



General Announcement

Form Version 8.2 (Enhanced)

Initiated by CS_EPSILON ADVISORY SERVICES - COMMON4 on 11/03/2013 04:13:45 PM

Submitted by CS_EPSILON ADVISORY SERVICES on 11/03/2013 06:00:52 PM

Reference No CA-130311-58425

Submitted

Company Information

Main Market Company

New Announcement

Submitting Investment Bank/Advisor (if applicable)

Submitting Secretarial Firm (if applicable) EPSILON ADVISORY SERVICES SDN BHD

* Company name KESM INDUSTRIES BERHAD

* Stock name KESM

* Stock code 9334

* Contact person MS LEONG OI WAH

* Designation COMPANY SECRETARY

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Type * Announcement

Subject * OTHERS
(Note : INFORMATION ENTERED IN THE DESCRIPTION FIELD WILL BE DISPLAYED AS THE TITLE OF THE ANNOUNCEMENT IN BURSA MALAYSIA'S WEBSITE)Description *:-

(Note : Please enter the announcement description in this field and the announcement details in the Announcement Details/Table Section or attach the full announcement details as an attachment)

PRESS RELEASE : KESM SEES IMPROVEMENTS IN ALL SECTORS

Announcement Details/Table Section :-

(This field is for the details of the announcement, if applicable)

Please refer to the Press Release as attached

Attachment(s):- (please attach the attachments here)

Ⓞ Press Release 11.03.2013.pdf



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KESM INDUSTRIES BERHAD

(Company No: 13022-A)

Press Release

KESM SEES IMPROVEMENTS IN ALL SECTORS

Profit Masked By Rising Wage Costs; Lower Exchange Gain

	1H FY 13 (31/01/13) RM '000	1H FY 12 (31/01/12) RM '000
Revenue	122,930	108,634
Profit Before Tax	5,995	7,780
Net Profit	2,010	5,785
Profit After Minority Interests	394	4,882
Earnings Per Share	0.9 sen	11.3 sen

Kuala Lumpur, March 11, 2013: 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 2013.

Mr. Sam Lim, Executive Chairman & Chief Executive Officer of KESM said, "Revenue for the first six months of 2013 increased by RM14.3 million to RM122.9 million from RM108.6 million in the previous corresponding period of 2012."

"Although the semiconductor industry is expected to close 2012 with a dismal 3 percent drop in sales, our revenue grew by 13 percent. This significant jump is the result of higher demands recorded across all our business sectors, mainly burn-in, testing and electronic manufacturing services," said Mr. Lim.

He remarked, "Despite the contraction in the semiconductor industry and a challenging market environment, KESM has performed well. Our management team has developed strong disciplines in executing various programs to grow our businesses."

"Besides, KESM also has a well-diversified customer base operating in networking, communications and automotive segments. This good balance of product mix insulated us from the weaker personal computer and server markets," he added.

Half year profit before tax declined by RM1.8 million or 23 percent to RM6.0 million from RM7.8 million as compared to the first half of the preceding year. Profit after tax for the half year ended 31 January 2013 decreased to RM2.0 million from RM5.8 million recorded in the corresponding period of last year. At the end of the first six months, profit after minority interests declined to RM0.4 million, from RM4.9 million in the corresponding period last year.

"Although KESM's profit is crimped by higher expenses in support of expanded volumes to meet the increased production capacity, it was attenuated by lower currency gain as well as the absence of grant incentives for technology upgrades by the Chinese government as compared to the corresponding period last year," explained Mr. Lim.

The worldwide semiconductor revenue is projected to increase by 4.5 percent or US\$311 billion in 2013 according to leading industry source.

Mr. Lim remarked, "We continue to work with customers who are suppliers to high-growth products such as smartphones, media tablets and cars. These bright spots remain good opportunities for KESM in 2013."

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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