

TRANSFORMING FIRMS WITH DANA IMPAK

Khazanah's Malaysia investment strategy, anchored on 'A Nation That Creates' (ANTC) framework, aims to drive Malaysia into the next phase of economic transformation.



Dana Impak continues to play a key role in transforming firms through a structured, programmatic approach across the following key areas: catalysing Malaysia's Venture Capital (VC) ecosystem via Jelawang Capital, levelling up Mid-Tier Companies (MTCs) and strengthening Malaysia's position in semiconductors and advanced manufacturing. Dana Impak aims to build globally competitive firms to drive Malaysia's economic development, as part of Khazanah's vision in Advancing Malaysia, anchored on our ANTC framework. It also aims to address market inefficiencies, increase Malaysia's collective know-how and boost economic productivity. These priorities are closely aligned with the national aspirations under the *Ekonomi MADANI* agenda.

We apply a holistic ecosystem approach with adaptive investment structures to deploy patient and catalytic capital to seek appropriate impact-risk-adjusted returns. Dana Impak is also supported by SEMARAK, a robust socio-economic impact measurement framework. As part of our commitment to transparency and accountability, this framework allows us to track the non-financial outcomes of our investments. SEMARAK also serves as a strategic compass that continuously informs and refines Dana Impak's focus to maximise positive impact for a prosperous, equitable and sustainable Malaysia.

As we continue to shape the nation's future through our ANTC framework, Dana Impak will remain a key catalyst in creating high-value jobs and fostering innovation through strategic investments and partnerships.

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Catalysing the Venture Capital Ecosystem



Through Dana Impak, Khazanah launched Jelawang Capital, our National Fund-of-Funds (NFOF) to accelerate the growth for Malaysia's venture capital (VC) ecosystem via investments and partnerships with fund managers. It signifies Khazanah's commitment of RM1 billion under the *Ekonomi MADANI* framework to support high-growth entrepreneurs and crowd-in institutional capital for early-stage funding.

Named after Malaysia's tallest waterfall, Jelawang Capital plays an important catalytic role to stream patient capital into our local VC ecosystem to support general partners (GPs), startups and entrepreneurs.

As startups grow and thrive, they drive innovation, create high-value jobs, and advance technological and economic progress, while enriching communities.

When startups mature and succeed, they become catalysts for broader economic and social development. Their contributions – sharing best practices, offering mentorship and providing insights – help foster a more resilient, dynamic VC ecosystem for future generations.

Jelawang Capital channels its investments through emerging and established fund managers, ensuring that capital flows to the most promising startups and drive value creation.

At the core of this mission are two flagship programmes:

- **Emerging Fund Managers' Programme (EMP)**, a programme structured to support Malaysian fund managers in raising their first, second or third fund with the goal of creating regionally competitive VC fund managers by strengthening fund governance, building track record and crowding-in capital
- **Regional Fund Managers' Initiative (RMI)**, an initiative aimed to attract regional/global fund managers who are committed to enriching the local startup ecosystem, by supporting the growth of Malaysian startups into regional and global players, facilitating the re-domiciliation of global companies in Malaysia to expand local job capabilities and attract quality talent in the Malaysian ecosystem

Both the EMP and RMI initiatives will enable the fusion of local and international expertise, perspectives and knowledge to create a vibrant ecosystem that fuels progress towards Advancing Malaysia.

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Levelling Up Mid-Tier Companies (MTCs)

Malaysian Mid-Tier Companies (MTCs) play a critical role in driving national economic growth, contributing substantially to both Gross Domestic Product (GDP) and employment. Despite their considerable potential, many continue to face barriers in securing the financing needed to scale and reach their next stage of growth.

Through Dana Impak, Khazanah aims to support the growth of high-potential MTCs by facilitating access to capital, strengthening their capacity for innovation and expansion, as well as enabling strategic partnerships that accelerate their development. Their growth drives lasting, positive impact across the Malaysian economy.

Catalysing MTCs' Growth to the Next Level



One of the initiatives under this commitment is the Mid-Tier Growth Innovation Programme (MGIP), which is designed to unlock further growth for high potential Malaysian MTCs. MGIP aims to enhance the competitive positioning of MTCs' products and services through deeper insights into customer needs to uncover new growth opportunities. Participants learn to apply the Working Backwards methodology - originally pioneered by Amazon, to develop new products or enter new markets through a customer-validated approach.

The rigorous and intensive programme includes an 8-day Masterclass to equip MTCs with the knowledge and skills necessary to identify and validate new business ideas, followed by one-on-one coaching for shortlisted MTCs of up to 15 months. This includes guidance on building and executing new business initiatives and enhancing their overall growth and innovation capabilities.



SCAN HERE

for more information on
the MGIP programme.



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Increasing MTCs' Access to the Capital Markets

Dana Impak entered into a Memorandum of Understanding (MoU) with the Securities Commission Malaysia (SC) in October 2024 to expand funding access for Malaysian MTCs through the capital markets, catalysing their growth and expansion.

Under this partnership, both parties will jointly roll out initiatives and measures focused on enhancing MTCs' next phase of growth and innovation through capital market readiness, namely:

- Fundraising incubation for 60-100 MTCs to improve access to Initial Public Offering, private equity and other capital sources
- Specialised capacity-building programmes to raise MTC competitiveness and innovative capacity
- Greater MTC-focused investments to spur growth

Facilitating Access to Capital

Dana Impak also facilitates access to capital for MTCs with clear ambition, strong fundamentals and innovation potential. To support them on the next leg of their journey, Dana Impak is partnering with Private Equity and Private Credit funds that bring sectoral insights and operational support. These partnerships are designed to provide MTCs with greater access to capital, enhance their value creation capacity and elevate them onto the regional and global stage.



Khazanah signed a MoU with the SC on 17 October 2024 to support the SC's 'Catalysing MSME and MTC Access to the Capital Market: 5-Year Roadmap (2024-2028)', and increase access to capital market funding for Malaysian MTCs.

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Strategic Capital to Enhance Malaysia's Semiconductor Ecosystem

The Malaysian electrical & electronic (E&E) sector is a key driver of the nation's economy, contributing significantly to the country's exports. Today, Malaysia is the sixth largest semiconductor exporter globally, playing an important role in global supply chains and participating meaningfully in the ongoing digital revolution around Artificial Intelligence (AI), autonomous vehicles and other important semiconductor applications. Through Dana Impak, Khazanah aims to support Malaysia's move up the global semiconductor and advanced manufacturing value chains.

This initiative channels capital through various investment approaches such as catalytic partnerships with funds, direct investments and joint ventures, aiming to boost the nation's economic complexity and industrial capabilities.

Khazanah has formed a strategic partnership with the co-founders of Vitrox Corporation Berhad, a Malaysian champion in automated vision inspection equipment and solutions, and Southern Capital Group, a regional private equity firm, by investing into the Cambrian Fund. The partnership is dedicated to supporting entrepreneurs and SMEs focusing on IR4.0 technologies such as machine vision, AI and robotics. It will play a role in transforming the semiconductor and advanced manufacturing ecosystem in Malaysia and beyond by unlocking growth opportunities, nurturing greater local participation and supporting innovative entrepreneurs and SMEs to scale and compete regionally.

We have also invested in Syntiant, a US-based edge AI company and global leader in providing innovative hardware and software solutions for edge AI deployment, that is committed to establishing a world-class AI research & development (R&D) centre in Malaysia. Syntiant's purpose-built silicon and machine learning models are deployed globally across a wide range of consumer and industrial use cases, from earbuds to automobiles.

These investments are part of Khazanah's RM1 billion commitment to strengthen Malaysia's semiconductor ecosystem, in line with national economic priorities under the New Industrial Master Plan 2030 (NIMP 2030) and the National Semiconductor Strategy.

