

Company Name : My E.G. Services Berhad
Date : 06 January 2017
Source : The Edge Financial Daily



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HOME AFFAIRS MINISTRY PROJECT

RM553.83M MYEG DEAL

Contract expected to boost earnings from FY17 onwards

KUALA LUMPUR

MYEG Services Bhd has landed a contract worth RM553.83 million from the Home Affairs Ministry to provide online renewal of temporary employment passes for foreign workers.

MyEG, which started online renewal of temporary employment permits for foreign workers in May 2015, will provide the services until May 2020 under a five-year contract.

The company told Bursa Malaysia filing yesterday that it had received the letter of acceptance from the ministry.

An agreement to formalise the acceptance of the project would be signed and announced soon, said MyEG.

The company added the project would contribute positively to its earnings for the financial year ending June 30 onwards.

CIMB Equities Research, in a recent report, said MyEG was at a major turning point now with positive developments from the Goods and Services Tax (GST) monitoring project and the registration of illegal foreign workers (IFWs).

It said all is looking positive for the company with the approval of the GST monitoring project already finalised and registration of

IFWs likely to pick up over the next few months.

"Further developments in the foreign worker hostel accommodation project should help boost investors' sentiment in the stock."

CIMB Research also pointed out a report that 70 to 80 per cent small and medium-sized enterprises still use IFWs.

"MyEG gets a RM100 registration fee for every IFW registered and another RM70 to RM80 if the employers buy compulsory foreign workers' insurance from MyEG," it said.

MyEG shares edged up three sen, or 1.92 per cent, to RM1.59 yesterday with a market capitalisation of RM5.73 billion.