

General Announcement for PLC (v13)**RELEASED**

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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			
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MAIN							
Type	Announcement						
Subject	OTHERS						
Description	PRESS RELEASE : KESM REPORTS STRONG GROWTH						
Shareholder Approval	No						
Announcement Details/Table Section							
A copy of the Press Release dated 8 March 2018 is enclosed.							
Attachment	<table border="1"> <thead> <tr> <th>No</th> <th>File Name</th> <th>Size</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>KESM- 1HFY2018 Press Release -8 March 2018.pdf</td> <td>60.5KB</td> </tr> </tbody> </table>	No	File Name	Size	1	KESM- 1HFY2018 Press Release -8 March 2018.pdf	60.5KB
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KESM INDUSTRIES BERHAD

(Company No: 13022-A)

Press Release

KESM REPORTS STRONG GROWTH

Fast-Growing Automotive Semiconductor Market Drives Growth

	1H FY18 (31/01/18) RM '000	1H FY17 (31/01/17) RM '000
Revenue	182,184	163,227
Profit Before Tax	26,476	22,774
Net Profit	22,552	19,987
Earnings Per Share	52.4 sen	46.5 sen

Kuala Lumpur, 8 March 2018: KESM Industries Berhad (Bursa Securities: KESM), the largest independent burn-in and test service provider, today reported its unaudited financial results for the first six months ended 31 January 2018.

Revenue increased to RM182.2 million from RM163.2 million, 12 percent higher over the previous corresponding period of 2017. Half-year profit before tax increased by 16 percent to RM26.5 million from RM22.8 million as compared to that of the preceding year. Net profit also excelled by RM2.6 million to RM22.6 million from RM20.0 million in the same period of last year.

Mr. Sam Lim, Executive Chairman & Chief Executive Officer of KESM said, “We enjoyed strong growth in volumes for our burn-in and test. Our customers continue to offer more advanced devices with more functions to car manufacturers racing to produce driverless cars.

New vehicle safety regulations require carmakers to ensure vehicle data are more secure from remote hacking and malfunctioning, which in turn is increasing the demand for connected cars. Various digital systems such as Global Positioning System (GPS) tracking systems, fuel management systems and driver information systems are becoming a standard feature not only in premium cars but in other cars as well. These requirements are driving the demand for more semiconductors.

He added, “These changes in the car industry are creating strong demand for automotive semiconductors and KESM’s focus on this market is rewarded by the strong results.”

Mr. Lim commented further, “We also reviewed our position in the current growth markets and took necessary critical process steps to improve our quality and service efficiency for our customers.”

According to industry leading research firm, the worldwide semiconductor revenue is forecast to total US\$451 billion in 2018 from US\$419 billion in 2017, an increase of 7.5 percent.

“The favorable market condition driven by improved outlook for broad increase in automotive content will continue to spur good opportunities for KESM,” said Mr. Lim.

About KESM Group

KESM is the largest independent burn-in and test 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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