

# BKIP 3 staff village contract a positive for MyEG



## CORPORATE NEWS

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PETALING JAYA: Securing a contract to establish a workers' village at the Batu Kawan Industrial Park 3 (BKIP 3) in Penang is set to boost MyEG Services Bhd's prospects.

The contract, awarded by the Penang Development Corp (PDC) to MyEG's unit MyEG Lodging, could deliver favourable outcomes for the group's immigration segment upon completion.

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The brokerage noted that despite the impending deadline for the finalisation of the National Integrated Immigration System (NIISe) this month, the successful completion of the project was expected to yield favourable outcomes for the group's immigration segment.

The segment constituted a significant portion of its total revenue, amounting to 35%.

In addition, the project was anticipated to be certified with GreenRE certification.



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This served as a testament to its environmentally-conscious design and construction practices.

MIDF Research has maintained its “buy” call on MyEG, with an unchanged target price of RM1 based on a price-earnings ratio of 19 times the estimated earnings per share of 5.4 sen for the financial year ending Dec 31, 2023.

“Despite the current lack of decision on the NIISe project, we believe MyEG’s impressive track record makes it unlikely to hinder its ability to secure another three-year extension for its e-government concession in May 2023,” it said.

“Furthermore, we are optimistic about the group’s innovative initiatives in spearheading blockchain solutions.

“These solutions are expected to drive sustainable growth in the mid to long-term. This is along with strategic expansion in its existing business segments,” it added.

MyEG on Wednesday announced that its unit, MyEG Lodging, had received a letter of acceptance by PDC for the tender to establish a workers’ village and its associated amenities at BKIP 3.

Under the terms of the project, MyEG Lodging would be granted a lease for an expansive 8.39-acre plot of land with a value of RM20.4mil, for a period of 30 years.

As per the agreement, MyEG Lodging would be responsible for the construction, completion, management and operations of the workers’ village and related facilities, entirely at its own cost.

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