

Penang-based Ambest Group files for ACE Market IPO

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KUALA LUMPUR (July 11): Ambest Group Bhd, a precision machining services firm, has filed for an initial public offering (IPO) on the ACE Market of Bursa Malaysia, to raise funds to repay bank borrowings and buy new machineries.

The company plans to partially settle RM21.5 million outstanding debt from a term loan to cut its total borrowings and save some interest, according to its draft prospectus. Ambest also plans to buy four units of computer-assisted cutting machines to increase its operating capacity.

“The increase in our overall production capacity is in line with our plan to accommodate more orders from our existing customers and to expand our customer base to serve customers from other industries,” Ambest said.

Ambest, based in Penang, mainly serves the semiconductor industry. The company also offer additional processes such as sub-modular assembly and

surface finishing treatment as part of value-added services to its clients.

Last year, the company made a net profit of about RM7 million, on revenue of RM47 million, serving mostly domestic clients. Malaysia accounted for 84% of its revenue, while Singapore contributed about 16%.

Some of the proceeds from the IPO has also been earmarked as general working capital to purchase raw materials, such as semi-finished machining parts, fabricated sheet metal parts, and aluminium. The rest will be used to defray listing expenses.

The proposed IPO involves a public issue of 110 million new shares and an offer for sale of 40.95 million existing shares, at a price to be determined later. Proceeds from the sale of existing shares will accrue entirely to co-founders Tan Beng Beng and Lim Eng Guan.

Malacca Securities is the IPO's principal adviser, sponsor, underwriter and placement agent, while Wyncorp Advisory is the corporate finance adviser.

Edited By Jason Ng