



PRESS RELEASE

MINISTRY OF SCIENCE, TECHNOLOGY AND INNOVATION

CRADLE AND KLDX PARTNER TO INTRODUCE ALTERNATIVE FUNDRAISING PLATFORM FOR MALAYSIAN STARTUPS

KUALA LUMPUR, 21 November 2024 – Cradle Fund Sdn Bhd (Cradle), the focal agency for Malaysia's startup ecosystem, has exchanged a Memorandum of Understanding (MoU) with Kapital DX Sdn Bhd (KLDX), a groundbreaking digital securities exchange platform to provide Malaysian startups with an alternative avenue for fundraising. This partnership offers startups greater flexibility in choosing funding options that align with their unique needs, enabling companies that may not traditionally attract local venture capital (VC) funding to raise capital through the KLDX platform.

This strategic alliance 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.

Commenting on the MoU, **YBhg. Datuk Ts. Dr. Mohd Nor Azman Hassan, Deputy Secretary General, Technology Development of the Ministry of Science, Technology and Innovation (MOSTI)** said, "The partnership between Cradle and KLDX is a testament to our commitment to nurturing a sustainable startup ecosystem in Malaysia. The Fund Funnel programme was created to address critical funding gaps in our ecosystem, ensuring that startups have continuous access to capital from earliest stage to their growth phases. By providing alternative funding options, we are enabling startups to scale and paving the way for Malaysia to be one of the top 20 startup ecosystems globally by 2030. MOSTI is committed to supporting collaborations that drive these national ambitions forward." he said.

Norman Matthieu Vanhaecke, Group Chief Executive Officer of Cradle, emphasised, "Our collaboration with KLDX represents Cradle's commitment to nurturing and growing the Malaysian startup ecosystem. With extensive experience funding early-stage startups, Cradle understands the critical need for sustained capital access as companies scale. Through KLDX, we're introducing an innovative financing option that provides startups the flexibility needed for growth and innovation. We are thrilled to offer this to our alumni and startups across Malaysia as a strong alternative to traditional VC funding."

"We are excited to partner with Cradle in creating a transformative path for Malaysian startups and SMEs to access alternative funding through the KLDX platform," said **Selvarany Rasiah, Chief Executive Officer of KLDX.** This collaboration is a significant step toward closing the funding gap identified in the Malaysian startup and SME ecosystem. Our platform enables companies to secure the capital they need to innovate, grow, and prepare for long-term success, including the potential for an IPO. By offering flexible fundraising options, KLDX and Cradle are empowering Malaysian startups to scale sustainably and contribute to the nation's vision of becoming a global leader in the startup landscape."

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

The MoU focuses on addressing the funding gap at Series A and beyond, a stage that can be challenging to secure within the Malaysia's local ecosystem. This partnership aims to bridge that gap, supporting startups as they move from early-stage funding to sustained growth and eventually to initial public offering (IPO) readiness.

Cradle will actively promote the KLDX platform to its alumni network, offering startups an alternative path for fundraising and bridging the financing gap at crucial growth stages. Additionally, KLDX platform will be accessible through the MYStartup Single Window platform, providing seamless access to funding solutions for Malaysian startups.

For more information on Malaysia's startup ecosystem, visit www.mystartup.gov.my and join us in driving the innovation forward.

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***Additional information can be found in the Media Kit.**