

General Announcement for PLC (v13)

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COMPANY INFORMATION SECTION			
Announcement Type	<input checked="" type="radio"/> New Announcement <input type="radio"/> Amended Announcement		
Company Name	KESM INDUSTRIES BERHAD		
Stock Name	KESM		
Stock Code	9334		
Board	Main Market		
Submitting Secretarial Firm	EPSILON ADVISORY SERVICES SDN BHD		

CONTACT DETAIL			
Contact Person	Designation	Contact No	Email Address
EPSILON ADVISORY SERVICES SDN BHD		012-3885312	feisan@epsilonas.com
Leong Oi Wah	Secretary	03-78031126	oiwah@rpsilonas.com

MAIN	
Type	Announcement
Subject	OTHERS
Description	PRESS RELEASE : KESM RAISED PROFITS
Shareholder Approval	No
Announcement Details/Table Section	
A copy of the Press Release dated 19 September 2017 is enclosed.	
Attachment	No File Name Size
	1 KESM- Press Release FY2017-19 Sep 2017 .pdf 69.5KB



Contact: Yvonne Lim
KESM Industries Berhad
Phone (65) 63749546
Mobile: (65) 81259292
Fax (65) 62768426

Lot 4 SS 8/4 Sungei
Way FTZ
47300 Petaling Jaya
MALAYSIA

KESM INDUSTRIES BERHAD
(13022-A)

Press Release

KESM RAISED PROFITS

Growth Driven By Automotive Electronics Market

	FY 17 (31/07/17) RM '000	FY 16 (31/07/16) RM '000	% Change
Revenue	337,988	285,734	18
Profit Before Tax	47,843	36,239	32
Net Profit	43,994	30,683	43
Earnings Per Share (basic)	102.3 sen	71.3 sen	43

Kuala Lumpur, September 19, 2017: KESM Industries Berhad (Bursa Securities: KESM), the largest independent burn-in service company in Malaysia, reports another set of excellent results for financial year 2017.

Revenue accelerated by RM52.3 million setting another revenue record of RM338 million for financial year ended 31 July 2017 or a 18 percent increase from RM285.7 million in the previous year.

Profit rose to RM44 million, reflecting a 43 percent increase from RM30.7 million last year. Consequently, earnings per share jumped to 102.3 sen, from 71.3 sen last year.

Mr. Sam Lim, Executive Chairman & Chief Executive Officer of KESM explained, “2017 was a new milestone. We crossed the RM300 million revenue mark and achieved a record net profit of RM44 million. This achievement is a testament of our strategic position, the discipline of our management and the dedication of our employees.”

He continued, “Increasing energy costs, minimum wage hikes and high expenses to meet stringent certification in operational standard were aggressively matched by a combination of significant improvements. Our management’s focus on productivity by utilizing our assets at optimal performance, improvement in process quality and going the extra mile to make shipments that require urgency, all these have yielded this exceptionally good result.”

He announced, “In view of KESM’s outstanding performance, an interim tax exempt dividend of 6.5 sen for financial year 2017 was paid in August 2017. Additionally, in recognition of our loyal shareholders who have continued to support us, the Board has proposed a final tax exempt dividend of 6 sen amounting to RM2.6 million to be approved by shareholders at the forthcoming Annual General Meeting. These intended dividend payments would represent a total of 12.5 sen dividend payout for 2017.”

According to leading industry research firm, revenue for the worldwide semiconductor industry is forecast to reach US\$401.4 billion in 2017, an increase of 16.8 percent from 2016. This will be the first time for semiconductor revenue to surpass the US\$400 billion mark.

Mr. Lim explained, “We are preparing our resources to focus our growth in the automotive segment of the semiconductor industry. We continually build our core competencies to meet the stringent quality demands of our customers in this market. Healthy car sales are likely to remain, increasing semiconductor sales as technology systems and complexity per vehicle increases. KESM is well-positioned for the upswing in the industry.”

According to industry forecast, the average semiconductor content per car will grow from US\$490 in 2016 to US\$520 in 2017. This growth is driven mainly by communication & entertainment, green initiatives, safety, telematics, lighting and in-vehicle networking.

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