



General Announcement

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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

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* Designation Company Secretary

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Type * Announcement

Subject *: KESM INDUSTRIES BERHAD ("KESMI")
 - PRESS RELEASE

Note: If the announcement is a long announcement, please summarize the announcement in the contents and enter the details of the announcement in the Announcement Details or attached the full details of the announcement as attachment.

Contents *:-

(This field is to be used for the summary of the announcement)

Enclosed is the press release of KESMI titled "KESMI Reports Profit of RM5.5 million - Results reflect higher demand for services".

Announcement Details :-

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

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

☞KESM- 1HFY2010 Press Release.doc

Tables Section - This section is to be used to create and insert tables. Please make the appropriate reference to the table(s) in the Contents of the Announcement.

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KESM INDUSTRIES BERHAD

Press Release

KESM REPORTS PROFIT OF RM5.5M

Results Reflect Higher Demand For Services

	1H FY 10 (31/01/10) RM '000	1H FY 09 (31/01/09) RM '000
Revenue	103,135	84,840
Operating Expenses	(95,423)	(78,616)
Profit Before Tax	7,653	5,894
Net Profit	5,467	5,079
Earnings Per Share	10.5	10.9

Kuala Lumpur, March 9, 2010: KESM Industries Berhad (Bursa Securities: KESM), the largest independent burn-in service company in Malaysia, reported revenue increased by RM18.3 million or 22 percent for the first six months ended 31 January 2010 to RM103.1 million from RM84.8 million a year ago. Pre-tax profit climbed by RM1.8 million to RM7.7 million from RM5.9 million for the corresponding period in the preceding year. Net profit for the first six months of financial year 2010 increased to RM5.5 million from RM5.1 million in the same period of 2009. For the first six months of 2010, earnings per share stood at 10.5 sen.

Mr. Sam Lim, Executive Chairman and Chief Executive Officer of KESM remarked, "KESM has executed well. Our improving revenue reflects the higher demand for our services. Also, our subsidiary in Tianjin, China has gained ground considerably in the first quarter of financial year 2010 and is now contributing positively towards the Group."

According to leading industry sources, the 2009 worldwide semiconductor market reached US\$231 billion, a 9.6 percent decline from US\$255 billion in 2008. However, in 2010, the semiconductor industry is forecasted to grow by 20 percent with revenues reaching US\$276 billion.

"After the gloom last year, unit productions for personal computers, mobile phones as well as automotives have strengthened, increasing the production volumes of semiconductors. Consequently, KESM, serving the leading semiconductor manufacturers in these market segments, has benefited."

Mr. Lim explained, "To facilitate increased production volumes and a smooth flow of our manufacturing process, our operating expenses have also expanded to RM95.4 million during the first six months from RM78.6 million last year. We invested in training manpower resources in support of further demand for our services."

He added, "Although there are signs of recovery in the semiconductor industry, the global financial and economic crises have not fully abated, KESM remains focused in improving our operating efficiencies and managing our overhead costs to achieving another rewarding year."

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