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MAHATHIR-MSCVC

MAHATHIR WITNESSES LAUNCH OF MSCVC

CYBERJAYA, June 28 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today launched MSC Venture Corporation Sdn Bhd (MSCVC), the first venture capital company to invest in the Multimedia Super Corridor (MSC).

He also launched MSC Venture One Sdn Bhd, the first fund by MSCVC.

Earlier, he witnessed the subscription of shares of MSCVC's first fund, MSC Venture One Sdn Bhd (MV1) between MSCVC and Khazanah Nasional Bhd.

MSC promoter Multimedia Development Corporation Sdn Bhd would invest RM100 million into MV1 via its wholly-owned MSCVC and Khazanah Nasional will invest another RM20 million.

Signing on behalf of MSCVC was its chairman, Tan Sri Othman Yeop Abdullah, while Tan Sri Mohd Sheriff Mohd Kassim signed for Khazanah Nasional.

The prime minister also witnessed a management agreement of MV1 between MV1 and MSCVC.

MV1 was represented by its director Dr Muhammad Ghazie Ismail while MSCVC by its chief executive Sarina Karim. The signing was done digitally.

Speaking at a press conference later, Dr Mahathir expressed confidence that Khazanah Nasional and MDC would have the expertise in evaluate ideas and information technology-related projects which could materialise.

He said venture capital was quite difficult to manage because it involves a lot of risks and involves projects and ideas which are considered too innovative for people to understand.

Venture capital would substitute loans from banks which require collateral, which people with innovative ideas do not possess, he said.

If there was demand for more funds, he said he did not foresee any problems in increasing the size of MV1.

"This is an investment, if it shows good returns as in the US, and if there is demand, why not?" he said.

MSCVC plans to invest in local or international companies with MSC-status and companies with potential for MSC-status.

Priority would be given to Malaysian small and medium-scale enterprises with at least 51 percent Malaysian equity.

Foreign SMES operating in the country might be considered if they showed tremendous growth potential.

Today, MSCVC has received about 36 enquiries and applications for venture capital funds from MSC-status companies and pre-MSC status companies.

MSCVC expects to invest in at least 10-15 companies a year, with 36 percent of them expected to be start-ups, 45 percent growth companies and 19 percent pre-initial offer companies.

MSCVC's goal is to "feed" as many of its portfolio companies for listing on MESDAQ and for some to go into Nasdaq.--BERNAMA

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