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Asia Pacific
Private Equity
2026 Almanac
Southeast Asia edition

Deloitte Private Equity

A greater return on ideas

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Executive summary

2025 was a year of recalibration for private equity in Southeast Asia.

In a persistently uncertain global environment, investors did not retreat from the region but they did become more selective. Deal activity moderated, yet capital continued to be deployed into transactions with clearer conviction, stronger downside protection, and more tangible value creation levers. Quality, rather than volume, defined the year.

Mid-market buyouts formed the core of activity, supported by platform build-outs, bolt-on acquisitions, and an increased reliance on secondary buyouts as a practical route to liquidity.

Technology, media and telecommunications (TMT) remained the most active sector, though investment focus shifted towards the foundational digital infrastructure required for data-intensive and artificial intelligence (AI)-enabled activity. Healthcare and consumer services also continued to attract capital where fragmentation and recurring demand created defensible investment propositions.

Singapore reinforced its position as the region's primary hub for private equity capital, accounting for a disproportionate share of deal value and larger transactions. Elsewhere in Southeast Asia, activity remained steady but more measured, reflecting differing levels of market maturity and risk appetite.

Exits remained constrained, particularly through public markets, placing pressure on fundraising. Yet, elevated levels of dry powder underscore continued investor commitment to the region and position the market for renewed momentum when conditions improve.

This Southeast Asia edition of the Deloitte Asia Pacific Private Equity Almanac captures a market that has become more disciplined and more selective. The behaviours observed in 2025 are likely to shape private equity outcomes in the region through 2026 and beyond.

Quality, rather than volume, defined the year.



Jamil Raza Syed
Mergers & Acquisitions (M&A) Leader
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About the Deloitte Asia Pacific Private Equity Almanac

Private equity, by its very nature, can be an opaque arena, certainly when compared to other spheres of investment, and establishing a single, verifiable source of truth poses real challenges: different players provide information – when they provide it at all – in different formats and using different metrics.

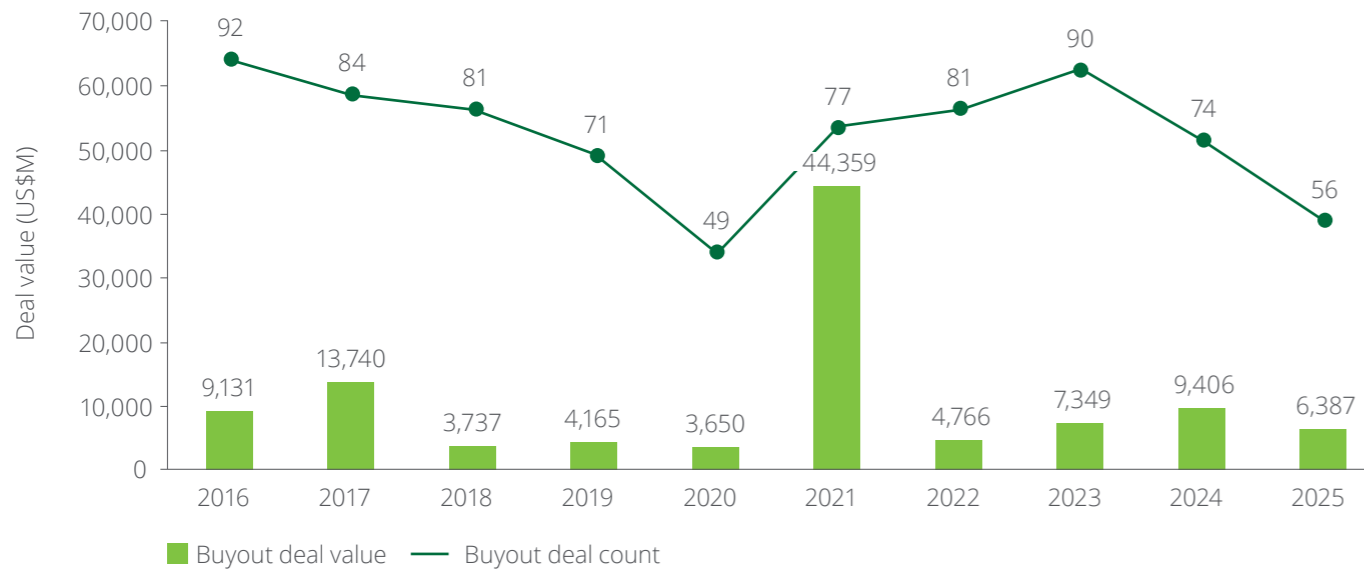
The Deloitte Asia Pacific Private Equity Almanac attempts to overcome many of the shortcomings of this incomplete data to provide the most insightful view possible of the buyout market. It reflects commentary and market insights based on our close coverage of the market throughout the year. Trends and statistics are checked against and supported by Deloitte's proprietary database of portfolio holdings for PE funds in Asia.

Market insights

Many investors and dealmakers entered the year with cautious optimism for mergers and acquisitions, hoping that inflationary pressures would continue to ease and that interest rates might stabilise or even begin to decline. However, the global M&A environment proved more complex than expected. Global political instability from US-China tensions and “Liberation Day” tariffs significantly disrupted global markets in the first half of 2025. Despite these headwinds, regional economic growth remained resilient, with gross domestic product (GDP) growth of approximately 4.5% supporting underlying business activity.¹

Southeast Asia recorded 56 buyout deals with total disclosed value of US\$6.4B in 2025, representing a 32% decline in value from US\$9.4B across 74 deals in 2024. Despite shifting political conditions, Southeast Asia remained well positioned due to resilient sectors such as TMT and healthcare, which have historically demonstrated strong performance in the region. Structural trends such as rapid digital transformation and a growing middle class continued to create investment opportunities in a region eager to develop.

SEA PE buyout investments (2016-2025)



Source: Deloitte analysis

To combat the constant flux in geopolitical climate, investors in Southeast Asia became more selective with a preference for higher conviction in these resilient sectors. The moderation in deal count and value therefore did not reflect a withdrawal of capital, but rather a repricing of risk, as investors adapted to uncertainty.

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Sector hotspots

In 2025, private equity activity concentrated around the TMT, healthcare, and consumer sectors, which together accounted for the majority of buyout deal volume and value. Unlike earlier cycles, however, investment rationale was less about capturing macro tailwinds and more about asset-level defensibility, fragmentation, and platform scalability.

SEA top buyout investment sectors by deal count

	2025 (rank)	2024 (rank)
TMT	17 (#1 ▲)	10 (#2)
Healthcare	11 (#2 ▬)	10 (#2)
Consumer	9 (#3 ▼)	21 (#1)
Business Services	6 (#4 ▲)	7 (#6)
Industrials	5 (#5 ▬)	8 (#5)

Source: Deloitte analysis

SEA top buyout investment sectors by deal value (US\$M)

	2025 (rank)	2024 (rank)
TMT	2,634 (#1 ▬)	3,611 (#1)
Healthcare	1,560 (#2 ▲)	20 (#8)
Consumer	875 (#3 ▬)	1,808 (#3)
Business Services	740 (#4 ▬)	1,298 (#4)
Industrials	307 (#5 ▼)	2,077 (#2)

Source: Deloitte analysis



TMT was the most active sector in 2025, accounting for 41% of total buyout deal value and 30% of deal count. However, the underlying nature of TMT investment evolved during the year. Rather than a broad digitalisation theme, 2025 saw a pivot towards digital infrastructure, with capital concentrating on assets underpinning AI and cloud workloads and other data-intensive services. Transactions across data centres, fibre, and digital infrastructure agencies reflected growing demand for scalable, secure compute and connectivity.

This shift is occurring against the backdrop of a rapidly expanding AI opportunity. Based on Deloitte’s estimates, the total addressable AI market in Southeast Asia is expected to reach approximately US\$65B by 2035, reinforcing the strategic importance of building the infrastructure required to support sustained, long-term AI adoption across the region.²

In parallel, asset monetisation activity among telecom operators and infrastructure owners created opportunities for buyout-led platform formation, carve-outs, and sponsor-to-sponsor transactions. Software investments continued but were skewed towards enterprise applications, where revenues are more predictable and less sensitive to near-term macro conditions.

Healthcare

Healthcare remained a core area of private equity activity in Southeast Asia in 2025, accounting for 20% of deal count and 14% of total deal value. Activity followed three repeatable deal patterns: scaled provider platforms, pharmacy and outpatient access models, and healthcare services/distribution adjacencies. Across these themes, private equity underwriting placed greater weight on execution than on standalone growth narratives.

For provider assets, PE's interest continued to centre on platforms where scale could be compounded through operational uplift and selective expansion. Similarly, PE's interest in assets with repeat-purchase dynamics and a clear path to scale drove investments in pharmacy and consumer healthcare platforms. In fragmented markets, this scaling logic supports platform formation and consolidation strategies.

Beyond direct care delivery, private equity activity also extended into healthcare services and adjacencies where operational levers are tangible and consolidation remains feasible. These assets typically lend themselves to PEs creating value through route density, procurement leverage, working-capital discipline and service-level standardisation – once again aligning with the overall preference for downside protection.

Consumer

Consumer accounted for 16% of total buyout deal count in 2025, with US\$0.3B in deal value, reflecting the sector's continued concentration in the mid-market. Investment activity remained selective, with private equity capital targeting service-led, repeat-use platforms rather than broad discretionary or volume-driven consumer exposure.

Despite the strong performance by the consumer sector, there was a marked decrease from previous years, which had seen around 19-21 transactions a year, to just nine in 2025. This decrease reflects the broader retreat from demand-sensitive sectors as geopolitical uncertainty and tighter financing conditions pushed investors towards more resilient sectors. Despite this drop in 2025, we expect the deal volume to pick back up.

Education emerged as a key area of consumer-orientated investment in 2025, supported by fragmentation, recurring demand, and opportunities for operational scaling. The US\$230M secondary buyout of a Southeast Asian K-12 school portfolio exemplified investor appetite for infrastructure-like consumer services with predictable enrolment, strong brand positioning and multiple expansion levers. This reflects their role as capital-preserving platforms in a constrained exit environment.

Selective investment activity also extended into hospitality and experiential consumer services, particularly in markets where domestic demand supported scaled local operators. Transactions continued to reflect sponsor interest in local consumer platforms with operational leverage and knowledge of local consumption patterns. Within consumer-orientated sectors, PE's gravitated towards essential and quasi-essential services, including food products and consumer healthcare adjacencies. In these consumer-orientated sectors, private equity value creation is typically driven by supply chain discipline, route-to-market execution and margin stability – consistent with the broader 2025 preference for downside protection.

Geography trends

Singapore remained the clear centre of private equity activity in Southeast Asia in 2025, accounting for 54% buyout deal count and around 75% of buyout deal value. Beyond Singapore, private equity activity remained measured but resilient, reflecting sector-specific opportunities and selective consolidation plays.

SEA top buyout investment countries by deal count

	2025 (rank)	2024 (rank)
Singapore	30 (#1 —)	34 (#1)
Malaysia	7 (#2 ▲)	6 (#5)
Indonesia	6 (#3 ▼)	12 (#2)
Vietnam	6 (#3 ▲)	7 (#4)
Philippines	4 (#5 ▼)	9 (#3)
Thailand	3 (#6 —)	5 (#6)

Source: Deloitte analysis

SEA top buyout investment countries by deal value (US\$M)

	2025 (rank)	2024 (rank)
Singapore	4,790 (#1 —)	5,202 (#1)
Malaysia	828 (#2 ▲)	1,184 (#5)
Indonesia	327 (#3 ▼)	375 (#2)
Vietnam	318 (#3 ▲)	323 (#5)
Philippines	124 (#5 ▼)	2,322 (#2)
Thailand	N/M (#6 —)	N/M (#6)

Source: Deloitte analysis

SEA buyout sector heatmap by deal count (2025)

	Singapore	Malaysia	Indonesia	Vietnam	Philippines	Thailand	Total deal count	Total deal value (US\$B)
TMT	12	1		1	3		17	2.6
Healthcare	3	2	1	5			11	0.9
Consumer	1	2	2		1	3	9	0.3
Business Services	5	1					6	0.7
Financial Services	5						5	0.1
Industrials	2	1	2				5	0.1
Energy, Utilities, Infra. & Real Estate	2		1				3	1.6
Transport & Logistics							-	-
Total deal count	30	7	6	6	4	3	56	-
Total deal value (US\$B)	4.8	0.8	0.1	0.3	0.3	-	-	6.4

Cold  Hot

Source: Deloitte analysis

Singapore

Private equity activity in Singapore was characterised by larger average ticket sizes and a higher concentration of platform-level transactions, reinforcing its role as the region’s primary hub for capital aggregation, deal structuring and ownership transitions.

Areas of concentration included digital infrastructure, TMT adjacencies, healthcare platforms and sponsor-to-sponsor transactions. The prevalence of buyouts, carve-outs, and secondary transactions reflects Singapore’s continued role as the regional jurisdiction where complex transactions, cross-border platforms, and infrastructure-linked assets are most readily executable.

Singapore’s stable political scene also makes it an attractive investment destination. Continued government initiatives such as the Smart Nation and Digital Economy strategies, combined with pro-investment regulations and incentives for technology and infrastructure projects, are expected to sustain private equity interest and deal activity in Singapore’s rapidly evolving digital ecosystem in 2026.

Malaysia

Malaysia emerged as the second-strongest market by deal count and value in 2025, maintaining steady private equity activity in a more selective regional environment. Transactions were anchored in healthcare, consumer services, and digital infrastructure-adjacent assets, aligning with PE’s broader preference for platform-ready sectors with operational value creation potential.

It also continued to attract PE’s interest in infrastructure-linked and services assets, benefitting from its cost competitiveness and ability to support scalable regional platforms alongside Singapore-based holding structures. Initiatives such as the Johor-Singapore Special Economic Zone are likely to further support private equity activity by making it easier to facilitate cross-border investment.

Indonesia

Indonesia continued to attract private equity capital in 2025, with activity focused primarily on consumer-adjacent and healthcare-related sectors, reflecting increasing demand for quality services as incomes rise. Transactions reflected PE’s interest in scaled local platforms with strong operating leverage, rather than broad exposure to discretionary consumption.

While deal sizes remained predominantly mid-market, private equity activity in Indonesia continued to favour assets where local execution capability, operational discipline and consolidation potential could support value creation. Sponsor-to-sponsor transactions and platform investments reinforced Indonesia’s role as a key market for long-term private equity deployment, albeit with heightened selectivity. Initiatives such as the National Strategic Projects framework also aim to support domestic demand by creating a visible pipeline of projects that can generate adjacent private opportunities in healthcare, education and digital infrastructure.

Vietnam

Vietnam saw selective but continued private equity deployment in 2025, with activity concentrated in healthcare providers, pharmacy platforms and consumer-orientated services. Transactions reflected PE’s interest in fragmented sectors where scale can be built through platform formation, add-ons and operational professionalisation.

Healthcare remained a central theme, spanning hospital groups, outpatient services and pharmacy platforms. Private equity activity in Vietnam continued to emphasise execution certainty and cash-flow visibility, positioning the market as a core destination for consolidation-led buyouts rather than speculative growth investments.

Strong macro momentum and the government’s Đổi Mới 2.0 reforms are boosting private equity by improving the regulatory environment, supporting private enterprise, and expanding foreign investor participation. The upcoming FTSE Russell upgrade to the FTSE Emerging Markets Index in September 2026 is also expected to attract foreign capital, support higher valuations, and improve exit opportunities for private equity investments in Vietnam.

Philippines

Private equity activity in the Philippines remained measured in 2025, with digital infrastructure a clear outlier, attracting outsized investment versus other sectors. Demand for data connectivity, cloud and AI-ready infrastructure, and infra-adjacent digital platforms underpinned this focus. Beyond TMT, deal flow was mainly concentrated in consumer services, healthcare access models, and logistics-linked assets. Transactions were predominantly mid-market, reflecting investor preference for platforms with repeat-use demand, operational scaling opportunities, and clear execution levers.

Corporate carve-outs and platform investments also featured, underscoring PE's focus on assets where governance improvements, integration and professionalisation could unlock value. Although deal volumes were lower relative to larger ASEAN markets, the Philippines continued to offer targeted opportunities aligned with PE's selective deployment approach. Looking ahead, initiatives such as the push for public-private partnerships (PPP) are expected to strengthen the investment climate in 2026 and support a deeper pipeline of private equity opportunities.

Thailand

Thailand recorded a gradual recovery in private equity activity in 2025, supported by stabilising macro conditions and renewed sponsor interest in manufacturing, consumer services, and infrastructure-adjacent sectors. Transactions remained selective and largely mid-market, reflecting PE's focus on execution-driven value creation.

Government incentives and ongoing development initiatives such as the Eastern Economic Corridor continue to support capital deployment into priority sectors, contributing to a modest but improving pipeline of private equity opportunities. Thailand's deal activity in 2025 reflected a cautious return of confidence rather than a broad-based rebound.

Buyout trends

Shift in posture towards selective deployment

Southeast Asia's private equity buyout market moderated in 2025, reflecting a more selective deployment environment rather than a broad pullback. Buyout volumes declined from 74 deals in 2024 to 56 deals in 2025, while total disclosed transaction value fell from US\$9.4B to US\$6.4B.

The market continued to be driven by mid-market transactions, which accounted for 64% of buyout deal volume in 2025, underscoring continued sponsor appetite for deal sizes where operational value creation and pricing entry points were more achievable.

Overall, the 2025 pattern reflects a shift in deal selection, with investors favouring transactions where valuation, financing structure and execution certainty could be aligned more tightly than in larger leveraged transactions.

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SEA top 10 PE investments

#	Target company	Country	Deal date	Deal type	Investors	Sellers	Industry	Deal size (US\$M)
1	GLP	Singapore	Sept 2025	LP Direct	Abu Dhabi Investment Authority	–	Infrastructure & Real Estate	\$1,500
2	Princeton Digital Group	Singapore	Aug 2025	Others	Stonepeak Partners	–	Telecoms & Media	\$1,300
3	Apex Healthcare	Malaysia	Apr 2025	Public-to-private	Quadria Capital	Apex Healthcare	Healthcare Providers	\$426
4	800 Super Holdings	Singapore	Sept 2025	Buyout	Actis	Keppel	Business Services	\$420
5	Digital Halo	Singapore	May 2025	Buyout	Partners Group	Arch Capital Management, Manulife Investment Management	Telecoms & Media	\$400
6	Pinnacle Towers Pte Ltd	Philippines	Jul 2025	Buyout	British Columbia Investment Management Corp	KKR	Telecoms & Media	\$300
7	SP Telecommunications	Singapore	Nov 2025	Buyout	AQX Digital Infrastructure (backed by Seraya Partners)	SP Group (Multi-Utilities), ST Engineering	Telecoms & Media	\$237
8	Southeast Asian K-12 School Portfolio	Malaysia	Apr 2025	Buyout	Navis Capital, TPG NewQuest	Navis Capital	Education	\$230
9	Airalo	Singapore	Jul 2025	Others	CVC Capital Partners, Antler, Peak XV Partners	–	Telecoms & Media	\$220
10	FPT Long Chau Pharmaceutical	Vietnam	May 2025	Buyout	Creador	–	Pharma	\$195

Source: Deloitte analysis

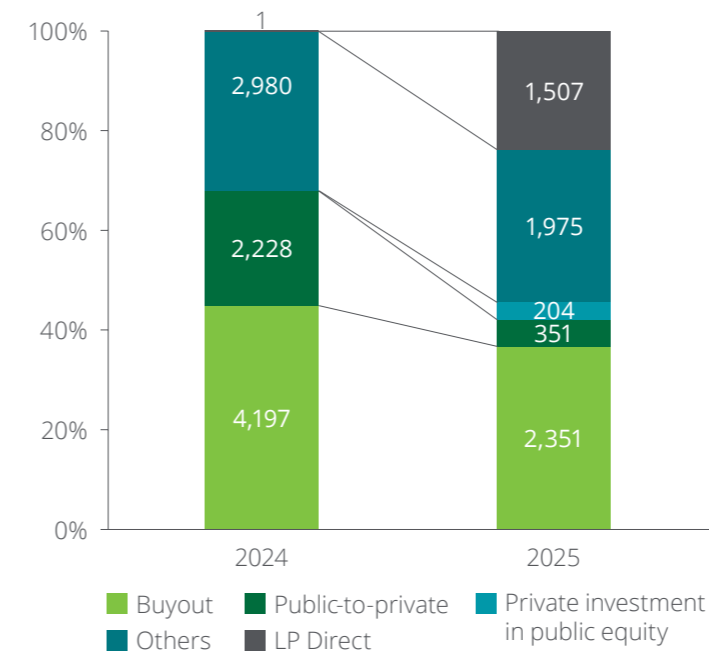
Buyout structures remained broadly consistent

Traditional M&A buyouts continued to account for the majority of both deal count and disclosed value in 2025. The overall mix of deal types remained broadly consistent versus 2024, reinforcing the view that the market’s adjustment was primarily a function of selectivity and pricing discipline, rather than a fundamental change in transaction structures.

Public-to-private activity was lower than in 2024, while add-ons and sponsor-to-sponsor transactions continued to feature as mechanisms to build scale and recycle ownership where exit conditions remained constrained.

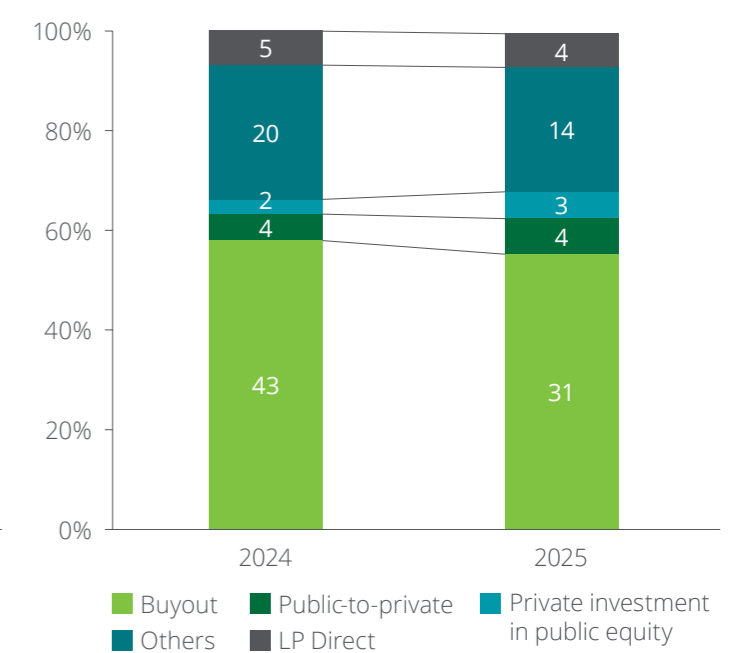
The market’s adjustment was primarily a function of selectivity and pricing discipline, rather than a fundamental change in transaction structures.

SEA buyout investment deal value (US\$M) by deal type



Source: Deloitte analysis

SEA buyout investment deal count by deal type



Source: Deloitte analysis

Exit trends

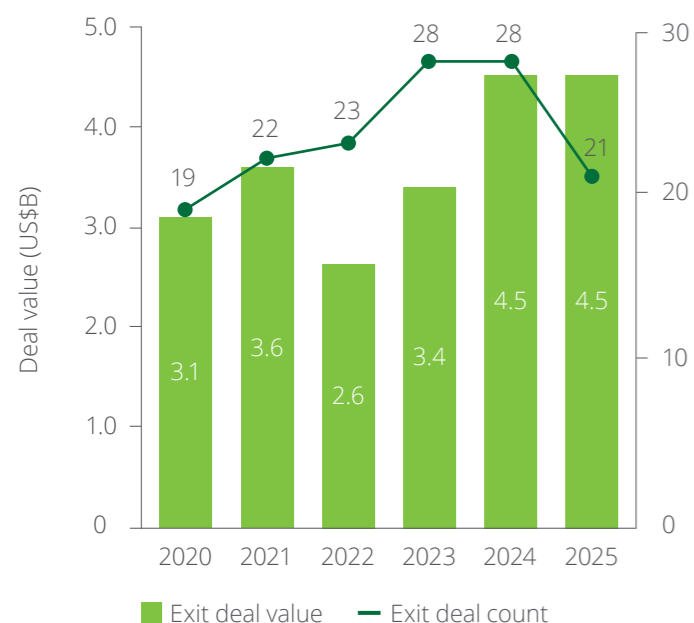
A constrained exit market, with private routes preferred

The exit environment in Southeast Asia remained muted in 2025. Exit volume declined to 21 (trade sales, secondary buyouts, and IPOs), down from 28 in 2024, while total disclosed exit value held steady at US\$4.5B. The relative resilience in value despite lower volume reflects continued buyer appetite for scaled, high-quality assets, even as broader market conditions constrained liquidity. Overall, 2025 reflected a cautious but functioning exit market, where liquidity remained available for assets with scale, defensible positioning, and clear execution narratives.

In this environment, private equity sponsors continued to favour private-market exit routes. Trade sales and secondary buyouts dominated, reflecting a preference for execution certainty and pricing clarity. Strategic acquirers remained active where assets offered scale and defensible positioning, while sponsor-to-sponsor transactions served as a practical liquidity bridge when valuation expectations could not be met in trade processes or public markets. Secondary buyouts featured more prominently as sponsors sought to recycle ownership, extend holding periods, and create time for additional value creation.

The 2025 pattern reflects a shift in deal selection, with investors favouring transactions where valuation, financing structure and execution certainty could be aligned more tightly.

SEA PE exit deal count and value



Source: Deloitte analysis

Fundraising softened, even as dry powder remained elevated

Fundraising momentum weakened in 2025, with total capital raised declining to US\$3.3B from US\$6.3B in 2024. This reflected LP caution amid limited distributions, ongoing exit uncertainty, and broader global allocation shifts towards higher visibility markets. As a result, fundraising was concentrated among a smaller number of vehicles.

SEA top 10 funds raised in 2025

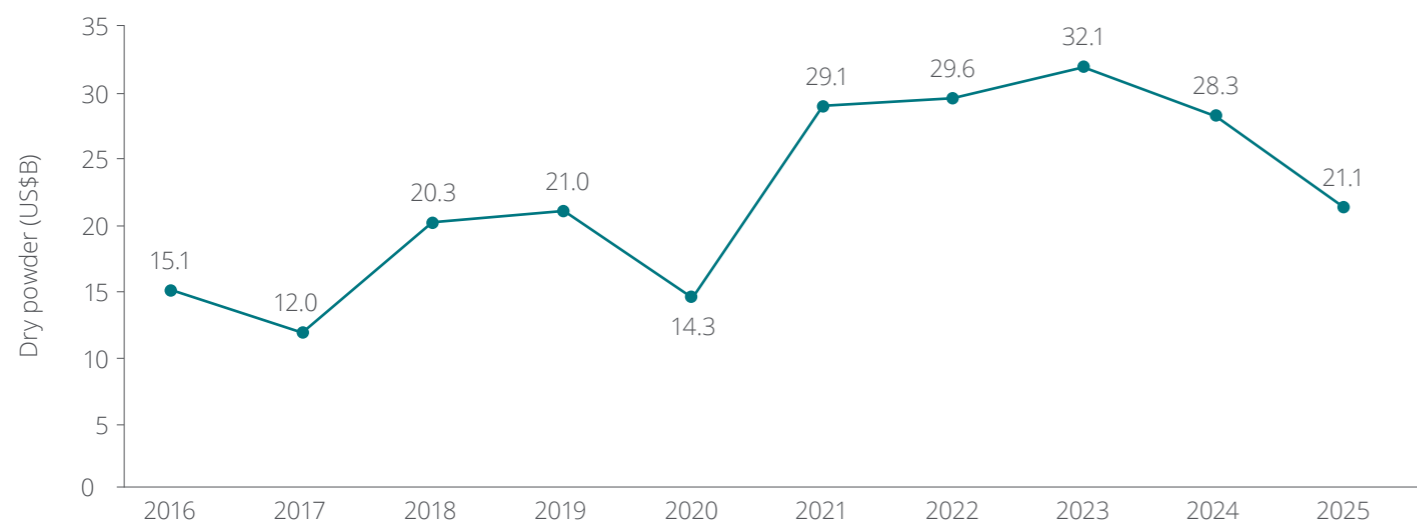
#	Fund name	Vintage	Close date	Strategy	Geographic focus	Fund size (US\$M)	Fund manager	Country
1	Quadria Capital Fund III	2023	May 2025	Growth	Asia	\$1,068	Quadria Capital Investment Management	Singapore
2	Creador VI	2024	Jan 2025	Growth	Asia	\$930	Creador	Malaysia
3	ABC Impact Fund II	2024	Apr 2025	Balanced	Asia	\$600	ABC Impact	Singapore
4	Navis Next Generation Fund	2025	Apr 2025	Buyout	Asia	\$230	Navis Capital Partners	Malaysia
5	Southeast Asia Clean Energy Facility II	2024	Mar 2025	Venture (General)	East and Southeast Asia	\$175	Clime Capital Management	Singapore
6	AGP Healthcare Fund	2023	Nov 2025	Growth	East and Southeast Asia	\$150	August Global Partners	Singapore
7	Iterative Fund II	2022	Jan 2025	Early Stage	Asia	\$58	Iterative	Singapore
8	Rigel Star	2022	Jan 2025	Early Stage	Asia	\$40	Rigel Capital	Singapore
9	Kaya Founders Fund II	2023	Nov 2025	Venture (General)	Philippines	\$25	Kaya Founders	Philippines
10	SpaceX IV	2025	Jan 2025	Venture (General)	Asia	\$2	MyAsiaVC	Indonesia

Source: Deloitte analysis, Preqin

Despite weaker fundraising, dry powder across the region remained elevated at US\$21.1B. This pool of uncalled capital highlights PE's continued capacity to deploy decisively, particularly into a market where selectivity has moderated valuations and reduced competitive intensity for non-core divestments, carve-outs, and platform build opportunities.

Alongside traditional LP capital, regulatory developments in 2025 signalled the potential emergence of new funding pathways. In Singapore, the Monetary Authority of Singapore (MAS) advanced its Long-Term Investment Fund (LIF) framework via a consultation paper released on 27 March, 2025, proposing structures that could provide retail investors access to private-market investment funds. Over time, such developments may broaden the investor base and contribute to a more diversified fundraising environment.

PE dry powder in SEA (US\$B)



Source: Preqin, a part of BlackRock

Private routes dominate

Private exit routes continued to dominate. Trade sales and secondary buyouts accounted for approximately 81% of exits in 2025, reflecting sponsors' preference for execution certainty and pricing clarity in a muted public-market environment. Secondary buyouts remained an important liquidity mechanism, including transactions such as the US\$230M secondary buyout of the Southeast Asian K-12 school portfolio.

IPO exits remained limited in 2025 relative to private routes.

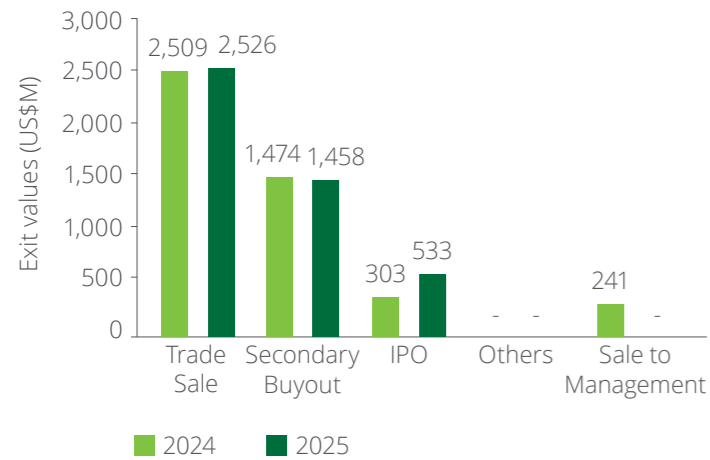
SEA top 10 PE exits in 2025

#	Target company	Country	Deal date	Deal type	Sellers	Investors	Industry	Deal size (US\$M)
1	Goodpack	Singapore	Nov 2025	Trade Sale	KKR	Lam Family	Transport & Logistics	\$1,500
2	Apex Logistics	Singapore	Oct 2025	Trade Sale	Partners Group	Kuehne + Nagel	Transport & Logistics	\$996
3	800 Super Holdings	Singapore	Sept 2025	Secondary Buyout	Keppel	Actis	Business Services	\$420
4	Digital Halo	Singapore	May 2025	Secondary Buyout	Arch Capital Management, Manulife Investment Management	Partners Group	Telecoms & Media	\$400
5	UltraGreen (Surgical Devices)	Singapore	Nov 2025	IPO	65 Equity Partners, August Global Partners, Renew Group, Vitruvian Partners	-	Medical Devices	\$308
6	Pinnacle Towers Pte Ltd	Philippines	Jul 2025	Secondary Buyout	KKR	British Columbia Investment Management Corp	Telecoms & Media	\$300
7	Southeast Asian K-12 School Portfolio	Malaysia	Apr 2025	Secondary Buyout	Navis Capital	Navis Capital, TPG NewQuest	Education	\$230
8	Eco-Shop	Malaysia	May 2025	IPO	Creador	-	Retail/ Wholesale	\$225
9	MG Group	Indonesia	Jan 2025	Secondary Buyout	Northstar Capital	Creador	Hospitality & Leisure	\$77
10	Tam Tri Medical Group	Vietnam	Jun 2025	Secondary Buyout	VinaCapital	Quadria Capital	Healthcare Providers	\$31

Source: Deloitte analysis

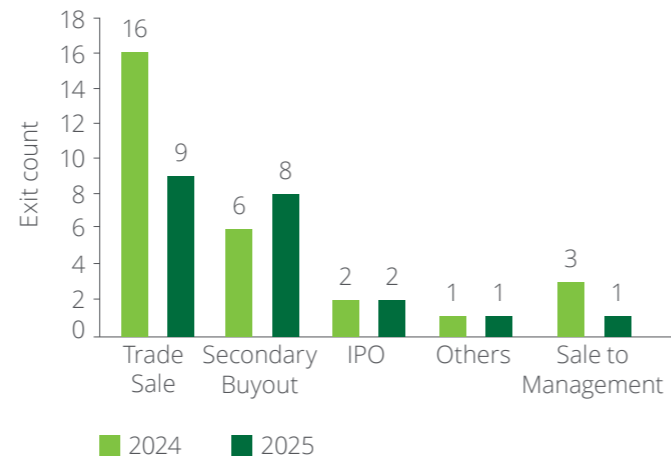
Within private routes, trade sales remained the primary exit channel. As corporates pursued acquisitions to strengthen supply chains, expand regional presence, and acquire established platforms in structurally attractive sectors, strategic buyers continued to provide liquidity for scaled assets. However, trade-sale volumes declined in 2025 as valuation gaps persisted and sponsors were less willing to transact below target outcomes.

SEA exit deal value (US\$M) by deal type



Source: Deloitte analysis

SEA exit deal count by deal type



Source: Deloitte analysis

Secondary buyouts increased in importance as a practical bridge to liquidity. Supported by active sponsor participation, secondaries enabled ownership recycling and extended holding periods where sponsors opted to defer exits until valuation conditions improved. This dynamic was particularly relevant for funds nearing the end of their lifecycles, where secondaries provided an executable route to distributions to paid-in capital (DPI) progression. Recent examples, such as KKR’s US\$300M partial exit from Pinnacle Towers, showcase how sponsors are using partial and structured exits to balance liquidity needs with continued ownership of high-quality infrastructure assets.

Public exits remained subdued in 2025, with IPO activity still muted. Even so, the enabling environment for IPOs and other public-market liquidity pathways strengthened, particularly in Singapore. MAS launched the S\$5B Equity Market Development Programme (EQDP) in February 2025 to deepen market liquidity by partnering with fund managers investing in Singapore equities.³ The EQDP was subsequently expanded by S\$1.5B to S\$6.5B under Budget 2026, reinforcing the policy commitment to improve equity-market depth and listing attractiveness.⁴

In parallel, the Anchor Fund @ 65 continued to provide co-investment capital to support promising high-growth companies preparing for a Singapore listing.⁵ SGX also broadened listing accessibility by lowering the Mainboard profit test threshold from S\$30M to S\$10M (effective 29 October 2025), widening the pool of companies eligible for listing.⁶ Results from these initiatives are beginning to show, with 16 firms listing on the SGX in 2025 compared with subdued listings in 2023 and 2024.⁷

Overall, 2025 exit activity reflected a cautious but functioning market, with liquidity primarily driven by strategic buyers and financial sponsors, alongside early indications of strengthening public-market support infrastructure.

Exit activity reflected a cautious but functioning market, with liquidity primarily driven by strategic buyers and financial sponsors.

Diverse tax environment for M&A in Southeast Asia

Across Southeast Asia, transaction and exit tax frictions are often manageable, but they vary materially by jurisdiction and asset profile, especially for real estate-rich targets and markets with stamp duties. Singapore, with its attractive tax regime and extensive treaty network, is frequently used as a regional holding platform. A broad overview of the taxation of dividends, interest, capital gains, and transaction taxes in SEA is provided below.

Singapore

Singapore remains the region's preferred holding jurisdiction due to the relative certainty it offers in transaction taxes, the absence of withholding tax on dividends, and its clear statutory framework for taxing foreign-sourced disposal gains only in defined circumstances. Taken together, these provide investors with early visibility over exit outcomes and allow structuring decisions to be made upfront, rather than litigated or challenged post-exit.

Dividends: Singapore does not impose withholding tax on outbound dividends and has a participation exemption regime for inbound dividends.

Interest: Interest paid to non-resident corporate lenders is typically subject to a final 15% domestic withholding tax, although this may be reduced under an applicable treaty or a domestic exemption.

Capital gains: Singapore generally does not tax capital gains and provides tax exemption on gains from the disposal of ordinary or qualifying preference shares in another company, provided that the relevant conditions are met. Notwithstanding this, remittances or deemed remittances into Singapore of gains derived from the sale or disposal of immovable or movable property situated outside Singapore are subject to tax at the standard corporate income tax rate, unless certain conditions are met. These include that the seller entity is not part of a relevant consolidated group, or has adequate economic substance in Singapore, other than in relation to the disposal of an intellectual property right. Certain fund tax incentives also provide exemptions on gains, and these are highly attractive to investment and asset managers based in Singapore.

Stamp duty: Stamp duty applies only to instruments relating to stocks and shares, and immovable properties. These include the sale of a mortgage and shares, and a lease of immovable property. Buyer stamp duty is payable at up to 6% on acquisitions of residential properties and 5% on acquisitions of nonresidential properties. Buyer stamp duty on acquisition of stocks and shares is 0.2% of the higher of the market value or purchase price. The acquisition of equity interests in a company that primarily owns (directly or indirectly) residential property in Singapore also may attract additional conveyance duties. Collectively, these features place Singapore as a preferred regional holding and exit jurisdiction for investors.

Singapore's transparent tax framework gives investors early clarity on exit outcomes.

Malaysia

Malaysia offers a generally clear and investor-friendly tax framework for M&A. Share transfers are typically subject to a relatively modest stamp duty, generally around 0.3% of the higher of either the consideration or net asset value, while capital gains tax is targeted at certain types of transaction.

Dividends: Malaysia does not impose withholding tax on outbound dividends.

Interest: A withholding tax of 15% generally applies to interest paid to a non-resident, unless the rate is reduced under an applicable tax treaty or subject to a domestic exemption.

Capital gains: Capital gains derived from the disposal of real property located in Malaysia may be subject to real property gains tax (RPGT) in Malaysia. Where RPGT applies, for a company incorporated in Malaysia, the rate starts at 30% for disposals of real property made within three years from the date of acquisition and decreases to 20%, 15%, and 10% for disposals in the fourth, fifth and sixth years after the acquisition and thereafter. CGT may apply on the disposal of capital assets by companies and certain other legal entities at a rate determined on when the capital assets were acquired by the company and whether the capital assets are located in Malaysia or abroad. For capital assets located in Malaysia, only gains or profits from the disposal of unlisted shares of companies incorporated in Malaysia and shares of controlled companies incorporated outside Malaysia that hold real property located in Malaysia or shares of another controlled company are subject to CGT. Overall, despite the newly introduced capital gains tax, there are alternative computation methods and exemptions for qualifying disposals, which provide meaningful flexibility in exit planning.

Stamp duty: Stamp duty is imposed at rates between 1% and 4% of the value of property transfers, and at 0.3% generally on principal instruments for share transfers. Since 1 January 2026, stamp duty is based on a self-assessment system, under which taxpayers are responsible for determining the correct amount of stamp duty payable and submitting the assessment to the Inland Revenue Board.

Malaysia offers a generally clear and investor-friendly tax framework for M&A, providing meaningful flexibility in exit planning.

Indonesia

Indonesia's M&A tax regime, while transaction-focused, remains broadly supportive of regional M&A, especially when structured through holding companies in a favourable treaty jurisdiction such as Singapore.

Dividends: No withholding tax applies to dividends paid by a resident company to another resident company, and the dividends are exempt from corporate income tax for the recipient. Dividends paid to non-residents are subject to a 20% withholding tax, although the rate may be reduced in accordance with an applicable tax treaty.

Interest: Interest paid by resident company, other than a bank, to a resident is generally subject to a 15% withholding tax.

Capital gains: Capital gains earned by a resident company are usually taxable and taxed as ordinary income. Gains on the sale of shares listed on the Indonesia Stock Exchange are subject to a final tax of 0.1% of the gross transaction value. An additional final tax of 0.5% applies to founder shares based on the share price at the time of an initial public offering (IPO), regardless of whether the shares are held or sold following the IPO. In general, the transfer of real estate is subject to final income tax at 2.5% of the gross proceeds. Capital gains derived from the sale of Indonesia assets held by non-residents are taxable at a rate of 5% of the gross proceeds, subject to relief under an applicable tax treaty such as the Singapore-Indonesia tax treaty.

Stamp duty: Certain assets are subject to stamp duty at a nominal amount of IDR 10,000. Overall, while Indonesia's headline rates are higher than some neighbouring markets, treaty access can allow investors to price-in exit costs at the time of entry with a relatively high degree of certainty.

Treaty access can allow investors to price-in exit costs at the time of entry with a relatively high degree of certainty.

Vietnam

Vietnam offers one of Southeast Asia's most streamlined tax regimes for inbound M&A.

Dividends: No withholding tax is imposed on dividends paid to companies.

Interest: Interest withholding tax is low at 5% if paid to non-resident companies.

Capital gains: Shares transferred by a domestic corporate seller are subject to corporate income tax at 20% on the capital gain, while shares transferred by a foreign corporate seller are subject to a tax rate of 2% of the transfer value. The transfer value is based on the actual contract price, although a deemed fair market value will be used if no contract price is available or if the price stated in the contract is deemed not to be on arm's-length terms. Nevertheless, Vietnam does have rules around taxation of indirect share transfers i.e. transfer of an offshore company that directly or indirectly holds Vietnam assets, so exits in Vietnam assets should be navigated properly.

Stamp duty: Stamp duty is imposed at a rate of 0.5% to 15% on certain types of assets, including real property. Such Stamp Duty is not applicable in case of shares transfer.

Vietnam offers one of Southeast Asia's most streamlined tax regimes for inbound M&A.

Thailand

Thailand offers various tax incentives for certain business activities and M&A, including exemptions and reductions.

Corporate income tax: Corporate income tax, levied at 20%, may be reduced or exempted for qualifying transactions or business activities.

Dividends: Dividends paid by one Thai company to another may be fully exempt or 50% exempt from corporate income tax if certain conditions are met. Dividends paid to foreign shareholders are subject to 10% withholding tax, which may be exempted under specific tax incentive schemes.

Interest and Capital Gains: Interest and capital gains paid to a foreign company are subject to 15% withholding tax unless reduced or exempted under an applicable tax treaty.

Stamp duty: Stamp duty at 0.1% applies to share transfers, calculated on the higher of the paid up share value or the transfer value.

Thailand offers various tax incentives, including exemptions and reductions, for qualifying M&A transactions and business activities.

Philippines

The Philippines operates a more layered tax regime for private equity but remains navigable with careful structuring. Documentary stamp tax of 0.75% applies to both share issuances and share transfers, including financing instruments.

Dividends: Dividends paid to non-resident companies are subject to withholding tax at 15% where the jurisdiction of residence of the non-resident company allows a tax credit of at least 10%; otherwise the rate is 25%, although these rates may be reduced under an applicable tax treaty.

Interest: Interest paid to a non-resident company is subject to a 20% withholding tax, although this may be reduced under an applicable tax treaty.

Capital gains: Capital gains are generally taxed as income subject to the regular corporate income tax rates. Gains realised by a resident foreign company on the sale of shares in a domestic company that is not traded on a stock exchange are subject to a 15% capital gains tax. However, treaty relief may be available. Gains on the sale of shares listed and traded on a stock exchange are taxed at 0.1% of the gross selling price. Gains derived from the sale of real property not used in a business are subject to a 6% final withholding tax based on the higher of the sales price or the fair market value.

Transfer tax: No-cost transfers of property are subject to a donor's tax at 6% of the fair market value of the property at the time of the donation. A local transfer tax on real property is levied at a rate of 0.5% to 0.75% on the higher of the gross sales price or the fair market value of the property upon the transfer or sale of the property.

Stamp duty: Various rates of stamp duty apply, depending on the type of transactions/assets.

The Philippines operates a more layered tax regime for private equity but remains navigable with careful structuring.

Outlook for 2026

The Southeast Asia PE market is set up for a more conducive phase, supported by conditions already visible in 2025. Dry powder remains elevated and private equity firms continue to demonstrate strong intent to deploy capital. At the same time, a backlog of exits has accumulated following the slowdown in realisations in recent years, suggesting a potential pickup in exit activity as sponsors look to return capital to investors. While tariffs, geopolitical tensions and macro uncertainty continue to contribute to market volatility, private equity activity remains supported by a positive backdrop of available capital and sustained investor interest. As a result, firms are approaching investments with a more deliberate focus on underwriting discipline, risk calibration and value creation.

The primary swing factor will be liquidity confidence. If public markets remain selective, private routes – such as trade sales and sponsor-to-sponsor transactions – are likely to continue anchoring exits, with secondaries playing a central role in clearing mature assets and extending value-creation runways.

At the same time, policy measures aimed at improving Singapore's listing environment may gradually broaden the set of executable IPO pathways, particularly for assets that meet disclosure and governance expectations.

On deployment, private equity activity is expected to remain centred on mid-market buyouts and platform build strategies, reflecting where pricing discipline and operational levers are most controllable. The sector patterns observed in 2025 – digital infrastructure aligned to AI-enabled workloads, consolidation-led healthcare platforms, and defensible consumer services – are likely to persist, with value creation driven by integration, operating discipline and exit readiness rather than broad macro tailwinds.

Overall, 2026 is likely to reward sponsors that translate 2025's selectivity into execution: building scalable platforms, tightening operating cadence, and positioning assets for multiple exit routes.

The Southeast Asia PE market is set up for a more active phase, supported by conditions already visible in 2025.

Appendices

Country	Item	Description
Singapore	Equity Market Development Programme (EQDP)	A MAS-led programme, launched in 2025 and expanded to S\$6.5B in Budget 2026, that allocates capital to asset managers investing in Singapore-listed equities to improve market liquidity and broaden investor participation. It supports private equity mainly for exits; better liquidity and broader participation can support more workable IPO outcomes and aftermarket trading, improving valuation confidence. Indirectly, a healthier public market can strengthen exit optionality and price discovery for private deals.
Singapore	Anchor Fund @ 65	A government-backed co-investment fund managed by Temasek-owned 65 Equity Partners, established to support high-growth companies with pre-IPO financing and anchor potential listings on the SGX. It supports PE by expanding the IPO-eligible universe, especially for mid-market growth platforms that may not meet higher profitability hurdles. This widens exit routes and can improve negotiating leverage versus trade sale/secondary options.
Singapore	Long-term Investment Fund (LTIF)	Singapore's LTIF, introduced by the MAS, is a regulatory framework that allows retail investors to access private-market assets like private equity and infrastructure through regulated fund structures. It expands the investor base for private equity managers beyond institutions, potentially increasing fundraising from wealth and mass-affluent channels.
Singapore	Smart Nation and Digital Economy	The Smart Nation Initiative and the Digital Economy Framework for Action are Singapore government efforts to accelerate nationwide digital transformation by expanding digital infrastructure, promoting data-driven technologies, and supporting innovation in areas such as fintech, AI, cybersecurity, and e-commerce. By fostering a strong digital ecosystem and encouraging startups and technology adoption across industries, these initiatives create a larger pipeline of scalable tech-enabled companies. This, in turn, stimulates private equity and venture capital activity as investors gain more opportunities to back high-growth firms benefiting from digitalisation and government support.
Philippines	Public-Private Partnership (PPP) Reforms	Policy reforms aimed at improving private-sector participation in infrastructure projects by enhancing regulatory clarity and streamlining approval processes. It supports private equity by expanding investable infrastructure and infra adjacent opportunities, especially where clearer rules reduce procurement/contracting uncertainty. Key diligence focus is still execution/contract enforceability, but reforms generally improve bankability.

Country	Item	Description
Indonesia	National Strategic Projects (NSP) Framework	A government-designated programme of priority infrastructure and development projects, governed by presidential regulation, intended to accelerate economic growth, improve connectivity, and support public welfare. It helps private equity by creating a visible pipeline of infrastructure and enabling projects that can generate adjacent private opportunities (healthcare, education, digital connectivity).
Vietnam	Đổi Mới 2.0 Reforms	Đổi Mới 2.0 refers to Vietnam's next phase of economic reforms aimed at modernising the economy, improving productivity, strengthening the private sector, and deepening integration into global markets. The initiative focuses on regulatory improvements, digital transformation, and greater support for private enterprises and innovation. These reforms can stimulate private equity activity by improving the investment environment, expanding the pool of high-growth domestic companies, and creating more opportunities for investors to deploy capital in sectors benefiting from Vietnam's continued economic modernisation.
Thailand	Eastern Economic Corridor	A special economic zone covering three eastern provinces, established under Thailand 4.0 to attract investment into advanced industries through infrastructure development, targeted incentives, and regulatory facilitation. It helps private equity by concentrating policy support, infrastructure development and incentives into a singular investable corridor, making it easier to scale up developments within advance industries such as cold-chain supply management, digital infrastructure etc.

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