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KESM INDUSTRIES BERHAD
(Company No: 13022-A)

Press Release

KESM SEES STRONG DEMAND FOR BURN-IN & TEST SERVICES

Rising Costs Remain A Top Concern

	1H FY 14 (31/01/14) RM '000	1H FY 13 (31/01/13) RM '000
Revenue	126,610	122,930
Profit Before Tax	6,679	5,995
Net Profit	4,901	2,010
Profit After Minority Interests	2,844	394
Earnings Per Share	6.6 sen	0.9 sen

Kuala Lumpur, March 10, 2014: KESM Industries Berhad (Bursa Securities: KESM), the largest independent burn-in service company in Malaysia announced its financial results for the first six months ended 31 January 2014.

Mr. Sam Lim, Executive Chairman & Chief Executive Officer of KESM said, "KESM entered the financial year on a high note. Revenue for the first six months increased by RM3.7 million to RM126.6 million from RM122.9 million in the previous corresponding period of 2013."

Half year profit before tax increased by 11 percent to RM6.7 million from RM6.0 million as compared to the first half of the preceding year. Correspondingly, Profit after tax also increased, to RM4.9 million from RM2.0 million recorded in the same period of last year. At the end of the first six months, profit after minority interests rose to RM2.8 million, from RM0.4 million last year.

"Following the surge in the semiconductor industry and healthy bookings from our customers, demands for our burn-in and test services have strengthened in the first six months."

He remarked, "Our team remains focused on meeting our goals and achieving growth and business objectives. We grew revenues, expanded our customers' base and increased our volume of shipments."

Mr. Lim explained, "Higher utility costs and the minimum wage rates implemented in Malaysia and China have largely contributed to the increased operating expenses and this hike remains a top concern. We will continue to work towards utilizing our resources more efficiently to further improve our performance."

According to leading market indicator, the semiconductor industry is projected to grow at 5.6 percent with sales reaching US\$333 billion in 2014 from US\$315 billion last year.

"If the underlying economic growth remains strong and the semiconductor industry remains healthy, KESM is looking forward to another exciting year collaborating with our customers in bringing new products and services to the market," said Mr. Lim.

About KESM Industries Berhad

KESM Industries Berhad is the largest independent burn-in service company in Malaysia, specializing in "burn-in" and "test" of integrated circuits. KESM, the first burn-in "service company" to be accredited with ISO 9002 and QS 9000, is fully committed to promoting the highest quality of services to the electronics and semiconductor industries. For more information, please visit: www.kesmi.com

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