

Datasonic gets RM292m MyKad contract

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By The Malaysian Reserve; Azli Jamil

KUALA LUMPUR: Datasonics Group Bhd was awarded two contracts by the Home Affairs Ministry worth RM292.2 million for the supply of 14 million MyKad.

The information and communications technology solutions provider said in an exchange filing last Friday that the award to its subsidiary Datasonic Technologies Sdn Bhd comprises two contracts from Jan 1 to June 30, 2016.

The first contract is for four million MyKad at RM72 million while the second contract is for 10 million MyKad for RM220.2 million.

The first contract priced each MyKad at RM18 while the second contract RM22 each. The second contract includes the provision of value-added service worth about RM17 million.

Malaysians changing their MyKad are charged RM10 by the National Registration Department.

Datasonic said the contract is expected to contribute positively to the company's earnings for the financial period ended March 31, 2015.

A day before this announcement, RHB Research Institute Sdn Bhd upgraded its call for the company from 'Neutral' to 'Buy', maintaining the target price at RM4.08.

RHB Research said the fundamentals for the company is intact and earnings will be driven by MyKad and passport contracts.

A few days earlier, Datasonic announced a RM21.9 million proposal to buy a smart card manufacturing plant from Formosa Prosonic Industries Bhd which is expected to boost its operational margins in the long run.

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