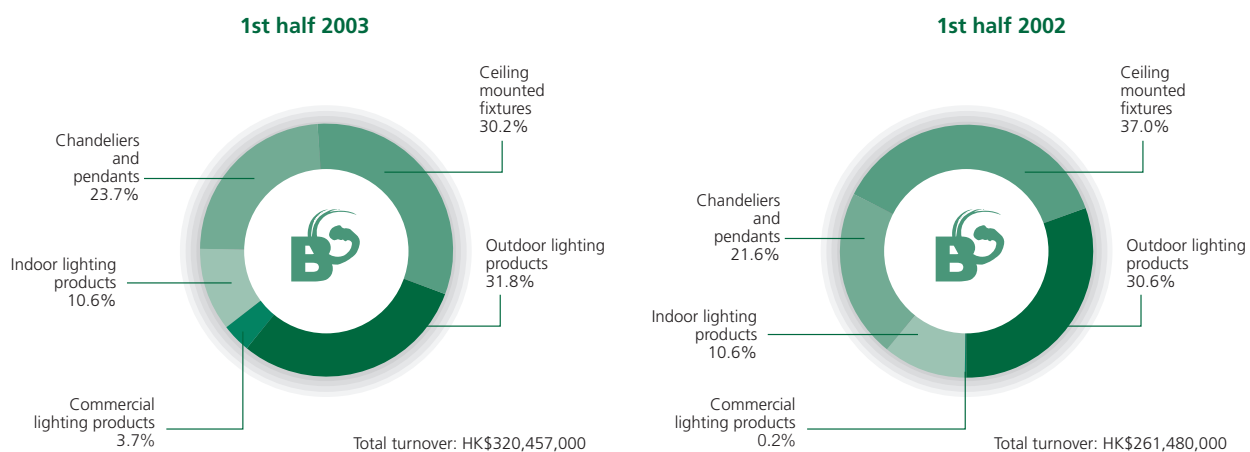


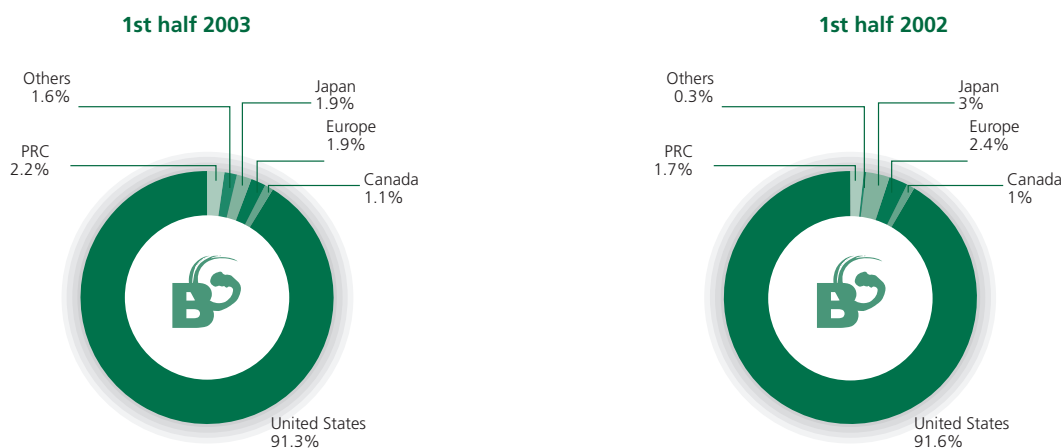
INTERIM RESULTS HIGHLIGHTS:

- Turnover of the Group amounted to HK\$320,457,000, increased by approximately 22%
- Profit attributable to shareholders amounted to HK\$26,963,000
- Turnover from commercial lighting products has significantly increased by approximately 2149%
- The Group continued to explore the PRC market with a steady growth of approximately 56% in turnover.

COMPARISON OF TURNOVER BY PRODUCTS



COMPARISON OF TURNOVER BY MARKETS



INTERIM RESULTS

The Board of Directors (the "Directors") of Bright International Group Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2003 (the "Period"), together with the comparative figures for the corresponding period in 2002 as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Notes	For the six months ended 30 June	
		2003 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000
TURNOVER	3	320,457	261,480
Cost of sales		(235,446)	(181,615)
GROSS PROFIT		85,011	79,865
Other revenue	4	2,461	4,224
Selling and distribution costs		(11,291)	(9,349)
Administrative expenses		(45,291)	(31,679)
Other operating expenses		(3,415)	(2,336)
PROFIT FROM OPERATING ACTIVITIES	5	27,475	40,725
Finance costs	6	(4)	–
PROFIT BEFORE TAX		27,471	40,725
Tax	7	(613)	(610)
PROFIT BEFORE MINORITY INTERESTS		26,858	40,115
Minority interests		105	–
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		26,963	40,115
INTERIM DIVIDEND	8	14,715	29,430
EARNINGS PER SHARE	9		
– BASIC		5.5 HK cents	8.7 HK cents

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	At 30 June 2003 (Unaudited) HK\$'000	At 31 December 2002 (Restated) HK\$'000
NON-CURRENT ASSETS			
Fixed assets		172,239	155,311
Goodwill	10	21,745	6,421
		193,984	161,732
CURRENT ASSETS			
Short term investments		3,015	2,902
Inventories		61,884	39,070
Trade receivables	11	67,875	92,686
Prepayments, deposits and other receivables		30,195	24,047
Pledged time deposits		7,556	7,556
Cash and cash equivalents		98,569	100,388
		269,094	266,649
CURRENT LIABILITIES			
Trade payables	12	67,042	48,253
Provision for tax		16,992	16,992
Other payables and accruals	13	38,542	34,867
Dividend payable		14,715	–
		137,291	100,112
NET CURRENT ASSETS		131,803	166,537
TOTAL ASSETS LESS CURRENT LIABILITIES		325,787	328,269
NON-CURRENT LIABILITIES			
Deferred tax		4,676	4,676
Minority Interests		959	1,065
		320,152	322,528
CAPITAL AND RESERVES			
Share capital	14	49,050	49,050
Reserves		271,102	258,763
Proposed final dividend		–	14,715
		320,152	322,528

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital (Unaudited) HK\$'000	Share premium (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Investment property revaluation reserve (Unaudited) HK\$'000	Fixed asset revaluation reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	Proposed final dividend (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
At 1 January 2002 as previously reported	45,000	27,891	286	1,480	15,493	213	9,000	155,581	254,944
Effect of adoption of revised SSAP 12 "Income Taxes"	-	-	-	(444)	(3,494)	-	-	-	(3,938)
At 1 January 2002 as restated	45,000	27,891	286	1,036	11,999	213	9,000	155,581	251,006
Final 2001 dividend declared	-	-	-	-	-	-	(9,000)	-	(9,000)
New issue of shares	4,050	27,135	-	-	-	-	-	-	31,185
Share issue expenses	-	(774)	-	-	-	-	-	-	(774)
Surplus on revaluation	-	-	-	-	3,297	-	-	-	3,297
Exchange realignment	-	-	-	-	-	127	-	-	127
Net gains and losses not recognised in the profit and loss account	-	-	-	-	3,297	127	-	-	3,424
Effect of adoption of revised SSAP 12 "Income Taxes"	-	-	-	-	(738)	-	-	-	(738)
Net profit for the year	-	-	-	-	-	-	-	76,855	76,855
2002 Interim Dividends	-	-	-	-	-	-	-	(29,430)	(29,430)
Proposed 2002 final dividend	-	-	-	-	-	-	14,715	(14,715)	-
At 31 December 2002	49,050	54,252	286	1,036	14,558	340	14,715	188,291	322,528
At 31 December 2002 and 1 January 2003 as previously reported	49,050	54,252	286	1,480	18,790	340	14,715	188,291	327,204
Effect of adoption of revised SSAP 12 "Income Taxes"	-	-	-	(444)	(4,232)	-	-	-	(4,676)
At 31 December 2002 and 1 January 2003 as restated	49,050	54,252	286	1,036	14,558	340	14,715	188,291	322,528
Final 2002 dividend declared	-	-	-	-	-	-	(14,715)	-	(14,715)
Exchange realignment	-	-	-	-	-	91	-	-	91
Net gains and losses not recognised in the profit and loss account	-	-	-	-	-	91	-	-	91
Net profit for the period	-	-	-	-	-	-	-	26,963	26,963
2003 Interim Dividends	-	-	-	-	-	-	-	(14,715)	(14,715)
At 30 June 2003	49,050	54,252	286	1,036	14,558	431	-	200,539	320,152

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	For the six months ended 30 June	
	2003 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	27,471	40,725
Interest income	(540)	(3,106)
Interest expenses	4	–
Depreciation	5,825	6,323
Amortization of goodwill	947	–
Operating profit before working capital changes	33,707	43,942
Decrease/(increase) in trade receivables	25,720	(7,093)
Increase in prepayments, deposits and other receivables	(5,666)	(15,152)
Increase in inventories	(18,995)	(2,795)
Increase in trade payables	13,592	8,042
Decrease in accruals and other liabilities	(5,361)	(5,790)
Decrease in an amount due to a related company	(36)	(3,242)
Exchange alignment	91	41
Cash generated from operations	43,052	17,953
Interest received	540	3,106
Interest paid	(4)	–
Dividends paid	(14,715)	(9,000)
PRC corporate income tax paid	(613)	(610)
Net cash inflow from operating activities	28,260	11,449
INVESTING ACTIVITIES		
Purchase of fixed assets	(22,645)	(10,619)
Acquisition of a subsidiary	(7,321)	–
Movement in time deposits	9,623	10,436
Receipt of loan receivable	–	6,261
Increase in short term investments	(113)	(20,000)
Redemption of short term investments	–	22,407
Net cash (outflow)/inflow from investing activities	(20,456)	8,485

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	For the six months ended 30 June	
	2003 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000
FINANCING ACTIVITIES		
Proceeds from issue of share capital	–	30,411
Net cash inflow from financing activities	–	30,411
INCREASE IN CASH AND CASH EQUIVALENTS	7,804	50,345
Cash and cash equivalents at beginning of the period	90,765	119,177
CASH AND CASH EQUIVALENTS AT END OF PERIOD	98,569	169,522
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	98,569	160,462
Non-pledged time deposits with original maturity of less than three months when acquired	–	9,060
	98,569	169,522

Notes:

1. Basis of preparation

The unaudited consolidated interim results of the Company for the Period are prepared in accordance with Hong Kong Statement of Standard Accounting Practice (“SSAP”) No. 25 “Interim Financial Reporting” issued by the Hong Kong Society of Accountants and Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. Principal accounting policies

The accounting policies adopted and basis of preparation used in the preparation of these interim results are the same as those used in the annual accounts for the year ended 31 December 2002, except that the Group has changed its accounting policies following the adoption of the revised SSAP No. 12 “Income Taxes” issued by the Hong Kong Society of Accountants, which is effective for accounting periods commencing on or after 1 January 2003.

The effect of the adoption of the revised SSAP No. 12 was detailed in the “Condensed Consolidated Statement of Changes in Equity” to this interim report.

3. Turnover and profit by operating activity and geographical segment

As the principal activity of the Group is solely the design, manufacture and sale of lighting products, an analysis of turnover and profit by operating activity is not presented.

An analysis of turnover by geographical segment is as follows:

	For the six months ended 30 June	
	2003 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000
The United States of America	292,594	239,865
Europe (Germany, France and Scandinavia)	6,200	6,276
Canada	3,418	2,375
Japan	6,243	7,731
The People's Republic of China (the “PRC”)	6,877	4,401
Other countries (including Australia, the Middle East and South Africa)	5,125	832
	320,457	261,480

The contribution to profit by geographical segment is substantially in line with the overall rate of contribution to turnover and, accordingly, an analysis of profit by geographical segment is not presented.

4. Other revenue

	For the six months ended 30 June	
	2003 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000
Exchange gain	582	779
Rental income	276	373
Interest income	540	3,106
Sample income	1,063	503
	<u>2,461</u>	<u>4,761</u>
Loss from disposal of short term investments	–	(537)
	<u>2,461</u>	<u>4,224</u>

5. Profit from operating activities

	For the six months ended 30 June	
	2003 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000
Profit from operating activities is arrived at after charging:		
Depreciation	5,825	6,323
Amortization of goodwill	947	–
	<u>6,772</u>	<u>6,323</u>

6. Finance costs

	For the six months ended 30 June	
	2003 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000
Interest expense	(4)	–
	<u>(4)</u>	<u>–</u>

7. Tax

	For the six months ended 30 June	
	2003 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000
PRC		
Elsewhere		
Corporate income tax	(613)	(610)
Tax charge for the period	<u>(613)</u>	<u>(610)</u>

No provision for Hong Kong profits tax has been made for both periods presented as there were no assessable profits of the Group arising from Hong Kong for both periods. Taxes on profits assessable elsewhere in the PRC have been calculated based on existing legislation, interpretations and practices at the prevailing rates of tax.

The Group did not have any significant unprovided deferred tax liabilities for the period.

8. Interim dividend

The Directors have declared an interim dividend of HK3 cents per share for the six months ended 30 June 2003 (2002: HK6 cents per share) payable to the shareholders whose names appear on the Register of Members of the Company on 25 September 2003. Dividend warrants will be despatched to the shareholders of the Company on or about 2 October 2003.

9. Earnings per share

The calculation of basic earnings per share for the Period is based on the net profit from ordinary activities attributable to shareholders for the Period of approximately HK\$26,963,000 (2002: HK\$40,115,000) and the number of 490,500,000 ordinary shares in issue during the Period (2002: the weighted average number of 463,500,000 ordinary shares).

No diluted earnings per share is presented as the Company does not have any dilutive potential ordinary shares.

10. Goodwill

	(Unaudited) HK\$'000
Cost:	
At 1 January 2002	–
Acquisition of a subsidiary during the year	6,759
At 31 December 2002 and 1 January 2003	6,759
Acquisition of a subsidiary during the period	16,271
At 30 June 2003	23,030
Accumulated amortization:	
At 1 January 2002	–
Amortization provided during the year	338
At 31 December 2002 and 1 January 2003	338
Amortization provided during the period	947
At 30 June 2003	1,285
Net book value:	
At 30 June 2003	21,745
At 31 December 2002	6,421

11. Trade receivables

The aged analysis of trade receivables as at the respective dates, based on invoice date, is as follows:

Ageing analysis	At 30 June 2003		At 31 December 2002	
	Balance (Unaudited) HK\$'000	Percentage	Balance (Audited) HK\$'000	Percentage
1 month	45,072	66.4	55,603	60.0
2-3 months	8,256	12.2	32,373	34.9
4-6 months	5,480	8.1	2,767	3.0
7-12 months	8,043	11.8	1,452	1.6
Over 1 year	1,024	1.5	491	0.5
Total	67,875	100.0	92,686	100.0

Trading terms with customers are largely on credit, except for new customers, where trade deposits, advances or payments in advance are normally required. Invoices are normally payable within 30-60 days of issuance by letters of credit or on an open account basis. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by senior management.

12. Trade payables

The aged analysis of trade payables as at the respective dates is as follows:

Ageing analysis	At 30 June 2003		At 31 December 2002	
	Balance (Unaudited) HK\$'000	Percentage	Balance (Audited) HK\$'000	Percentage
1 – 3 months	57,452	85.7	40,562	84.0
4 – 6 months	2,884	4.3	1,617	3.4
7 – 12 months	1,124	1.7	2,124	4.4
Over 1 year	5,582	8.3	3,950	8.2
Total	67,042	100.0	48,253	100.0

13. Other payables and accruals

	At 30 June 2003 (Unaudited) HK\$'000	At 31 December 2002 (Audited) HK\$'000
Accruals and other liabilities	38,542	34,831
Due to a related company	–	36
	38,542	34,867

The balance with a related company is unsecured, interest-free and has no fixed terms of repayment. It represents reimbursement payable to the related company for expenses paid on behalf of the Group.

14. Share capital

	At 30 June 2003 (Unaudited) HK\$'000	At 31 December 2002 (Audited) HK\$'000
Authorised:		
1,000,000,000 ordinary shares of HK\$0.10 each	100,000	100,000
Issued and fully paid:		
490,500,000 (2002: 490,500,000) ordinary shares of HK\$0.10 each	49,050	49,050

15. Related party transactions

- (a) During the Period, the Group paid hotel room charges and food and beverage charges to a related company, which is beneficially owned by certain Directors, for an aggregate amount of HK\$1,036,000 (for the six months period ended 30 June 2002: HK\$338,000). In the opinion of the Directors, these transactions represented the acquisition of consumer goods and services in the ordinary and normal course of business of the Group on terms similar to those offered by such related company to other third party customers.
- (b) Mr Hsu Chen Shen, Mrs Hsu Wei Jui Yun and Mr Hsu Shui Sheng, Directors of the Company, and Bright Yin Huey Co., Ltd. had executed guarantees for general banking facilities of approximately HK\$25,618,000 (at 30 June 2002: HK\$25,618,000) granted to certain subsidiaries of the Group.

16. Comparative amounts

As explained in note 2 to this interim report, due to the adoption of the revised SSAP12 during the current period, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirement. Accordingly, certain comparative amounts have been reclassified to conform with the current period presentation.

17. Contingent liabilities

At 30 June 2003, the Group had no significant contingent liabilities.

18. Approval of interim financial statements

The condensed consolidated interim financial statements of the Company were approved by the Directors on 4 September 2003.

MANAGEMENT DISCUSSION AND ANALYSIS

• BUSINESS REVIEW

Overview

During the Period, the Group recorded a turnover of approximately HK\$320,457,000, representing an increase of approximately 22% as compared to the corresponding period of last year. The increase in turnover was attributable to the fact that, the Group's major customers continued its policy of opening new DIY stores during the Period coupled with an increase of orders from other existing customers. In addition, the Period under review also witnessed an increase of orders from the Group's new customers.

The outbreak of the Severe Acute Respiratory Syndrome ("SARS") in the second quarter of 2003 has a devastating impact to enterprises across all market segments, especially in the Asia Pacific region. Economic activities dwindled to a complete halt and international travel was almost impossible, especially during the peak of the SARS outbreak. Because of this unexpected reason, the Group's performance in the PRC market has been adversely affected. Scheduled company visits and marketing promotional events have seriously been affected during the SARS outbreak.

In addition, the intensification of market competition and the weak sentiment in the US economy have put pressure on the selling price of the Group's products. Furthermore, the Gulf War has driven up the oil price which in turn led to an increase in the Group's material and production costs. The combination of these demand-supply side factors inevitably brought pressure on the Group's profit.

During the Period, the administrative expenses of the Group increased significantly by 43%. The increase was attributable to the Group's exploration of business opportunities in domestic sales in the PRC as well as the development of professional lighting field for commercial, industrial and public use purposes. During the Period, the Group established a headquarters in Shanghai, which comprises sales, marketing and products development teams for domestic sales and products development. The Group has also set up 6 sales representative offices, which cover a total of 40 cities. In addition, distribution centres have also been set up in Dongguan, Shanghai, Beijing and Chengdu for the development of domestic sales in PRC. They all help building up a strong foundation for the Group's future growth.

Geographical Presence

U.S. Market

Despite scant signs were shown in an immediate recovery of the US economy during the Period, the Group managed to post a 22% growth in the US market.

Home Lighting Market

Orders from the Group's major customers recorded a double-digit growth during the Period. Despite this encouraging performance, the uncertainties in the US economy and intensification of market competition continued to put downward pressure on the selling price of the Group's products, which in turn, hampered the profit margin. Due to the SARS outbreak during the second quarter of 2003, only a small number of customers were willing to schedule company visits to the PRC for viewing the Group's products. As a result, orders for newly developed items have been seriously affected.

In light of this trend, the Group will put significant effort to strengthen its R&D department to minimize the cost of production and develop more new value-added products with higher profit margin which enable the Group to target to the cream of this market. The product design and development team and the sales and marketing team will interact closely together, thereby ensuring the Group's products will be able to cater to the ever-changing market needs, to rein in cost and to manufacture products that are more focused to the Group's target market segment. With these measures in place, the Group targets to increase the product reception rate and to prop up the Group's profit margin.

Exploring business opportunities has always been the Group's primary focus. The Group has reached an agreement with an importing and logistics management company, in which, it will make bulk orders for the Group's products and then distribute to small-to-medium-sized hardware and DIY stores by making use of its logistics and transportation network. It is expected that the integrated approach of combining purchase and delivery will become a prominent trend in the coming few years. Such business model will help penetrate the Group's products on a nationwide basis in the US in a more efficient manner.

Commercial Lighting Market

During the Period, the Group continued to make impressive progress in the commercial lighting market.

During the Period, the Group completed an acquisition of a commercial lighting company in the U.S.. The acquired company possesses well over 20 years of operational experience and extensive expertise in the commercial lighting industry in the U.S.. By leveraging on its experience, extensive marketing distribution and logistics network together with the brand reputation of the acquired company, the Group is confident that the acquisition will provide immediate access for its entrance into the tremendous commercial lighting market in the U.S. and hopes to establish a solid foundation of the Group's future growth.

Meanwhile, the Group has already built up a good partnership relation with a sizeable designing firm which specializes in hotel decoration in the U.S.. The designing firm targets to the chain hotel market in the U.S.. With the consent of the designing firm, the Group will be its sole supplier of lighting fixtures. In addition, a number of projects has reached the final stage of negotiation, and it is expected that these projects will bring a promising stream of revenue to the Group in the second half of 2003.

Canadian Market

For the Period under review, an approximately 44% increase in turnover in the Canadian market was noted as compared to the corresponding period of last year. This increase was mainly due to the significant effort being placed in promoting the Group's products in this market. The Group expected that a steady growth in Canadian market will be achieved in the future.

European Market

Sales in the European market has a slight decrease of approximately 1% during the Period. Impressive development has successfully been made in the Group's collaboration with a German based DIY store, one of the most famous DIY stores in Europe. This German-based DIY store has approximately 460 stores in most of the major cities in Europe and will continue to open new stores on a steady pace. During the Period, satisfactory results were achieved from this DIY store and most of the relevant safety certificates for the items sold to this DIY store have been obtained. The Group expected that a significant upsurge in contribution from this DIY chain store will be noted in the immediate future.

Japanese Market

The anaemic economy in Japan meant that the Group's performance in this market remained sluggish during the Period and an approximately 20% decrease was recorded in the sales in this market as compared to the corresponding period of last year was recorded. The Group only engaged in the home lighting sector in Japanese market in the past. For the Period under review, one of the Group's major customers in Japan, has itself engaged in a certain number of commercial lighting projects, which mainly consisted of hotel lighting projects in Japan. Despite the lengthy negotiation process, the Group has successfully obtained orders from this customer and entered into the commercial lighting sector in Japan. The Group will not only continue to strengthen its clientele, but will also put significant effort to promote its commercial lighting products in this market.

The PRC Market

The Group's development of this market was severely affected by the SARS outbreak in the first half of 2003, when a number of promotional activities and projects have been deferred. Only minimal business contacts were being made. In addition, the economic climate was extremely weak in the PRC during the SARS outbreak, which slowed down the Group's planned schedule in exploring the PRC market.

Franchise Chain Store Sector

As at 30 June 2003, the number of franchise stores reached a total of 64 (as at 31 December 2002: 50), which was well in line with the Group's expectations. These stores are strategically located in the first-to-second-tier cities in the PRC, covering Beijing, Shanghai, Shenyang, Dalian, Tianjin, Wuhan, Hangzhou, Ningbo and Guangzhou. The Group is targeting to establish a total of 230 stores by 2005. The Group is of the opinion that setting up franchise chain stores remains one of the Group's key strategies in deepening the Group's presence as well as raising the Group's brand profile in the PRC market in the most efficient way. To complement with this strategy, the Group had participated in a number of symposiums and seminars. Meanwhile, the Group also launched aggressive marketing and promotion programme in a bid to reinforce the Group's brand profile in the PRC market.

Lighting Project Sector

The Group specializes in projects including hotels, supermarket chains, shopping centres and other infrastructural projects such as airport. The Group has made impressive progress in this sector and for the Period under review, the Group obtained a total of 10 new contracts, representing a 30% increase as compared to the corresponding period of last year.

During the Period, the Group has expended efforts in laying all the groundwork for the fully-fledged development of this tremendous market, culminated by the World Expo in 2010 and Olympic Games in 2008. The Group has set up 6 sales representative offices, which stretch across a total of 40 cities and thus further strengthen the Group's business development on a city-level basis. In addition, distribution centres have also been set up in Dongguan, Shanghai, Beijing and Chengdu, in a bid to ensure prompt delivery while also enabling the Group to manage its inventory level and to contain its costs.

Further enhancement will be made in the Group's R&D to ensure the introduction of a persistent stream of innovative products to meet the ever-changing needs of the end users. In addition, the Group will make sure that its products obtain 100% satisfaction from the customers not only at the point of delivery, but beyond. Thus, enhancing customers' satisfaction will be one of the areas that the Group will focus. With these strategies in place, the Group is very optimistic and it is confident of becoming one of the leading players in the PRC commercial lighting sector in the next three to five years.

• PRODUCTION FACILITIES AND PRODUCT INNOVATION

At present, the Group's phase one die-casting plant has 6 production lines, with a production capacity of approximately 3 million units per year. As the die-casting plant is still in its construction stage, the existing production capacity can satisfy the current needs of the Group and additional production lines can be installed when necessary. The die-casting plant has installed advanced production machineries, so that the Group can focus on high-end and high precision commercial lighting products in the long run and hence will enjoy a higher profit margin.

During the first half of 2003, the Group developed approximately 700 types of new products, with a major focus on the US market.

• PROSPECTS

In light of an increasingly competitive environment as well as the growing pressure on the selling price of the Group's products, the Group has been determined to take bold measures to counter the adverse impact on the Group's profit margin including further product differentiation, better control, upgrade of service quality as well as stepping up of acceleration pace in the PRC market.

The Group will continue to exert efforts in diversifying its product portfolio, with special emphasis on the development of specialty products and value-added products such as LED and solar lighting products. Targeting to the specific needs of DIY stores, the Group will design products that can be easily and conveniently installed.

Focus will also be made in streamlining the Group's supply chain management, in an effort to control inventory and cost in the most efficient manner, while enabling prompt delivery to its customers.

On the PRC market front, the Group will introduce product localization and provide customers with one-stop services, with an aim to becoming the leading lighting products supplier in the PRC.

In view of the PRC's rapid economic growth and the gradual global economic recovery, the Group is optimistic and confident of grasping the emerging business opportunities, and strengthening its leadership role in various markets.

• LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2003, the Group enjoyed a strong liquidity position. Cash on hand and bank balances totalled HK\$106,125,000 and net assets amounted to HK\$320,152,000. The Group had no long term or short term debt. As at 30 June 2003, the Group has pledged time deposits amounted to HK\$7,556,000 for general banking facilities which has not been utilized. Except for the above, the Group has no assets pledged for other purposes. No provisions for bad debt was made during the Period.

• EXPOSURE TO FOREIGN EXCHANGE FLUCTUATION

The Group's business activities were principally denominated in HK dollars, US dollars and Renminbi. The Directors consider the fluctuation among these currencies as minimal and should not expose the Group to excessive currency fluctuation risk.

• CONTINGENT LIABILITIES

At 30 June 2003, the Group had no significant contingent liabilities.

• EMPLOYEE REMUNERATION POLICY

At 30 June 2003, the Group has approximately 1,600 (at 30 June 2002: approximately 1,400) employees. Employees are remunerated according to nature of the job and market trend, with built-in merit component incorporated in the annual increment and year end performance bonus to reward and motivate individual performance.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 23 September 2003 to Thursday, 25 September 2003 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for entitlement to the interim dividend declared, all transfers accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Tengis Limited, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 22 September 2003.

AUDIT COMMITTEE

The Audit Committee of the Company, which comprises the two independent non-executive directors of the Company, has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of these interim results.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

None of the Directors is aware of any information that would reasonably indicate that the Company had not been for any part of the accounting period for the six months ended 30 June 2003, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules, except that the non-executive Directors of the Company are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's bye-laws.

DIRECTORS' INTERESTS IN THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2003, the interests and short positions of the Directors in the shares of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) disclosed in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") were as follows:–

1. Long positions in shares of the Company:

Name of Director	Capacity	Number of ordinary shares interested	Note	Percentage of issued share capital
Mr HSU Chen Shen	Interest in corporation	297,000,000	1	60.55%
Mrs HSU WEI Jui Yun	Interest of spouse	297,000,000	2	60.55%

Note:

- Mr HSU Chen Shen is deemed to be interested in 297,000,000 shares which are held through Bright International Assets Inc., a controlled corporation of Mr HSU Chen Shen pursuant to SFO.
- Mrs HSU WEI Jui Yun is deemed to be interested in the 297,000,000 shares through interests of her spouse, Mr HSU Chen Shen.

2. Long/short positions in shares of the associated corporations:

(a) *Bright International Assets Inc.*

Name of Director	Long/short position	Capacity	Number of ordinary shares held in the associated corporation	Percentage of issued share capital
Mr HSU Chen Shen	Long	Beneficial owner	28	28%
Mr HSU Shui Sheng	Long	Beneficial owner	24	24%
Mr HSU Chin Liang	Long	Beneficial owner	24	24%
Mr HSU Chiang Lung	Long	Beneficial owner	12	12%
Mrs HSU WEI Jui Yun	Long	Interest of spouse	28 (Note)	28%

Note: Mrs HSU WEI Jui Yun is deemed to be interested in the 28 shares through interests of her spouse, Mr HSU Chen Shen.

(b) *Whole Bright Industries (HK) Limited ("WBI (HK)")*

Name of Director	Long/ short position	Capacity	Class of shares	Number of shares held in the associated corporation	Note	Percentage of issued share capital
Mr HSU Chen Shen	Long & short	Beneficial owner	Non-voting deferred	60,000	1	60%
	Long & short	Interest of spouse	Non-voting deferred	40,000	1	40%
	Long	Interest of corporation	Non-voting deferred	100,000	1	100%
	Long	Interest of corporation	Ordinary	2	2	100%
Mrs HSU WEI Jui Yun	Long & short	Beneficial owner	Non-voting deferred	40,000	1	40%
	Long & short	Interest of spouse	Non-voting deferred	60,000	1	60%
	Long	Interest of spouse	Non-voting deferred	100,000	1	100%
	Long	Interest of spouse	Ordinary	2	2	100%

Note:

- 60,000 non-voting deferred shares in WBI (HK) are owned by Mr HSU Chen Shen and 40,000 non-voting deferred shares in WBI (HK) are owned by Mrs HSU WEI Jui Yun. Therefore both of Mr HSU Chen Shen and Mrs HSU WEI Jui Yun have a "long position" of 100,000 non-voting deferred shares in WBI (HK).

Pursuant to an option agreement dated 15 October 1999, Mr HSU Chen Shen and Mrs HSU WEI Jui Yun granted to Bright Group (BVI) Ltd, a subsidiary of the Company, an option to purchase from them 100,000 non-voting deferred shares in WBI (HK). Accordingly, both of Mr HSU Chen Shen and Mrs HSU WEI Jui Yun have a "short position" of 100,000 non-voting deferred shares in WBI (HK).

In addition, as the Company is a controlled corporation (as defined in the SFO) of Mr HSU Chen Shen, Mr HSU Chen Shen is deemed to have a "long position" of 100,000 non-voting deferred shares in WBI (HK) that Bright Group (BVI) Ltd has in such shares of WBI (HK).

By virtue of her spouse's interest, Mrs HSU WEI Jui Yun is also deemed to have a "long position" of 100,000 non-voting deferred shares in WBI (HK) that Bright Group (BVI) Ltd has in such shares of WBI (HK).

- Mr HSU Chen Shen is deemed to be interested in the 2 ordinary shares of WBI (HK) indirectly owned by the Company since the Company is a controlled corporation of Mr HSU Chen Shen. By virtue of her spouse's interest, Mrs HSU WEI Jui Yun is also deemed to be interested in these 2 ordinary shares of WBI (HK).

In addition to the above, a director holds a share in a subsidiary of the Company in a non-beneficial capacity, solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at 30 June 2003, none of the Directors or the Chief Executive of the Company had, under Divisions 7 and 8 of Part XV of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) or any interests which are required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or any interests which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.

INTERESTS OF SUBSTANTIAL SHAREHOLDER

As at 30 June 2003, the following company was interested in more than 5% of the issued share capital of the Company according to the register kept by the Company under Section 336 of the SFO:

Name	Long/short position	Capacity	Number of shares held	Percentage of issued share capital
Bright International Assets Inc. (Note)	Long	Beneficial owner	297,000,000	60.55%

Note: The above interest in the name of Bright International Assets Inc. was also disclosed as interests of Mr. HSU Chen Shen and Mrs HSU WEI Jui Yun respectively in the above section headed "Directors' interests in the Company and its associated corporations".

Save as disclosed above, no person, other than the Directors whose interests are set out in the above section headed "Directors' interests in the Company and its associated corporations", had registered an interest or a short position in the shares and underlying shares of the Company that was required to be recorded under Section 336 of the SFO.

SHARE OPTION SCHEME

In the Company's annual general meeting held on 25 April 2002, an ordinary resolution was passed by the Company's shareholders for adoption of a new share option scheme (which is complied with amended Chapter 17 of the Listing Rules) and termination of the Company's share option scheme adopted on 20 October 1999. No share options have been granted by the Company under any of the above-mentioned share option schemes.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Period.

On behalf of the Board
Hsu Chen Shen
Chairman

Hong Kong, 4 September 2003