

Inari to ride the growth in global smart mobile device market

- *Semiconductor Electronic Manufacturing Services (EMS) provider poised to benefit from burgeoning consumer demand for smartphones and tablet personal computers (Tablet PCs)*
- *Initial Public Offering (IPO) to raise RM31.54 million for the Group*

Penang, Malaysia; 28 June 2011 – Inari Berhad (“Inari”, “益纳利”, “the Group”), a leading EMS provider in the semiconductor industry, aims to ride the growth in the global smart mobile device market in the coming years.

“Having developed a strong track record in serving the semiconductor industry and the first wave of growth for smartphones and tablet PCs, we believe that we are well-positioned to continue riding on the momentum of strong consumer demand for these smart mobile devices in the coming years.

In this respect, our IPO is at an opportune time for the Group to raise the funding necessary to propel us forward in our expansion plans, but also effectively enhance our profile in the global semiconductor and EMS industry.”

***Dr. Tan Seng Chuan (陳成俊)**
Managing Director, Inari Berhad*

Since 2006, Inari has carved its niche in providing end-to-end and vertically-integrated semiconductor packaging services for chips used in Radio Frequency (“RF”) mobile technology and devices. Its packaged chips are key components in the manufacturing of a wide range of high-technology wireless telecommunication products in international markets, including smartphones and tablet PCs.

In March 2011, the International Data Corporation (“IDC”) Worldwide Quarterly Mobile Phone Tracker report predicted for the smartphone market to grow by 55% in 2011, where vendors will ship a total of 472 million smartphones in 2011 compared to roughly 305 million units shipped in 2010. Furthermore, that figure will nearly double to 982 million by the end of 2015.

IDC also stated that strong demand was especially noticeable in emerging markets such as the Asia/Pacific region, which was expected to accelerate in the coming years.

Similarly, the tablet PC market was expected to chart remarkable growth on the back of strong consumer interest for tablet PCs witnessed in the past year.

Correspondingly, a report by IC Insights noted that while tablet PCs constituted 5% of global PC market shipments in 2010 with 17 million units, the segment is expected to grow by 190 percent in 2011 to 49 million units, and 134 million units by 2014.

“We stand at the cusp of the growth trajectory for these smart mobile devices. Across the globe, an increasing number of users are turning in their basic “talk-and-text” devices for smartphones with constant connectivity. At the recent Taipei Computex Show in early June 2011, about 50 models of tablet PCs were launched compared to just one model in Jan 2010 – another indication of the sheer size of the tablet PC market in the years to come.

These projections spur the Group to expand our assembly capacity for RF chips to meet this wave of smart mobile device demand,” said Dr. Tan.

To this end, the Group plans to build a new assembly and manufacturing facility in Penang which is targeted for completion in the first quarter of calendar year 2012. A 3-storey building with a total built-up area of approximately 5,351 square metres, the new plant will, amongst others, house its new manufacturing lines, and the expanded R&D facilities for its existing and new customers sectors. About RM25 million has been budgeted for this expansion.

Dr. Tan was speaking at the launch of Inari’s IPO prospectus in conjunction with its listing on the ACE Market of Bursa Malaysia Securities Berhad.

Inari’s IPO entails the public issue of 83.0 million new ordinary shares, of which 10.0 million are made available to the Malaysian public via balloting, 10.4 million shares for eligible directors, employees and business associates of the Group and its subsidiaries, 26.1 million shares for private placement to selected investors, and 36.5 million shares for Bumiputera investors approved by the Ministry of International Trade and Industry

At an issue price of 38 sen per share, **Inari**’s IPO will raise RM31.54 million in proceeds for the Group.

Of the proceeds, RM17.5 million will be allocated for CAPEX, RM7.6 million for repayment of debt, RM4.5 million for general working capital, and the remaining RM2.0 million to defray listing expenses.

Applications for **Inari**’s IPO shares close at 5.00 p.m. on 7 July 2011. **Inari** targets to list on 19 July 2011.

M&A Securities Sdn Bhd is the adviser, underwriter, sponsor, and placement agent for **Inari**’s IPO exercise.



About Inari Berhad (www.inariberhad.com)

Established in 2006, **Inari** provides semiconductor packaging services for global players in Radio Frequency (“RF”) mobile industry, which include back-end wafer processing and RF testing. **Inari**’s finished products are System in Package (“SiP”) and Quad Flat No-Lead (“QFN”), key components used in the manufacturing of a wide range of electronic products.

Inari’s products are used mainly in the wireless telecommunications, including smartphones, 3G devices, cellular phones, wireless communications, computing peripherals and medical sectors, with its customer base including Avago Technologies Trading Limited, Vigsys Sdn Bhd, Ceedtec Sdn Bhd and Newict (M) Sdn Bhd.

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