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NexG Values Datasonic At RM7.5 Bil, Now That Government Looking To Acquire



KUALA LUMPUR: NexG Bhd said that the indicative value of Datasonic Technologies Sdn Bhd is RM7.5 billion, and that any offer must consider its valuable intellectual property and committed investments of RM1.9 billion for the current national identity programme.

This international valuation comes up after the government requested for the group to provide an indicative price for possible acquisition, NexG said in a statement released to the media on Thursday.

"For context, DTSB makes up the core operating business of NexG and is the main revenue and earnings contributor of the group. The disposal of this business effectively means NexG will no longer have a core business.

"Losing DTSB would mean losing our 'Crown Jewel', of which the group's future expansion, regionally and internationally, hinges highly upon," said NexG in the statement.

The board acknowledges the government's request for an indicative price in relation to a possible acquisition of DTSB and will give the request due and proper consideration, said NexG. No decision has been made by the board to proceed with any transaction, nor has any agreement been reached with the government, it said.

As of July, NexG holds the contract to supply RM1.73 billion passport booklets and polycarbonate biodata pages to the Immigration Department, which runs between June 1, 2026 and May 31, 2032.

The group, through DTSB, also holds a RM732.72 million contract to supply raw cards and consumables to the National Registration Department, from June 1, 2026 to May 31, 2032.

NexG emphasises that any potential transaction must consider the fair value that properly reflects the assessed value of DTSB, that all shareholders of the company must be treated equally and on the same terms, and the security and continuity of the national identity capability operated by DTSB must be preserved.

"The board will not support any transaction that does not meet these requirements. Accordingly, the board's consideration of the government's request should not be construed as an agreement or commitment to enter into any transaction," it said.

NexG added that the RM7.5 billion sum-of-parts valuation for DTSB is a preliminary internal assessment, and not an independent valuation, an agreed price of a firm offer. The valuation is significantly above the current market capitalisation of NexG, of about RM1.04 billion.

According to NexG, the valuation was arrived at considering that DTSB owns valuable intellectual property, including its patent-pending biometric QR citizen verification flow, and copyright applications for the MyKad and passport designs.

"Its identity technology also spans ICAO-compliant e-passports and biometric systems using multimodal biometrics and facial recognition. This proprietary technology is a core driver of value and a barrier to imitation," said NexG.

The group also added that DTSB has committed investments of approximately RM1.9 billion for the current national identity programme, in people, equipment, system upgrades and two manufacturing plants in Petaling Jaya and Meru.

"Millions of new-generation cards have already been produced and secured. Printing and support infrastructure have been installed and tested at national registration offices across the country. User acceptance testing has now been completed," said NexG.

The company is also developing a modular digital ecosystem or a "SuperApp" that brings together a ready-for-commercialisation biometric QR identity verification platform for banks, merchants and other institutions, alongside a purpose-built government e-wallet for targeted subsidies and assistance programmes.

It said that the next-generation MyKad extends beyond a physical identity card through a proprietary encrypted QR identify function, enabling the cardholder's identity to be securely verified using biometric facial verification and liveness detection.

NexG is also building a purpose-built government digital wallet and payment ecosystem that enables the government to distribute targeted subsidies, assistance and other benefits digitally, with the ability to define who is eligible, what the funds may be used for, where they may be spent, and to trace and reconcile how government funds are ultimately utilised.

This platform, called SALUR, can be provided to the government as its dedicated wallet infrastructure at zero platform acquisition cost, said NexG.

"All these combined characteristics underpin the board's assessment of DTSB's value at approximately RM7.5 billion," the group said.

Moving forward, NexG will provide the indicative assessment as requested. There is no certainty that any transaction will proceed, or as to its structure, timing, terms or value, it said.

"Our duty remains to our shareholders and to the nation. Any transaction must reflect the fair value of the business, keep the capability whole, treat every shareholder equally, and safeguard national security.

"On that basis, we will engage constructively and responsibly to reach an outcome that is right for the country and fair to all who have helped build the company," said its executive chairman and largest shareholder Datuk Ishak Ismail.