

SC WARNS PUBLIC ON PRE-IPO INVESTMENT SCAMS

MEDIA RELEASE

Kuala Lumpur, 4 July 2024

The Securities Commission Malaysia (SC) today cautioned the public on investment scams enticing investors with pre-Initial Public Offering (IPO) shares of companies seeking listing on Bursa Malaysia.

These scams – mostly involving private placement offerings, are usually timed with upcoming IPO listings published on Bursa Malaysia’s website.

Perpetrators of these scams, posing as ‘agents’, usually create a public group on WhatsApp to promote these pre-IPO investments. Following this, potential victims will be added into said group unsolicited.

These schemes may be accompanied by fake testimonials from other investors to appear credible. Payments for the ‘subscription’ will be required to be made to bank accounts of entities not related to the IPO and suspected of being mule bank accounts.

On the IPO listing day, these ‘agents’ will proclaim that the IPO shares have been listed and had made profits, and that additional payments are needed for their shares to be allotted. This of course, is fraudulent, so as to convince the victims to give more money.

To date, the SC has received various complaints and inquiries from investors who had reported substantial losses, exceeding RM800,000.

The SC views this matter seriously and will continue to monitor and take appropriate action against such investment scam activities.

In addition, the public is advised to be vigilant in evaluating investment offers including ensuring that they do not transfer or deposit money into suspicious accounts.

The public is also encouraged to verify investment offers through the SC Investment Checker at www.sc.com.my/investment-checker.

SECURITIES COMMISSION MALAYSIA