

Company Name : My E.G. Services Berhad
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MyEG Top Active As Interest Surges On Its Philippine Associate's MoU With CEZA

KUALA LUMPUR (June 21): My E.G. Services Bhd (MyEG) is the top active counter on the stock exchange today following the announcement of a memorandum of understanding (MoU) inked between its associate company in Philippines, I-Pay MyEG Philippines Inc (IPMPI), and Cagayan Economic Zone Authority (CEZA) yesterday.

MyEG's share price jumped by 2% or 2 sen to RM1.02 with about 31.8 million shares traded.

The MoU is to allow IPMPI to be registered as a financial technology solutions business enterprise license applicant to act as a payment processor and payment gateway business enterprise for offshore transactions in the Philippines, specifically within the Cagayan Special Economic Zone and Freeport.

CIMB Equity Research highlighted the announcement as positive news and development for MyEG, as CEZA is the second regulator in Asia to legalise and regulate cryptocurrency exchanges with the first being in Japan.

"We learnt from MyEG that IPMPI is expected to operate a payment gateway for the cryptocurrency exchanges operating in the Philippines, where people can deposit money into their crypto accounts using their credit cards. MyEG expects IPMPI to get 0.2% of the credit card fund inflows," CIMB analyst Nigel Foo said in his note released yesterday evening.

CIMB is excited by the huge potential for IPMPI, depending on how fast and how big the cryptocurrency exchanges take off in the Philippines.

It added that a potential tie-up for MyEG's 40%-owned Philippine joint venture, I-Pay Commerce Ventures (IPCV), with a regional bank to offer micro loans to Philippine

citizens over the next few months is also another exciting new development for the company.

"We understand the average micro loan in the Philippines is around US\$1,000 (RM4,000). MyEG believes the demand for micro loans will be strong and targets a 20-30% take-up rate from customers of IPCV, with IPCV potentially getting US\$25 commission per micro loan (which is 2.5% commission on a US\$1,000 loan)," it noted.

The research house has maintained its "add" recommendation for MyEG with a target price of RM1.22.