



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

Press Release

KESM REPORTS RECORD REVENUE

Riding On Upturn In The Semiconductor Industry

	FY 10 (31/07/10) RM '000	FY 09 (31/07/09) RM '000
Revenue	225,142	169,315
Operating Expenses	205,787	(158,194)
Profit Before Tax	19,403	10,448
Net Profit	14,020	11,283
Earnings Per Share (basic)	27.3 sen	22.7 sen

[Kuala Lumpur, September 20, 2010](#): KESM Industries Berhad (Bursa Securities: KESM), the largest independent burn-in service company in Malaysia, reported revenue for financial year ended 31 July 2010 surged by 33 percent to RM225.1 million from RM169.3 million a year ago. Profit before tax also increased by 86 percent to RM19.4 million from RM10.4 million last year. For the financial year 2010, KESM reported a net profit of RM14.0 million reflecting a 24 percent increase from RM11.3 million last year. Earnings per share rose by 20 percent to 27.3 sen from 22.7 sen.

For Release 5:30 p.m., September 20 2010

[more](#)

“A significant increase in demand for semiconductor chips in the second half of 2009, abode well for the Group. All our business activities benefited and have turned in better results. Consequently, KESM delivered record revenue,” remarked Mr. Sam Lim, Executive Chairman and Chief Executive Officer of KESM.

He added, “The semiconductor industry, seriously hampered by the global financial and economic crises for the past two years, bounced back strongly in the second half of 2009. Leading indicators expect its revenue to enjoy a double digit growth of 31.5 percent in 2010 with revenue reaching US\$300 billion”.

Mr. Lim added, “The upswing in the semiconductor industry has also benefited most of our customers, who have also reported improved results. With this sharp upturn, demands for higher volume, greater capacity and new equipment were required.”

He explained, “Besides, the Group was also faced with tight labour shortage during the ramp-up phase of production. Additional costs were incurred to recruit, train and qualify the new employees on the manufacturing floor. All these factors contributed to higher operating costs. With spurts in production volumes, plants run at a higher capacity and consequently raising labour, wages, electricity and materials costs etc.”

Mr. Lim remarked, “Our 2010 results represent another remarkable year of achievement and we are very pleased with the performance. KESM has surpassed the RM200 million mark in revenue once again. However, we will not be complacent. We will work towards raising the standard to ensure prompt delivery of quality services, at the right cost to our customers.”

According to industry forecast, the semiconductor market will continue to grow, albeit at a slower pace of 4.6 percent in 2011.

Mr. Lim concluded, “Although all indicators are positive, KESM operates in a cyclical industry and is susceptible to the macro economic environment; however, we believe that we will remain focused in improving our operating efficiencies and managing our costs to sustain our good performance.”

About KESM Industries Berhad

KESM Industries Berhad is the largest 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