

Company Name : MY E.G. Services Berhad  
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# MyEG secures another big job

e-Government services provider gets mandate for online renewal of temporary permits for foreign workers

**PETALING JAYA:** Malaysia's leading e-government services provider My E.G. Services Bhd (MyEG) landed another contract related to the foreign workers permit.

The company, which already has the mandate for the online renewal of foreign workers permit, was given the job to handle the renewal of temporary employment pass for foreign workers (PLKS).

In a filing with Bursa Malaysia, MyEG said the Immigration Department awarded the company the mandate to provide online renewal of PLKS documents for a period of five years starting May 23, 2015.

The estimated total value of the project is RM553.85mil and is expected to contribute positively to the company's earnings for the financial year ended June 30, 2017 onwards.

"An agreement to formalise the

acceptance of the project will be signed and announced by the company in due course," MyEG said.

MyEG is easily Malaysia's fastest growing company as the civil service embraces the digital way of providing services to the public. Apart from providing online renewal of foreign workers permit and insurance, it also provides online renewal of vehicle road tax and ownership transfer.

The tie-up with the Immigration Department and Road Transport Department has resulted in the company recording euphoric growth in its top and bottom lines.

According to its latest annual report, MyEG recorded a 36.8% compounded annual growth rate in revenue for the five years between 2011 and June 2016 while its profit grew at 45.1% over the period.

For the financial year ended June 30, 2016, MyEG registered a

net profit of RM142.52mil on a turnover of RM281.73mil, indicating a margin of about 50% on its business.

MyEG's success in securing the latest PLKS contract was expected because the company was already handling the foreign workers re-hiring programme, which essentially is to legalise the illegal workers in the country.

According to analyst report, while the programme ended in June last year, MyEG was still pursuing the services for the government. This was despite no official announcement on further extension of the programme made by the latter.

CIMB Research in a report issued in November last year estimated that about one million illegal foreign workers would be registered between financial years 2016 and 2017 (FY16-FY17). About 300,000

illegal foreign workers have been registered under the re-hiring programme in FY16 alone.

For every illegal foreign worker registered, MyEG is entitled to a RM100 fee and an additional RM70 per person if the employers purchase the compulsory foreign workers insurance from MyEG.

On top of that, MyEG receives 7% of the proceeds in a revenue-sharing scheme with Celcom, in which the joint venture between MyEG and Celcom Axiata supplies Celcom SIM cards to all registered foreign workers.

The joint venture has been ongoing since April 2016.

CIMB Research projected a commendable financial performance for MyEG, going forward, as its net profit for FY17 is expected to surge by nearly 58% to RM142mil on the back of a 60% higher revenue at RM450mil.