

Sunright Corporate Press Release

SUNRIGHT REPORTS 11 PERCENT INCREASE IN TURNOVER

Singapore, October 20 1998, Sunright today reports a turnover of S\$ 178 million for financial year ended 1998, up 11 percent from S\$ 161 million a year earlier. Net income decreased approximately 40 percent to S\$ 7.3 million; however, net profits before tax of S\$ 15.6 million showed a 19 percent drop in earnings compared to the previous year.

“As reported in April this year, we expected the second-half to be a difficult period given the problems relating to excess inventory and continuing price pressure on DRAM (“dynamic random access memory”), which was further aggravated by Asia’s financial and economic crises”, remarked Mr. Sam Lim, Executive Chairman & Chief Executive Officer of Sunright.

“We are satisfied with our overall results even though there was a slowdown in the second half, which was a challenging time in the worldwide semiconductor industry,” added Mr. Lim.

According to Dataquest, the worldwide semiconductor market will contract 6 percent in 1998 from revenues of S\$ 147 billion in 1997. However, for 1999, Dataquest expects worldwide semiconductor revenues to reach US\$ 155 billion or 11.8 percent growth.

Mr. Lim remarked, “the anticipated market growth which has suffered a set-back is expected to move up by late next year, particularly the demand for 64Meg DRAM devices. When that happens, there will be a lack of testing capacity to meet the needs of the vigorous PC market. We are preparing our GEN systems and our burn-in/test services to be ready to take on these extra loads”.

Mr. Lim added, “although there have been cut-backs in capital spending by semiconductor manufacturers, the technology race is not slackening. We are seeing Korean manufacturers aggressively pushing forward to be the leaders in the Rambus market.”

PC OEMs are moving closer to implementing the first direct Rambus DRAM (DRDRAM) memory modules into volume market PCs nearer 1999.

Mr. Lim said, “through our GEN systems, we have gained a strong foothold in the Korean market and have been working closely with the world’s leading memory manufacturers. Our close liaison with these leaders gives us the edge to move ahead in technology along with our customers to maintain our leading position in the market”.

In response to the weak economic climate and market fluctuation of DRAM volumes, Sunright continues its rigorous cost and quality management. These measures are intended to improve Sunright’s long-term profitability.

About Sunright

Sunright Limited, a main board listed company on the Singapore Exchange Securities Trading, is the world's largest independent provider of burn-in and test services, and a leading manufacturer of parallel test and burn-in systems. Sunright also distributes high technology equipment and materials and engages in selective OEM assembly of electronic components. It has a total workforce of 2,500 employees with annual revenue in excess of S\$ 100 million. Sunright's customers include multi-national semiconductor manufacturers, namely AMD, Hyundai, Hewlett-Packard, Infineon, Motorola, NEC, National Semiconductor, Texas Instruments, Toshiba and others. More information on Sunright is available on Sunright's website: www.sunright.com.

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