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KESM INDUSTRIES BERHAD
(Company No: 13022-A)

Press Release

KESM DECLARES SPECIAL INTERIM DIVIDEND

Kuala Lumpur, 11 July 2016: KESM Industries Berhad (Bursa Securities: KESM), the largest independent burn-in service company in Malaysia today announced that its Board of Directors has declared a Special Interim Dividend of 4.5 sen per ordinary share. The dividend, totaling an aggregate payment of RM 1.9 million will be paid on 18 August 2016 to shareholders.

Mr. Sam Lim, Executive Chairman & Chief Executive Officer of KESM said, "KESM has performed exceedingly well in the first nine months of this financial year reaching profit after tax of RM 22.6 million which surpasses the 12 months results of RM 17.0 million of the last financial year. The outcome of our investment in test services has achieved a competitive advantage to produce this satisfying results. Today's declaration of a special dividend is a reward to our long standing shareholders, who also enjoyed a good growth in the share value of their holdings."

Mr. Lim explained, “Growing our business remains our number one priority. We remain committed to our sound investment discipline and together with our financial flexibility will enable us to achieve greater success for KESM.”

According to leading market indicator, the semiconductor industry revenue is forecasted at US\$333 billion in 2016, representing a decrease of 0.6 percent from 2015, and two consecutive years of revenue decline.

Mr. Lim concluded, “The semiconductor industry will remain volatile. Nonetheless, our focus in the automotive market segment will offer the most promising opportunities for growth. This strategy has served us well and we are confident that our investments have created a strong foundation for our future.”

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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