that of Malaysia's largest port operator, MMC Port Holdings, which is reportedly finalising its cornerstone investor line-up ahead of an October debut. The offering is expected to raise more than RM6 billion.

Other notable upcoming Main Market IPOs include Sunway Healthcare Group, targeting a listing by the end of this year or early 2026, with plans to raise more than RM3 billion on a RM15 billion valuation, according to Hong Leong Investment Bank Bhd.

Meanwhile, Orkim Bhd — a wholly-owned oil and gas shipping subsidiary of Ekuini Nasional Bhd (Ekuinas) — is eyeing a 4Q2025 IPO to fund fleet expansion with newer, larger and more versatile tankers. Ekuinas is reportedly seeking a RM1 billion valuation for the company.

The Securities Commission Malaysia website shows that several recent Main Market IPO applicants that have filed their prospectus exposure in recent months include Loob Bhd, operator of popular food and beverage brands Tealive and Bask Bear; medical devices supplier LAC Med Bhd; geotechnical services firm Geohan Corp Bhd; and renewable energy company Wasco Greenergy Bhd.

Meanwhile, the ACE Market is expected to see the debut of Aquawalk Group Bhd, better known as the operator of Aquaria KLCC, in 3Q2025 in an IPO valued at between RM600 million and RM700 million.

The government also aims to list at least two bumiputera companies by year end under the Bumiputera Rapid Acceleration and Value Enhancement (Brave) programme, according to Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi.

"Valuation and growth prospects affected investor participation in IPOs this year," Baker Tilly's Lock says, observing that investor participation this year has often hinged on pricing.

"We have seen examples where companies adjusted their pricing strategy before launch, resulting in stronger demand and better debut performance. Investors approach IPOs with different objectives — some focus on steady returns and asset-backed stability; others seek high-growth opportunities."

Lock adds that liquidity has tightened since US President Donald Trump's "Liberation Day" amid tariff uncertainty — a global trend rather than one unique to Malaysia. "Such conditions are usually temporary. Capital doesn't disappear; it's held back until investors have greater clarity. Once there is more certainty around global trade and economic conditions, liquidity typically flows back into the market."