

Company Name : NexG Berhad
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NexG Bets Big On Property, Forks Out RM76 Mil For Biggest Stake In Classita



KUALA LUMPUR (Aug 8): NexG Bhd (KL:NEXG), formerly Datasonic Group Bhd, is acquiring a 32.61% stake and 414.31 million warrants in Classita Holdings Bhd (KL:CLASSITA) for a total of RM76.78 million in cash, marking its entry into the property and construction sector.

NexG bought 402.06 million Classita shares from Hong Seng Consolidated Bhd (KL:HONGSENG) at 15 sen each — 87.5% above the last traded price of eight sen. It also acquired 414.31 million warrants from various parties for RM16.47 million — mostly off-market at four sen each and some from the open market at 3.5 sen.

In a separate filing, Hong Seng said it will gain RM34.52 million from the disposal, which matches its initial investment made in July 2023. The sale aligns with its plan to focus on its core businesses like gloves, seafood, and financial services.

In its filing with Bursa Malaysia, NexG said Perak-based Classita is now its associate company. If NexG uses all the warrants it bought — and no one else does — its stake could increase to 49.6%.

Identity solutions, digital trust ID and financial services company NexG said its interest in Classita is mainly for its property and construction business, including a CIDB G7-certified unit and ongoing projects aligned with the current government's development plans. The company sees Classita's strategic land bank and strong cash position as key advantages.

Classita had RM74.9 million in cash and only about RM5.5 million borrowings as at March 31.

NexG will fund the purchase with RM40 million in short-term borrowings and RM36.78 million in internal funds.

Classita has been loss-making for the past six years. For the full year ended June 30, 2024 (FY2024), its net loss narrowed to RM3.18 million from RM9.12 million a year earlier, as revenue rose 11.88% to RM50.11 million from RM44.79 million previously.

The improved results were driven by the group's export sales from the manufacturing segment, as well as property revenue from a new refurbishment contract and a completed unit sale.

At market close on Friday, shares in Hong Seng finished unchanged at half a sen, valuing the group at RM12.77 million. Classita also closed unchanged at eight sen a share, giving it a market capitalisation of RM92.46 million.

NexG settled up half a sen or 0.94% at 53.5 sen, valuing the group at RM1.77 billion.