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Iris, MyEG the front runners for NIIS

BY KAMARUL AZHAR

Iris Corp Bhd and MyEG Services Bhd are said to be the front runners to bag the billion-ringgit National Integrated Immigration System (NIIS), according to sources. The contract will be awarded anytime this month, they say.

It seems that the NIIS project will be split between the two companies.

The tender document sighted by *The Edge* last year allows for multiple companies to form a consortium to bid for the contract.

"Yes, I heard that Iris is the front runner for the contract. They are going to be the system integrator for the NIIS," says an industry player who was involved in various government contracts in the past.

The NIIS will be replacing the current Malaysian Immigration System (myIMMS) at all gateways, including airports and land crossings. The myIMMS is said to be obsolete as it was first developed in 1993.

The tender to bid for the NIIS was called late last year and it attracted almost 30 bids from local information technology system integrator and cybersecurity companies. The bids received ranged from RM1 billion to RM1.8 billion.

Another source confirms that Iris put in the bid through a consortium, in which S5 Systems Sdn Bhd is a party. S5 Systems is owned by S5 Holdings Inc, in which MyEG Services Bhd has a 10% equity interest.

S5 Holdings is currently the target of a reverse takeover by Ancom Logistics Bhd.

NIIS is the latest reiteration of the government's plan to replace the obsolete myIMMS. In August 2017, the then Barisan Nasional government awarded a RM3.5 billion contract to Prestariang Bhd to develop, operate and maintain a new immigration system for 15 years.

However, on Dec 11, 2018, the Home Ministry decided to terminate the contract, saying that the National Immigration Control System (SKIN) — as it was called then — was too expensive, and decided to call for another round of tenders.

Prestariang decided to take the ministry to court on April 15, 2019, seeking compensation of RM732.86 million for work done on the system prior to the contract termination. Hearing on the case commenced at the High Court of Kuala Lumpur on July 21.

Note that the more expensive SKIN contract included a maintenance contract, whereas the NIIS contract is just to build, install and commission the system. There will be a separate

contract for the maintenance of the system.

Iris is a provider of smart identification solutions and e-border control systems. It was the proprietor of the technology behind the world's first e-passports and immigration autogates at the Kuala Lumpur International Airport.

Since then, Iris' e-passports have become the standard for e-passports around the world.

According to Iris' website, its Border Control Solution is able to provide integrated border control management, including manual, automated and mobile border clearance, travel document verification, visa information system, biometric identification and verification, traveller movement and advanced passenger information.

Besides Iris and MyEG, other known bidders for the contract include Datasonic Group Bhd, Heitech Padu Bhd, Dagang Nexchange Bhd (DNeX), Dataprep Holdings Bhd, Scicom (MSC) Bhd, Omesti Bhd and Kumpulan Fima Bhd.

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Interestingly, S5 is said to be involved in all the major bids. Besides Iris, the industry player *The Edge* spoke to who confirmed Iris as one of the front runners of the NIIS contract, says S5 is also involved in bids put in by MyEG and Heitech Padu.

Heitech Padu is the developer of myIMMS. While the system is obsolete, Heitech Padu should still be able to offer a better system for the NIIS, and its experience integrating all the needs of the different departments and agencies into a system should be its strength in the bid.

For the financial year ended March 31, 2020 (FY2020), Iris recorded a lower net profit of RM13.7 million, compared with RM38.3 million a year ago, although its revenue stayed flat at RM229.6 million versus RM229.2 million a year earlier.

Over the last one year, Iris' share price has more than doubled, closing at 33 sen per share last Friday and valuing the group at RM978.9 million.

Meanwhile, MyEG closed at RM1.38 last Friday, after rising 25.45% this year, giving it a market capitalisation of RM4.784 billion.