

Mission: **WORLD CLASS**



Its CEO calls it “The Patient Capital” investor. And when your investing mandate includes the sciences, engineering and biotech, one can understand why Norhalim Yunus of Malaysian Technology Development Corporation (MTDC) calls it that.

The agency, which is the first government venture capital, celebrated its 25th anniversary in November 2017 and chose to celebrate with the many companies it has helped over the years. In his opening remarks Norhalim seemed to have an almost photographic memory of the companies and their founders. But that’s not surprising considering he has been with MTDC for most of its 25 years, the last nine as CEO.

Ironically, while its name carries “technology”, Norhalim notes that it did not invest in technology companies until 2014 and has since then started making investments in super computing, robotics and automation.

And he is chuffed that some of its tech investments have gone on to do business with some of the top tech companies in the world such as Google and Tesla.

But his delight stems not from the fact that they have top-tier customers, rather it is from the unmatched satisfaction of knowing that MTDC has helped these companies grow into being world-class or to get listed. “It means that you have made a good judgement on a group of people who have been very hard working and innovative. That is worth more than any money, that feeling cannot be bought,” he stresses.

This satisfaction is made all the more joyful because the path to being world-class takes time. There have been no overnight or even five to 10 year success stories that Norhalim can share. “It takes time to succeed because the companies we invest in have strong technology and science components



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MALAYSIAN TECHNOLOGY DEVELOPMENT CORPORATION
CEO

that are real. You can never compete without being strong in these areas,” he emphasises.

And that’s why MTDC likes to call itself the patient capital investor. One cannot rush the path to becoming world-class.

Norhalim uses the automation company that is working with Google and Tesla as an example. “It has taken that entrepreneur over 10 years to get to where he is today starting with when we gave him the funds to acquire the core technology from Japan.” The entrepreneur since then has added his own R&D and innovation to the technology to build an automation system around it.

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MTDC has been playing its venture capital and development role well enough that today it manages six funds with a total allocation of RM150 million a year that is disbursed in a combination of grants and venture deals.

This funding goes to a broad array of sectors from agriculture to medical equipment and semiconductors to robotics and automation. As a result of

this broad mandate, Norhalim does not think there is any other ecosystem player with the industry reach of MTDC. “We invest in any industry”. And neither is there an ecosystem player with the funding scope – “We will invest from the pre-seed level to the mezzanine and help take our companies to a listing as well.”

Yet in the early years there was no exit path for the companies MTDC was investing in as there was little avenue for trade sales and the stock market was geared to help companies that were built in a traditional manner with five-year profit track records. As a result, the companies MTDC had funded were stuck in a sort of no-man’s land.

“We could see the problem with this back then and that is why in the mid 1990s we were already encouraging the government to launch a stock exchange requiring a less stringent financial track record,” says Norhalim. Eventually, in 1997, Mesdaq was launched and it mostly focused on technology companies. It has now been changed to the ACE Market.

Moving forward, the soft spoken Norhalim is crystal clear on his role – to drive MTDC and its companies to become world class players in a fast changing and rapidly digitising world. And hopefully, without taking 10 years.