

Company Name : NexG Berhad
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Govt mulls takeover of NexG's MyKad, passport unit

PETALING JAYA: NexG Bhd says the Malaysian government has requested an indicative price for the possible acquisition of its wholly-owned subsidiary Datasonic Technologies Sdn Bhd (DTSB), which the group regards as its core business and "crown jewel".

The group said its board has made a preliminary internal assessment, on a sum-of-parts basis, that DTSB is worth approximately RM7.5bil.

DTSB is the main revenue and earnings contributor to NexG, and its disposal would effectively leave the listed group without a core operating business, NexG said in a statement.

The company said DTSB is a growing business that it has built over many years, with its future regional and international expansion hinging significantly on the subsidiary.

"The disposal of this business effectively means NexG will no longer have a core business," the group said, describing DTSB as its 'crown jewel'.

NexG said its board acknowledged the government's request and would give it due consideration.

However, it stressed that no decision had been made to proceed with any transaction and no agreement had been reached with the government at this stage.

Should discussions progress, the board said any potential transaction would have to meet three key principles.

These include ensuring that the transaction is carried out at a fair value that properly reflects DTSB's assessed worth, that all NexG shareholders are treated equally and on the same terms, and that the security and continuity of the national identity capability operated by DTSB are preserved.

"The board will not support any transaction that does not meet these requirements," NexG said.

The group also stressed that its RM7.5bil assessment is only a preliminary internal valuation and is neither an independent valuation nor an agreed price or firm offer.

The assessed value is also significantly higher than NexG's current market capitalisation, which stood at about RM1.04bil, the company said. NexG added that its consideration of the government's request should not be construed as an agreement or commitment to enter into any transaction.

NexG said DTSB is 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.

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