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AMSB taps IPO to fund semiconductor expansion

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KUALA LUMPUR: AMS Advanced Material Bhd (AMSB) is tapping the capital market at a pivotal time, as the group aims to fund its rapid expansion in Malaysia's semiconductor and electronics system integration (ESI) markets.

"With Malaysia experiencing a boom in the semiconductor and ESI segment, this is the advantageous moment to raise funds and scale up our operations, primarily through capital expenditure on machinery and processing facilities.

"What we're establishing is a licensed manufacturing warehouse, essentially a processing centre, allowing us to import materials duty-free, provided that at least 80% of our products are exported to clients," AMSB's managing director Keith Keh Teng Yang told *StarBiz*.

The supplier of aluminium and copper products aims to raise RM32.77mil from its initial public offering (IPO) via a listing on the ACE Market of Bursa Malaysia on April 23, 2026.

Keh said 24.73% from the total proceeds will be utilised to set up a new licensed manufacturing warehouse in Penang, while 21.05% is for the group's expansion into the manufacturing of aluminium architectural products.

At a press conference after launching its prospectus last week, Keh told reporters that the group's expansion plans are primarily to boost capacity and support rising demand from key growth sectors.

He noted the initiatives are expected to drive revenue growth of about 10% to 20%.

Keh also pointed to several key priorities as the group pushes ahead with its expansion. "Beyond the initiatives outlined in our prospectus, my personal priority immediately post-listing is talent development.

"With our aggressive plans for sales growth, having the right people in place is critical. In terms of labour and technical skills, we're in a strong position," he said.

Keh said that although labour supply is not a concern, securing engineering talent, however, is more challenging.

"Penang, in particular, has high demand for skilled engineers, which often drives up wages. Therefore, part of our strategy includes determining whether we can develop engineers internally or if we have to source them externally," he noted.

Keh also indicated AMSB will leverage its vibrant talent pool to drive new growth and capitalise on the country's promising opportunities. "We have a young, dynamic talent pool and maintain strong ties with our customers. As we are based in Penang, it also gives us direct access.

"Essentially, our fresh perspective has brought new energy to the industry and over the past three years, we have delivered results and met customer expectations effectively," he remarked.

Notably, AMSB's semiconductor segment has recorded robust growth since its financial year 2023. "If we look year by year, 2024 marked our entry into processing, and our revenue grew from RM60mil to RM90mil, and then up to RM129mil.

"We're still at an early stage with many potential customers to serve, including several esteemed clients," Keh said, mapping out the group's earnings trajectory.

He also pointed out AMSB's outlook, riding the wave of Malaysia's semiconductor industry boom. "In the first six months of our current financial year, we are very optimistic about the numbers."

Keh said growth is being driven by programmes shifting from overseas to Penang.

"This is translating into organic, sustainable expansion. I believe this momentum will continue and it's reminiscent of the 1970s, when Penang became a hub for technology companies.

"Today, every new original equipment manufacturer (OEM) that sets up in Penang benefits machining and metal-stamping houses, creating a cascading effect across the local industry."

With continued investment and incoming OEMs, Keh said the growth for companies like AMSB is sustainable.

Given that AMSB operates in a highly concentrated industry, Keh noted its role as a key processor within the overall supply chain, carving out a niche between mills and end-users.

"As our focus is on processing which includes plate cutting, angle cutting, milling and four-axis machining, I don't see any direct competitors in processing; most of our competitors are based in Singapore."

Application for the IPO closes at 5pm on April 10, 2026. M & A Securities Sdn Bhd is the principal adviser, sponsor, underwriter, and placement agent for exercise.