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PENJANA KAPITAL CONCLUDES FIRST CLOSE OF DANA PENJANA AT RM850 MILLION, WITH RM433 MILLION BY FOREIGN INVESTORS

KUALA LUMPUR: (WEDNESDAY) (9 June 2021) – Penjana Kapital Sdn Bhd (“Penjana Kapital”) the company set up to operationalise the Dana Penjana Nasional (“DPN”), is pleased to announce that the DPN programme has successfully raised RM850 million for its first close¹ at end-May 2021. This exceeded its target of RM228 million by RM622 million, or 3.7 times the original first close target. Of the total raised, RM433 million or over 55% was from foreign investors, including from Hong Kong, South Korea and Singapore. Out of the eight (8) approved foreign VC fund managers and their Malaysian partners selected as part of the DPN programme, three (3) have successfully reached their final close target ahead of the deadline.

DPN is a matching fund-of-funds programme, which is part of the Short-Term Economic Recovery Plan (“PENJANA”). The Government of Malaysia will match RM600 million, on a 1:1 basis, of the funds raised by the venture capital (“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.**

DPN 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. Out of the total RM850 million raised, a combined total of RM118 million has been approved for investment in nine (9) start-ups, which include:

- (1) A homegrown mobility start-up, which is expected to create approximately 1,000 jobs in Malaysia and the participation of a global automotive giant as an investor which is expected to position the company as a potential Malaysian unicorn;
- (2) A Fintech startup – with an innovative business model – which will be relocating their headquarters to Malaysia from Singapore post-investment. This investment will create high quality employment and attract the right talent to Malaysia for knowledge transfer;
- (3) A pre-unicorn Fintech company that serves multinational companies across Asia that is committed to investing up to USD100 million in Malaysia over the next five (5) years

¹ First close refers to initial fundraising exercise, and the successful conclusion of initial round indicates that the programme attracts investor demand and is on-track to raise funds.

post-investment. The company's expansion in Malaysia is expected to bring high value knowledge transfer from its Silicon Valley trained team and create job opportunities for Malaysians in the Fintech industry;

- (4) An Agritech food company that is exploring Malaysian investments ranging from USD15 million - USD75 million.

Minister of Finance, Tengku Datuk Seri Utama Zafrul Aziz said, "DPN'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 MyDigital vision much quicker than expected."

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. DPN'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 (2) years is sizable relative to the total committed VC 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. **[END]**



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 ("VC") space.

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