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Express Power to raise RM36m from IPO

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Pic courtesy of Express Power

(From left) Express Power ED Rosli Jonid, Lim, non-executive chairman Datuk Mohd Redza Shah Abdul Wahid, Mercury Securities director Jamieson Chew and head of corporate finance Eric Chong at the launch of Express Power's IPO prospectus

Proceeds will fund fleet expansion and strengthen growth capacity

by RUPINDER SINGH

GENERATOR rental services provider Express Power Solutions (M) Bhd has launched its prospectus for an IPO on the ACE Market of Bursa Malaysia Securities Bhd, aiming to raise RM36 million.

Proceeds from the IPO will be used for the purchase of generators (RM20.5 million or 56.9%), repayment of bank borrowings (RM5 million or 13.9%), purchase of medium and high voltage equipment (RM4.1 million or 11.3%), general working capital (RM2.2 million or 6.2%) and listing expenses (RM4.2 million or 11.7%).

At the company's prospectus launch on Aug 20, its MD Lim Cheng Ten stated that the company is prepared to enter the next phase of growth by expanding its fleet of generators, broadening its customer base and increasing its geographical coverage.

"The funds raised from our IPO will enable us to expand our fleet by at least 36 units and acquire medium and high-voltage equipment to complement this expansion. This will strengthen our ability to serve a wider customer base, particularly in the northern region. Part of the proceeds will be used to repay borrowings taken to partially finance our new headquarters and operations

yard, providing a strong foundation for continued growth," said Lim.

The IPO exercise involves a public issuance of 180 million new shares, representing 19.3% of the enlarged issued share capital and an offer for sale of 65.4 million existing shares, or 7%.

Of the 180 million issue shares, 46.7 million will be made available to the public via balloting, 18.7 million to eligible directors, employees and contributors through pink form allocations, 63.2 million via private placement to selected investors and 51.4 million to Bumiputera investors approved by the Ministry of Investment, Trade and Industry (MITI).

The 65.4 million offer shares will also be placed out to MITI-approved Bumiputera investors.

Express Power will have a market capitalisation of RM186.9 million upon listing, based on an enlarged issued share capital of 934.4 million shares and an IPO price of 20 sen per share.

Headquartered in Klang, the company has built a 20-year track record providing generator rental services for emergency situations, planned maintenance shutdowns and standby power for events.

It also supplies ancillary items such as distribution boards, generator synchronisation panels, transformers, switchgears, load banks and cables.

Express Power owns a fleet of 115 generator units, 70% of which are mobile generators mounted on trucks.

Nearly 75% of its fleet consists of large-sized generators with power

capacities of 500 kilovolt-ampere (kVA) and above, making them suited for high-demand applications.

Its customer base includes Tenaga Nasional Bhd (TNB) and Sabah Electricity Sdn Bhd (SESB), alongside companies in the mechanical and electrical, manufacturing and construction sectors, as well as event organisers and government agencies.

The group has been expanding its geographical footprint, with entry into Sabah in 2024 followed by Penang and Kelantan in 2025.

Financially, the group's revenue rose to RM70.2 million in the financial year 2024 (FY24) from RM19.3 million in FY21, representing a compound annual growth rate (CAGR) of 53.7%.

Net profit grew at a CAGR of 43.1% to RM16.6 million over the same period. Revenue for FY24 was primarily driven by planned maintenance services (61.8%), followed by emergency services (35.6%) and standby services (2.6%).

For the three months ended March 31, 2025 (1Q25), revenue increased 8.9% year-on-year (YoY) to RM12.9 million, while net profit grew 16.9% to RM2.9 million.

Applications for the public issue opened on Aug 20 and will close on Sept 8, 2025.

Express Power is scheduled to be listed on the ACE Market on Sept 24, 2025.

Mercury Securities Group Bhd is the principal advisor, sponsor, sole underwriter and placement agent for the IPO.