



INARI BERHAD

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PRESS RELEASE

Inari to increase production capacity after IPO

- ***Semiconductor Electronic Manufacturing Services (“EMS”) provider signs underwriting agreement with M&A Securities for listing on ACE Market of Bursa Malaysia Securities Berhad***

Kuala Lumpur, Malaysia, 3 June 2011 – Inari Berhad (“Inari”, “益纳利”, “the Group”), a leading EMS provider in the semiconductor industry, plans to further increase its production capacity and facilities to meet the expected increase in demand from Avago Technologies Trading Limited (“Avago”) and other customers.

Inari Technology, a wholly-owned subsidiary of **Inari** Berhad, has been a major EMS provider for Avago’s wireless semiconductor products since 2006. Avago is a NASDAQ-listed leader in the design, development and supply of optoelectronics, wireless technologies, fiber optics and networking components, and a strategic shareholder of **Inari**.

Inari’s Managing Director Dr Tan Seng Chuan said that it was vital for **Inari** to continue to grow and enhance its production capabilities to adequately support increasingly-complex requirements of mission-critical components used in wide-ranging electronic products and as well as to compete in the global semi-conductor industry.

“Rapid technological advancements the world over have resulted in an ever-expanding pool of technologically-savvy users. Indeed, the mass adoption of 3G devices witnessed across the globe today is merely a part of the continuing story of the growth and indispensability of mobile wireless communications in our societies and our lives. Already, 4G and other similar generation devices are being rolled out rapidly into the markets.

In line with this, we intend to increase our existing production capacity to ably support the anticipated increase in orders due to global demand for mobile devices.

Inari plans to invest approximately RM25.0 million in FY2011 and FY2012 to acquire new machinery, upgrade older machinery and build a new facility to further increase our existing production capacity.

In operational terms, it simply means that **Inari** would expand our annual production floor space from 11,650 square meters to 17,005 square meters – an increase of 46% in manufacturing capacity.”

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

A total of RM25 million has been set aside for capital expenditure to be funded via the Group's IPO proceeds and internally generated funds.

Established in 2006, **Inari** has 3 production plants in Penang which undertake end-to-end and vertically-integrated operations in the EMS chain, encompassing processes from wafer processing to package assembly, printed circuit box assembly (PCBA), box-build, and failure analysis systems. As part of the expansion, **Inari** will be building a new plant P5 and adding new equipment.

Inari is one of the very few EMS providers in South East Asia with the capability to carry out Radio Frequency ("RF") testing - a value-added service determining operability of products that completes the Group's EMS value chain.

To date, the semiconductor products processed and packaged by **Inari** are used in a wide variety of high-technology wireless telecommunications products – such as smartphones, tablet computers, and wireless modems – in international markets.

Dr Tan added: "We target to complete the capacity expansion initiative by first half of calendar year 2012, and are optimistic that it would boost our growth prospects in the near term."

Dr Tan said this today at the signing of the underwriting agreement with M&A Securities Sdn Bhd, in conjunction with its IPO on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

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

Bill Tan (陈俊燦)
Director of Corporate Finance, M&A Securities Sdn Bhd

Inari is slated to list on Bursa Malaysia in the third quarter of 2011. M&A Securities Sdn Bhd is the principal adviser and sponsor for **Inari**'s IPO.

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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.

Issued for and on behalf of Inari Berhad by Aquilas Advisory (Malaysia) Sdn Bhd. For media enquiries, please contact:

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