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## **BRIGHTWORLD PRECISION MACHINERY LIMITED**

(Company Registration Number: 200409453N)

**FOR IMMEDIATE RELEASE**

### **Bright World more than doubles its FY10 net profit to RMB125 million**

- **Buoyant demand for stamping machines from the PRC automotive and home appliance sectors drove turnover past the billion Renminbi mark**
- **Partnership with Aida of Japan helped to penetrate the higher-end markets**
- **Targeting the locomotive sector and northern China region to sustain strong growth in 2011**
- **Rewards shareholders with proposed final dividend of RMB47.5 million or RMB0.119 per share (equivalent of SGD 0.023)**

**SINGAPORE, 18 February 2011** - SGX Mainboard-listed Bright World Precision Machinery Limited ("Bright World" and together with its subsidiaries, the "Group") (光明沃得精密机械有限公司), a manufacturer of precision stamping equipment in the PRC, is pleased to announce that it has more-than-doubled its net profit year-on-year ("yoy") to RMB125.2 million for the full year ended 31 December 2010 ("FY10").

## Financial Review

RMB 'million	3 months ended 31 Dec			12 months ended 31 Dec		
	2010	2009	Change	2010	2009	Change
<b>Turnover</b>	311.3	200.4	55.4%	1,038.6	560.8	85.2%
<b>Gross Profit</b>	80.3	50.5	58.9%	265.8	141.2	88.2%
<b>Gross Profit Margin</b>	25.8%	25.2%	0.6%	25.6%	25.2%	0.4%
<b>Net Profit After Tax</b>	27.0	19.0	41.8%	125.2	58.8	113.0%
<b>Net Profit After Tax Margin</b>	8.7%	9.5%	(0.8%)	12.0%	10.5%	1.5%

The performance was driven by strong demand for stamping machines in the PRC, particularly from the automotive and home appliance sectors. Turnover rose 85.2% yoy to a record RMB1,038.6 million, backed by a shift in product mix towards high-performance and high-tonnage stamping machines, where the sales jumped 107.0% yoy, compared to 65.7% yoy for conventional stamping machines.

“Our partnership with Aida of Japan, a global leader for stamping machines, has enabled us to develop and introduce more sophisticated stamping machines to serve the increasing needs of our customers, and to target new customers with higher technical specifications. It has helped us expand our presence to customers in the automotive sector, especially for Japanese and other foreign car brands. The Group intends to build on its break-through in the locomotive sector, a sector which is likely to emerge as one of the most exciting markets in the next decade, with the PRC government's plan to add more than 16,000 km of high-speed rail track across China.”

- Mr Shao Jian Jun (“邵建军”), Chief Executive Officer

Gross profit margin was relatively stable at 25.6%. The margin for conventional stamping machines jumped to 25.1%, from 17.0% for FY09, backed by an increase in average selling price due to strong demand. The margin for high-performance and high-tonnage stamping machines declined to 25.5%, from 29.3% for FY09, as overheads from the Group's new manufacturing plant kicked in.

The new plant, dedicated towards the production of high-performance and high-tonnage stamping machines, was completed towards the end of FY09. Having successfully completed the necessary trial run stage in FY10, the Group is currently ramping up its production capacity to meet the growing import substitution trend for high end stamping machines in China.

### **Three-pronged strategy to sustain growth**

Bright World is looking to sustain its strong growth in 2011 by focusing on three areas:-

- The Group intends to build on its success in securing the first contract from Dalian Locomotive and Rolling Stock Co., Ltd. (a subsidiary of China CNR Corporation Limited) to intensify its foray into the PRC locomotive sector. China plans to invest RMB4 trillion in the railway sector over the next 5 years.
- The Group plans to expand its geographical markets by increasing sales activities across northern China and is targeting the growing industrial development in that region.
- The Group will continue its strategy of managing the cost of its raw materials, namely iron and steel, to mitigate against short-term price fluctuations. It will do so by locking in costs with suppliers upon signing contracts with customers, mixed with the bulk purchase of raw materials 3 months in advance.

“We expect the implementation of these strategies, and the underlying strength of the Group's present operations, to place Bright World in an ideal position to benefit from China's continued growth and role as the world's manufacturing base.”

- Mr Shao Jian Jun (“邵建军” ), Chief Executive Officer

### **Proposed Dividend**

To reward shareholders for their continued support for the Group over the years, the Board of Directors is pleased to propose a final dividend amounting to RMB 47.5 million for FY10. This works out to be a dividend of RMB0.119 per share or S\$0.023 per share. The proposed final dividend is subject to shareholders' approval at the Company's Annual General Meeting on the 28 April 2011.

- End -

## **About Bright World Precision Machinery Limited**

Based in Danyang City, Jiangsu Province, PRC, Bright World Precision Machinery Limited (“Bright World” and together with its subsidiaries, the “Group”) is a manufacturer of stamping machines and related components. The Group manufactures both conventional and customised stamping machines to suit the needs of a myriad of industries, including automotive, railway and white goods.

With its vertically integrated operations, customers are assured of quality products and timely reactions to changes in their demands. Bright World has established sales network and service centre in large and medium sizes cities across the PRC and products are even exported to Southeast Asia, Europe, South America and South Africa.

Bright World currently manufactures around two hundred models of stamping machines which are classified into more than 20 product series. Its stamping machines are primarily marketed under the “World” trademark, divided into Conventional, High Performance and High Tonnage stamping machines.

Its latest range of products includes bending, cutting and CNC punching machines. Its products have been recognized in 2009 as “Jiangsu Trustworthy Quality Products”, while its subsidiary – World Precise Machinery (China) Co., Ltd has been awarded “Trustworthy to customers for 2009” by Danyang Consumer Association. It was awarded the ISO 9001:2000 for its quality management efforts since 2004.

For more information please refer to <http://brightworldpmlistedcompany.com/>

## **Issued for and on behalf of Bright World Precision Machinery Limited**

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