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EIGHT (8) FOREIGN VENTURE CAPITAL FUND MANAGERS AND LOCAL PARTNERS TO INVEST UP TO RM1.57 BILLION IN MALAYSIA'S START-UPS

Participation from foreign fund managers to create more than 1,800 jobs; shows strong interest in Malaysia's prospects and start-up industry

(MONDAY, 14 December 2020) – Penjana Kapital Sdn Bhd (Penjana Kapital) is pleased to announce that it has attracted eight (8) venture capital (VC) fund managers from the USA, Korea, China, Indonesia and Singapore to invest in Malaysian start-ups as part of the RM1.2 billion Dana Penjana Nasional programme. A brief Letter of Award ceremony, graced by the Minister of Finance Malaysia, YB Senator Tengku Dato' Sri Zafrul Tengku Abdul Aziz, was held today to commemorate the occasion.

Dana Penjana Nasional is a matching fund-of-funds programme, which is part of the Short-Term Economic Recovery Plan (PENJANA) launched in June 2020. The Government of Malaysia will match up to RM600.0 million, on a 1:1 basis, funds raised by the VC fund managers from foreign and private local investors, with a target allocation of RM1.2 billion. In fact, the selected VC fund managers have indicated additional investments, to achieve a maximum fund size of RM1.57 billion, or RM370 million above the original allocation of RM1.2 billion.

These funds will then be deployed primarily into Malaysian start-ups, with the balance into Asian investee companies that can bring tangible economic benefits to the Malaysian economy. The successful VC fund managers bring with them deep knowledge in key sectors that have seen accelerated digitalisation in the post COVID-19 era. The target core sectors include fintech, edutech, agritech, mobility and artificial intelligence.

"I welcome these foreign VC fund managers to our shores. Their encouraging participation, through local VC partners, indicates strong interest in the growth prospects of the Malaysian economy and its start-up industry. I have every confidence that the deployment of these funds will spur our start-up ecosystem and encourage these start-ups to innovate and grow quickly. I wish Penjana Kapital all the success in developing the domestic start-up space, which is also expected to create at least 1,800 quality, high-skilled jobs," said Tengku Zafrul during the Letter of Award ceremony.

The eight VC fund managers and their local partners were selected after a rigorous evaluation and due diligence process by the Investment Panel of Penjana Kapital. They have been selected for the different VC lifecycle stages, as follows:

Funding Stage	Venture Capital Managers
Seed	Immersion Ventures Inc (IMO Ventures) / Tenggara Capital Sdn Bhd
Seed	The Hive Southeast Asia / Tuas Capital Partners Sdn Bhd
Series A & B	KB Investment Co., Ltd / RHL Ventures Sdn Bhd
Series A & B	AC Ventures / Translink Capital LLC / Vertex Force Sdn Bhd
Growth	Emissary Capital Sdn Bhd / SB Kaikaku Fund
Growth	CMIA Capital Partners / Bintang Capital Partners Bhd
Venture Debt	Hanwha Asset Management Co., Ltd / KAF Investment Bank
Venture Debt	Crewstone International Sdn Bhd / Bradbury Group

Penjana Kapital conducted a request for proposal (RFP) exercise in September 2020. Fifty-one (51) applications were received from various VC fund managers located in Malaysia and other parts of the world.

Amongst key requirements set to selected VC fund managers is the need to achieve financial performance benchmarks as well as a knowledge transfer plan to benefit the local VC ecosystem. The knowledge transfer plan is expected to benefit and develop talent within the VC fund manager industry, the start-up companies as well as the general public as a whole.

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About Penjana Kapital

Penjana Kapital was incorporated on 1 July 2020 as part of the Government of Malaysia's initiative to accelerate Malaysia's economic recovery. It was established to support the digitalisation and automation of Malaysian businesses by bringing funding from international and local investors into the local venture capital space.

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