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KESM INDUSTRIES BERHAD
(13022-A)

Press Release

KESM INTENSIFIES FOCUS ON TEST BUSINESS

[Kuala Lumpur, February 13, 2015](#): KESM Industries Berhad (Bursa Securities: KESM), the largest independent burn-in & test service company in Malaysia today announced the proposed acquisition of 692,308 ordinary shares of RM1.00 each in KESM Test (M) Sdn Bhd (“KESM Test”) or 34.62% equity interest from Sunright Limited (“Sunright”), for a total cash consideration of RM35 million. This proposed acquisition is to be fully financed by internally generated funds by KESM.

The Board of Directors has also approved an interim dividend of 3 sen per ordinary share amounting to RM1,290,435 to be paid on 10th April 2015. This special dividend is an appreciation to the shareholders for their stalwart support.

Mr. Sam Lim, Executive Chairman & Chief Executive Officer of KESM explained, "The acquisition of the remaining shares in KESM Test, establishes the company as a wholly owned subsidiary of KESM. This has come at a most opportune time in strengthening our commitment to maintain our market leadership as a fully independent test service company."

He added, "Our investments in testing services have yielded steady growth over the years. Of profound significance is our strategic focus in the testing of devices for the automotive market which is enjoying a surge. The global car sales is expecting to reach 74 million units in 2015, and this will be a new record."

KESM has built a strong profile of world-class customers who are leaders in developing specialized semiconductor devices for cars serving reputable manufacturers including BMW, Mercedes, Toyota, General Motors, etc.

Mr. Lim commented, "Cars are more than just a means of transportation. Cars are connected, enabling new in-vehicle services such as wireless connectivity, on-line entertainment and information, basically the Internet of Things (IoT). The contents of electronics in a connected car such as infotainment, advanced driver assistance systems, air bag systems, battery management, safety systems etc. are expected to grow in the next decade. This strategic acquisition will further enhance our growth in the testing of automotive devices."

He added, “We are excited about this acquisition. The combination of burn-in and test services as an integral process, offers a strong growth engine with test accelerating our future expansions.”

The transaction is subject to approvals from various parties, such as government authorities, regulatory body as well as shareholders.

About KESM Industries Berhad (13022-A)

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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