

**Company Name** : NexG Berhad  
**Date** : 27 October 2025  
**Source** : The Edge Financial Weekly

## NexG not MACC's investigation target, says chairman

BY KAMARUL AZHAR AND KATHY FONG

NexG Bhd (KL:NEXG), which won government contracts worth about RM2.5 billion between late August and early this month, refutes the rumour that it is under investigation by the Malaysian Anti-Corruption Commission (MACC).

The supplier of Malaysian passport booklets and identity cards also clarifies that the resignations of four former board members about two weeks ago were because "these individuals played a pivotal role in helping the company successfully secure a major project, and their departure marks the completion of that assignment".

"NexG is aware of recent speculation suggesting that the company may be subject to investigation by MACC. We wish to clarify that, as at the date of this statement (Oct 23), NexG has not been contacted by MACC in relation to any investigation. Furthermore, none of our subsidiaries, directors or principal officers has been approached or requested to assist in any form of investigation by the authorities," Datuk Abu Hanifah Noordin, the company's executive chairman and group CEO, tells *The Edge* in a written reply to queries on the matter.

Hanifah, who is NexG's single largest shareholder with a 9.28% stake, stresses that the company remains "committed to upholding the highest standards of integrity and transparency" in its operations. NexG will cooperate fully with any lawful requests from the author-

ities should they arise, he adds in the reply.

NexG, formerly known as Datasonic Bhd, is in the limelight partly because of the four government contracts it has secured, in addition to its asset acquisition spree that started about a year ago.

To recap, the Ministry of Home Affairs awarded NexG two six-year contracts and an 18-month extension to a contract to supply foreign worker cards.

The first six-year contract is for the supply of Malaysian passport booklets to the Immigration Department from June 1, 2026, to May 31, 2032, while the second contract is for the supply of identity cards, including MyKad and MyTentera.

The company was also granted an extension worth RM12.18 million to a contract to supply the Road Transport Department with consumables used in printing surplus driving licence cards. Its RM140 million contract to supply foreign worker cards to the Immigration Department was also extended by 18 months, commencing Nov 1, 2025.

On its acquisition spree since November last year, NexG purchased a 51% stake in Innov8tif Holdings Sdn Bhd from Revenue Group Bhd (KL:REVENUE) for RM36 million. It also acquired shares in two public listed companies — Classita Holdings Bhd, which is now known as NexG Bina Bhd (KL:NEXG-BINA), and MMAG Holdings Bhd (KL:MMAG). These investments are estimated to have cost NexG RM194 million cash in total.

Last month, NexG disclosed that it had pro-

vided RM99.1 million in financial assistance to its money-lending subsidiary MMR Capital Sdn Bhd. According to filings with Bursa Malaysia, MMR Capital had lent RM96.57 million to corporations and RM2.46 million to individuals.

A back-of-the-envelope calculation indicates that these transactions, which have been made known to the investing public, have resulted in an outflow of RM293 million cash for NexG. As at the end of June, its cash balance and bank deposits had shrunk to RM37.42 million from RM73.19 million three months earlier, while its other investments soared to RM160.39 million from RM31.27 million and short-term investments increased to RM30.13 million from RM9.17 million.

Nonetheless, Hanifah explains that the acquisition of Innov8tif presents NexG with strategic and technological advantages.

"By integrating Innov8tif's expertise in artificial intelligence and electronic Know Your Customer (e-KYC) solutions into NexG's existing research and development framework, we aim to accelerate the development of innovative offerings. These include biometric payment systems, smart city technologies and blockchain-based digital identity services — key areas that align closely with our core business focus," he says.

The executive chairman acknowledges that the company's investment in financial assets is not its core business, but it is a "strategic decision aimed at enhancing shareholder value and optimising capital allocation". "These investments

have been carefully selected based on rigorous analysis and are aligned with our broader objective of generating sustainable returns," he adds.

### Board members completed mission

The four former board members, namely executive deputy chairman Tan Sri Mohd Khairul Adib Abd Rahman, executive director Datuk Puvanesan Subenthiran and independent directors Datuk Seri Mohd Sopiyan Mohd Rashdi and Datuk Zainal Abidin Abu Hassan, stepped down in mid-October, citing personal reasons.

On the matter, Hanifah says this was part of a planned leadership transition. "These individuals played a pivotal role in helping the company successfully secure a major project, and their departure marks the completion of that assignment," he adds.

NexG has appointed four new directors following the resignations.

Hanifah also clarifies that there was no change in the company's shareholding as at Oct 23. "All relevant disclosures have been made in accordance with Bursa's requirements and are available for reference on its website," he says.



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