



PRESS RELEASE

MINISTRY OF SCIENCE, TECHNOLOGY AND INNOVATION

CRADLE AND VENTURETECH PARTNER TO BRIDGE FUNDING GAPS IN MALAYSIAN STARTUP ECOSYSTEM

KUALA LUMPUR, 16 August 2024 – Cradle Fund Sdn Bhd (Cradle), the focal point agency for Malaysia’s startup ecosystem, and VentureTECH Sdn Bhd (VentureTECH), an impact investment company established by the Government of Malaysia, have entered into a strategic collaboration aimed at fostering structured discussions between fund providers across Government and private sectors.

This partnership is a key initiative under the Ministry of Science, Technology and Innovation’s (MOSTI) Fund Funnel programme, designed to address one of the critical challenges identified in the Malaysian startup ecosystem, which is lack of continuous financial coverage from early-stage to later-stage funders. This gap has been recognised as a significant barrier to growth, as highlighted in the Malaysia Startup Ecosystem Roadmap (SUPER) 2021-2030.

Highlighting on the importance of the fund funnel programme, **YB Tuan Chang Lih Kang, Minister of MOSTI** reiterated, “The Fund Funnel partnership is a strategic move to streamline the funding process within our startup ecosystem that supports the aspirations under KL20 Action Plan. By fostering closer and stronger collaboration between early and later-stage fund providers, we facilitate a smoother funding journey for our startups.

“Aligned with the Ekonomi MADANI framework, this initiative is crucial in ensuring that our innovative startups receive the support they need to scale and succeed, ultimately driving Malaysia's growth as a global innovation hub,” he said.

Commenting on the collaboration between Cradle and VentureTECH, **Norman Matthieu Vanhaecke, Group Chief Executive Officer of Cradle** said, “Our partnership with VentureTECH represents a significant step forward in our mission to support Malaysia's startup ecosystem. By combining Cradle's expertise in early-stage funding with VentureTECH's focus on technology-driven investments, we are creating a more cohesive and comprehensive support system for startups. This collaboration will enable us to better identify and nurture high-potential startups, ensuring they have the resources and guidance needed to achieve long-term success,” he said.

Ahmad Redzuan Sidek, Chief Executive Officer of VentureTECH, stated, “This collaboration with Cradle strongly reflects VentureTECH's commitment to supporting the Malaysian startup ecosystem by bridging critical funding gaps. The partnership not only aligns with our mission to empower technology-driven companies but also enhances the overall investment landscape. Our focus is to ensure these companies can access the right funding at the right time, ultimately driving high-potential startups towards sustainable growth and equipping them with the necessary resources to thrive in a competitive global market.”

Under Intervention 2 of SUPER, there is a pressing need to remodel the investment attraction framework to enhance its efficiency and attract higher-quality investments. The collaboration between Cradle and VentureTECH directly addresses this by establishing a more coherent and integrated funding pathway for startups, ensuring a smoother transition from early to later-stage investments.

VentureTECH, recognised for its commitment to catalysing the growth of local industries, particularly Bumiputera companies, focuses on equity investments in high value-added and high technology industries, with an emphasis on biotechnology and bio-based, green, and emerging industries. Beyond capital investment, VentureTECH also provides

strategic support, mentorship, and industry connections, aiming to nurture innovative ideas that demonstrate high growth potential and scalable business models for sustainability.

The collaboration between Cradle and VentureTECH was formally established with the exchange of the partnership documents at the Malaysia Commercialisation Year (MCY) Summit 2024 recently. This exchange was witnessed by the Deputy Minister of Science, Technology and Innovation, YB Dato' Haji Mohammad Yusof Bin Apdal.

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