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Iris to gain from smart card plan

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SMART card and electronic passport maker Iris Corp Bhd, whose shares gained investors' interest of late, is set to benefit from Kuala Lumpur-Jakarta's initiative to sophisticate travel documents.

Plans to upgrade these documents between Indonesia and Malaysia from traditional passports to smart cards have made Iris even more attractive to investors.

Iris is at the forefront of Malaysia's high-security smart card industry, having also co-invented the Government's multi-purpose smart card, or MyKad, in 1999.

"It stands in good stead to benefit from this business opportunity," said an analyst from a local brokerage house.

The company has been the most actively traded stock on the Kuala Lumpur Stock Exchange every day since its debut on the Mesdaq Market on July 25, with the exception of yesterday.

The shares have been trading at an average daily volume of 7.2 million shares since the listing, and at an average share price of 39 sen - just 9 sen above its initial public offering price of 30 sen. It last closed one sen lower to 42 sen on 2.7 million shares.

Dealers said recent interest in the penny stock was related to Prime Minister Datuk Seri Dr Mahathir Mohamad's two-day working visit to Indonesia, which a source said may soon result in a memorandum of understanding (MOU) between the two governments to issue a common smart card for frequent travellers between the two countries.

The source said there is a possibility that Malaysians may make use of MyKad, which incorporates seven applications, namely the identity card, driving licence, passport information, health information, E-cash, Touch N Go service and electronic banking.

Iris and four other companies - Unisys (M) Sdn Bhd, Dibena Sdn Bhd, Computer Systems Advisors (M) Bhd and ENCPR Sdn Bhd - had secured the estimated RM280 million MyKad project, in which Iris provided the microchip operating system for the card.

It is believed that there are currently about 1.8 million MyKad cards in circulation.

Iris currently has a handful of other projects in hand, with a source saying the company recently signed an MOU with a Saudi Arabian company, Al'elm, and Symphony Global to undertake a smart-card related project.

The company is also collaborating with an Iranian company, Emad Semicon Co, to jointly explore potential projects that use smart chips such as identity cards and passports in Iran.

Besides that, Iris recently clinched a deal with Myanmar's E-National Task Force to develop an initial 5,000 smart passports from end-August.

This would make Myanmar the second country in the world, after Malaysia, to adopt the e-passport technology.

Dealers said the politically well-connected company stands a good chance to bag more such projects as other countries warm up to using e-passport technology. Iris is believed to be talking to three other countries on the possibility.

Iris' chairman is Tan Sri Razali Ismail, who is the former permanent representative to the United Nations (UN) and the UN's special envoy to Myanmar. He has a 20 per cent stake in the company.

In a company statement to the KLSE late yesterday, Razali said he

intends to dispose of 6.5 million of his current 155.3 million shares in an off-market deal tomorrow.