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## Penjana Kapital closed RM850 mln foreign, domestic funding to help local start-ups

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Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz delivers his speech during the Dana Penjana Nasional launching ceremony at Securities Commission Malaysia today.

**KUALA LUMPUR, June 9** – The Dana Penjana Nasional programme has successfully raised RM850 million for its first close at end-May 2021, exceeding the target of RM228 million by RM622 million or 3.7 times.

Penjana Kapital Sdn Bhd, the company set up to operationalise the programme, said of the total raised, RM433 million or over 55 per cent was from foreign investors, including from Hong Kong, South Korea and Singapore.

“Out of the eight approved foreign venture capital (VC) fund managers and their Malaysian partners selected as part of the Dana Penjana programme, three have successfully reached their final close target ahead of the deadline,” it said in a statement today.

Dana Penjana is a matching fund-of-funds programme, which is part of the Short-Term Economic Recovery Plan (PENJANA).

“Dana Penjana’s objective is underscored by the need to ensure that the Malaysian start-up space can overcome their COVID-related funding challenges, and continue innovating to contribute to the nation’s advancement in various sectors, including mobility, agriculture and healthcare.

“The projects that have been selected are developing solutions premised on innovative, cutting-edge tech, all of which could help Malaysia make that quantum leap towards its MyDigitalvision much quicker than expected,” Finance Minister Tengku Datuk Seri Zafrul Aziz said in the statement.

Under the programme, the government will match RM600 million, on a 1:1 basis, of the funds raised by the VC fund managers from foreign and private domestic investors, with a target allocation of RM1.2 billion. The successful first close means that the programme is likely to meet the target of RM1.2 billion.

Dana Penjana aims to bridge the funding gap by incentivising private capital to facilitate the growth of start-ups and create an enabling environment for these start-ups to scale and internationalise.

“Beyond being a vehicle to attract foreign capital to Malaysia, it is also a crucial lifeline for our start-ups,” said Penjana Kapital.

Of the total RM850 million raised, a combined total of RM118 million has been approved for investment in nine start-ups, which include a homegrown mobility start-up, which is expected to create about 1,000 jobs in Malaysia and a financial technology (fintech) startup – with an innovative business model – which will be relocating its headquarters to Malaysia from Singapore post-investment.

Others include a pre-unicorn fintech company that serves multinational companies across Asia that is committed to investing up to US$100 million (US$1= RM4.12) in Malaysia over the next five years and an agritech food company that is exploring Malaysian investments ranging from US$15 million to US$75 million.

Penjana Kapital said the portfolio of start-ups is committed to deliver tangible economic benefits to the Malaysian economy and create at least 1,400 high quality jobs in the process.

Dana Penjana's matching investment programme is not only attracting private capital, but also ensuring risk diversification benefits to the portfolio.

“The amount of funds to be invested from the programme of at least RM1.2 billion over two years is sizeable relative to the total committed venture capital funds under management in Malaysia of around RM4.4 billion as at end-2020.

“This sizeable injection of funding is expected to catalyse the local VC ecosystem and positively impact the local start-up space,” Penjana Kapital said.

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