

BRIGHT INTERNATIONAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 1163

Interim Report

2010

BRIGHT

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Hsu Chen Shen
(Chairman and Chief Executive Officer)
Mr. Cheung Wai Yin, Wilson
(Vice-Chairman)
Mr. Liu Hui Cai
Mr. Pak Ping Chun
Mr. Yang Hsien Lin
Mr. Lau Chi Yan, Pierre

Independent Non-executive Directors

Mr. Anthony John Earle Grey
Mr. Ma Chun Fung, Horace
Dr. Hsiao Horng Ching
Mr. Cheng Yung Hui

REGISTERED OFFICE

Clarendon House,
2 Church Street,
Hamilton HM 11, Bermuda

HEAD OFFICE & PRINCIPAL PLACE OF BUSINESS

Room 09, 19th Floor, Block B,
Ming Pao Industrial Centre,
18 Ka Yip Street,
Chai Wan, Hong Kong

Pu-Jiang Road, Da-Ban-Di
Industrial Zone, Humen Town,
Dongguan, Guangdong, China

COMPANY SECRETARY

Mr. Tsang Yuk Yan, Nicol

AUTHORIZED REPRESENTATIVES UNDER LISTING RULES

Mr. Hsu Chen Shen
Mr. Pak Ping Chun

AUDITOR

Elite Partners CPA Limited

STOCK CODE & COMPANY'S WEBSITE

1163
www.big1163.com

AUDIT COMMITTEE MEMBERS

Mr. Ma Chun Fung, Horace *(Chairman)*
Dr. Hsiao Horng Ching
Mr. Cheng Yung Hui

REMUNERATION COMMITTEE MEMBERS

Dr. Hsiao Horng Ching *(Chairman)*
Mr. Hsu Chen Shen
Mr. Cheng Yung Hui

PRINCIPAL BANKERS

Bank of SinoPac
Bank of America, N.A.
The Bank of China (Hong Kong) Limited
The Hongkong & Shanghai Banking Corporation Limited

PRINCIPAL SHARE REGISTRAR & PRINCIPAL TRANSFER OFFICE

HSBC Bank Bermuda Limited
6 Front Street,
Hamilton HM 11, Bermuda

HONG KONG BRANCH SHARE REGISTRAR & BRANCH TRANSFER OFFICE

Tricor Tengis Limited
26/F, Tesbury Centre,
28 Queen's Road East,
Wanchai, Hong Kong

INTERIM RESULTS HIGHLIGHTS:

- Turnover for the first half of 2010 amounted to approximately HK\$446,464,000.
- The Group's gross profit for the first half of 2010 amounted to approximately HK\$132,282,000. The gross profit margin for this period was 30%.
- All the segments of the Group recorded a profit for the period under review.

INTERIM RESULTS

The board of directors (the "Board") of Bright International Group Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2010 (the "Period"), together with the comparative figures for the corresponding period in 2009, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 June	
		2010	2009
	Notes	(Unaudited) HK\$'000	(Unaudited) HK\$'000
REVENUE	3	446,464	346,769
Cost of sales		(314,182)	(255,641)
GROSS PROFIT		132,282	91,128
Other income and gains	4	5,197	1,449
Gain on disposal of property, plant and equipment		-	18,070
Gain arising from changes in fair value less estimated point-of-sale costs of timber holdings		-	16,000
Gain on disposal of subsidiaries		21,407	-
Selling and distribution costs		(17,464)	(13,316)
Administrative expenses		(66,472)	(57,588)
Other operating expenses		(6,828)	(4,238)
Operating profit		68,122	51,505
Finance costs	6	(27,333)	(9,361)
PROFIT BEFORE INCOME TAX	5	40,789	42,144
Income tax expense	7	(2,675)	(274)
PROFIT FOR THE PERIOD		38,114	41,870
Profit for the period attributable to:			
Owners of the Company		36,503	41,870
Minority interests		1,611	-
		38,114	41,870
EARNINGS PER SHARE	9		
- BASIC		HK2.7 cents	HK7.8 cents
- DILUTED		HK0.5 cents	HK5.1 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Profit for the period	38,114	41,870
Other comprehensive income:		
Exchange differences eliminated on disposal of subsidiaries	(4,579)	–
Exchange differences arising from translation of foreign subsidiaries	692	8
Total comprehensive income for the period	<u>34,227</u>	<u>41,878</u>
Attributable to:		
Owners of the Company	32,565	41,878
Minority interests	1,662	–
	<u>34,227</u>	<u>41,878</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 30 June 2010 (Unaudited) HK\$'000	At 31 December 2009 (Audited) HK\$'000
<i>Notes</i>		
ASSETS		
Non-Current Assets		
Property, plant and equipment	185,867	178,162
Investment properties	3,850	3,850
Land use rights	34,361	30,669
Biological assets	331,000	331,000
Mining rights	6,498,345	–
Exploration and evaluation assets	72,295	–
Intangible assets	252	–
Goodwill	879,736	9,379
	<u>8,005,706</u>	<u>553,060</u>
Current Assets		
Inventories	104,654	118,512
Trade and bills receivables	166,981	135,392
Financial assets at fair value through profit or loss	–	2,937
Investment deposits	–	30,000
Prepayments, deposits and other receivables	78,189	51,491
Cash and cash equivalents	144,357	172,310
	<u>494,181</u>	<u>510,642</u>
Total Assets	<u><u>8,499,887</u></u>	<u><u>1,063,702</u></u>
EQUITY		
Equity attributable to Company's equity holders		
Share capital	363,907	104,378
Reserves	2,361,219	605,858
	<u>2,725,126</u>	<u>710,236</u>
Minority interest	31,222	–
Total Equity	<u><u>2,756,348</u></u>	<u><u>710,236</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	At	At
	30 June	31 December
	2010	2009
	(Unaudited)	(Audited)
<i>Notes</i>	HK\$'000	HK\$'000
LIABILITIES		
Non-Current Liabilities		
Deferred tax liabilities	206,627	96,646
Provision for land restoration and environmental costs	64,052	–
Convertible notes	4,888,351	–
Promissory notes	306,961	–
	5,465,991	96,646
Current Liabilities		
Bank borrowings	28,009	47,901
Trade payables	120,068	109,970
Other payables and accruals	83,589	54,649
Amount due to a related company	430	430
Provision for tax	45,452	43,870
	277,548	256,820
Total Liabilities	5,743,539	353,466
Total equity and liabilities	8,499,887	1,063,702
Net current assets	216,633	253,822
Total assets less current liabilities	8,222,339	806,882
Net assets	2,756,348	710,236

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

	Share capital	Share premium	Convertible surplus	Convertible notes reserve	Share repurchases reserve	Asset revaluation reserve	Exchange fluctuation reserve	Share based payment reserve	Retained profits	Minority interest	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2009	51,899	68,984	286	-	(857)	27,085	23,482	3,165	309,254	-	483,298
Total comprehensive income for the year	-	-	-	-	-	-	8	-	41,870	-	41,878
Repurchase and cancellation of shares	(608)	(1,481)	-	-	857	-	-	-	-	-	(1,232)
Issue of convertible notes	-	-	-	13,495	-	-	-	-	-	-	13,495
Conversion of convertible notes	22,400	33,600	-	(7,557)	-	-	-	-	-	-	48,443
At 30 June 2009	<u>73,691</u>	<u>101,103</u>	<u>286</u>	<u>5,938</u>	<u>-</u>	<u>27,085</u>	<u>23,490</u>	<u>3,165</u>	<u>351,124</u>	<u>-</u>	<u>585,882</u>
As at 1 January 2010	104,378	194,519	286	-	-	22,201	4,045	821	383,986	-	710,236
Total comprehensive income for the year	-	-	-	-	-	-	(3,887)	-	36,503	1,611	34,227
Exercise of share options	1,029	3,827	-	-	-	-	-	(821)	-	-	4,035
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	29,611	29,611
Issue of convertible notes	-	-	-	573,145	-	-	-	-	-	-	573,145
Conversion of convertible notes	258,500	1,296,500	-	(149,906)	-	-	-	-	-	-	1,405,094
At 30 June 2010	<u>363,907</u>	<u>1,494,846</u>	<u>286</u>	<u>423,239</u>	<u>-</u>	<u>22,201</u>	<u>158</u>	<u>-</u>	<u>420,489</u>	<u>31,222</u>	<u>2,756,348</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash generated from operating activities	62,709	5,735
Net cash (used in)/generated from investing activities	(19,638)	47,632
Net cash used in financing activities	(70,035)	(41,008)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(26,964)	12,359
Cash and cash equivalents at the beginning of the period	171,489	84,613
Effect of foreign exchanges rates changes	(168)	8
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	144,357	96,980
	<hr/> <hr/>	<hr/> <hr/>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	144,357	96,980
	<hr/> <hr/>	<hr/> <hr/>

Notes:

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretation) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principle generally accepted in Hong Kong and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2009.

In current interim period, the Group has applied for the first time the following new or revised standards, amendments and interpretations ("new or revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to the Owners

The Group applies HKFRS 3 (Revised) Business Combinations prospectively to business combination for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As there was no transaction during the current interim period in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs has no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transaction for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

The application of the other new or revised HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 24 (Revised)	Related Party Disclosures ⁴
HKAS 32 (Amendment)	Classification of Rights Issues ²
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ³
HKFRS 9	Financial Instruments ⁵
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ⁴
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments ³

¹ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

² Effective for annual periods beginning on or after 1 February 2010

³ Effective for annual periods beginning on or after 1 July 2010

⁴ Effective for annual periods beginning on or after 1 January 2010

⁵ Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might not affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. REVENUE BY OPERATING SEGMENT

The following is an analysis of the Group's revenue and results by operating segment for the period under review:

For the six months ended 30 June 2010

	Lighting business HK\$'000	Forestry business HK\$'000	Gold mining business HK\$'000	Total HK\$'000
Segment revenue	<u>430,864</u>	<u>2,950</u>	<u>12,650</u>	<u>446,464</u>
Segment results	<u><u>121,887</u></u>	<u><u>2,950</u></u>	<u><u>7,445</u></u>	<u>132,282</u>
Unallocated corporate income				26,604
Unallocated corporate expenses				(90,764)
Finance cost				<u>(27,333)</u>
Profit before taxation				<u><u>40,789</u></u>

For the six months ended 30 June 2009

	Lighting business HK\$'000	Forestry business HK\$'000	Gold mining business HK\$'000	Total HK\$'000
Segment revenue	<u>346,769</u>	<u>–</u>	<u>–</u>	<u>346,769</u>
Segment results	<u><u>91,128</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u>91,128</u>
Unallocated corporate income				35,519
Unallocated corporate expenses				(75,142)
Finance cost				<u>(9,361)</u>
Profit before taxation				<u><u>42,144</u></u>

4. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Gross rental income from investment properties	345	168
Bank interest income	460	451
Dividend income	5	–
Sample income	1,557	830
Exchange gain	2,008	–
Sundry income	822	–
	<u>5,197</u>	<u>1,449</u>

5. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging:

	For the six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Depreciation	11,667	12,734
Impairment loss of goodwill*	4,060	–
Provision for obsolete inventories	4,136	–
Provision for bad and doubtful debt	5,508	–
	<u>25,371</u>	<u>12,734</u>

* Impairment loss of goodwill is included in other operating expenses.

6. FINANCE COSTS

	For the six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Interest on bank overdrafts	48	214
Imputed interest on convertible note	25,818	–
Imputed interests on promissory notes	1,467	9,147
	<u>27,333</u>	<u>9,361</u>

7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Current tax – Mainland China		
Charge for the period	3,181	688
Current tax – Elsewhere		
Refund for the period	(506)	(414)
	<u> </u>	<u> </u>
Total tax charge for the period	<u><u>2,675</u></u>	<u><u>274</u></u>

No provision for Hong Kong profits tax has been made since the Group did not have any assessable profits arising in Hong Kong during the current and prior periods. Taxes on profits assessable elsewhere have been calculated at the prevailing rates of tax based on existing legislation, interpretation and practices.

8. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2010 (2009: Nil).

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the period.

	For the six months ended 30 June	
	2010 (Unaudited)	2009 (Unaudited)
Profit	HK\$36,503,000	HK\$41,870,000
Weighted average number of ordinary shares in issue	1,341,654,965	535,358,254
Basic earnings per share	HK2.7 cents	HK7.8 cents

Diluted earnings per share is calculated by dividing the adjusted profit for the period by the weighted average number of ordinary shares in issue during the period, adjusted for the effects of all dilutive potential shares.

	For the six months ended 30 June	
	2010 (Unaudited)	2009 (Unaudited)
Adjusted profit	HK\$62,321,000	HK\$48,382,000
Dilutive potential ordinary shares	12,587,399,334	935,358,254
Diluted earnings per share	HK0.5 cents	HK5.1 cents

10. TRADE AND BILLS RECEIVABLES

An aging analysis of the trade and bills receivables as at the balance sheet date, based on invoice date and net of provisions, is as follows:

	At 30 June 2010 (Unaudited) HK\$'000	At 31 December 2009 (Audited) HK\$'000
0-30 days	89,494	110,357
31-90 days	75,589	21,379
91-180 days	1,443	2,084
181-360 days	455	1,039
Over 360 days	–	533
	166,981	135,392

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 30-90 days (2009: 30-90 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. Trade receivables are non-interest bearing.

11. TRADE PAYABLES

An aging analysis of the trade payables as at the balance sheet date, based on invoice date, is as follows:

	At 30 June 2010 (Unaudited) HK\$'000	At 31 December 2009 (Audited) HK\$'000
0-90 days	115,738	100,471
91-180 days	179	492
181-360 days	–	2,121
Over 360 days	4,151	6,886
	120,068	109,970

The trade payables are non-interest bearing and are normally settled on 60-day terms.

12. AMOUNT DUE TO A RELATED COMPANY

The amount due to a related company, in which certain directors of the Company have beneficial interest, is unsecured and interest-free and has no fixed terms of repayment. The amount represents reimbursement payable to the related company for expenses and purchases paid on behalf of the Group.

13. SHARE CAPITAL

	At 30 June 2010 (Unaudited) HK\$'000	At 31 December 2009 (Audited) HK\$'000
Authorised:		
25,000,000,000 (2009: 2,000,000,000) ordinary shares of HK\$0.1 each	<u>2,500,000</u>	<u>200,000</u>
Issued and fully paid:		
3,639,065,999 (2009: 1,043,778,000) ordinary shares of HK\$0.1 each	<u>363,907</u>	<u>104,378</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the six months ended 30 June 2010, the Group recorded a turnover in the amount of HK\$446,464,000, which represented an increase of approximately 29% as compared with the corresponding period of last year. The Group's net profit for the period under review in the amount of HK\$38,114,000 represented a decrease of approximately 9%. The basic earnings per share for the period under review amounted to HK2.7 cents.

On completion of the acquisition of certain gold mines in May 2010, the business of the Group can be divided into 3 main segments: lighting segment, forestry segment and gold mining segment. For the period under review, the lighting segment made a significant contribution to the Group's turnover and profit. With respect to the forestry segment, net profit has been recorded since the completion of the forestry business acquisition in early 2009. Although such contribution is currently not significant, the Group believes that, on completion of segment reorganization, rapid growth is expected. For the gold mining segment, a profit was also recorded. Reorganization is in progress and a significant contribution from such segment is expected in the coming future.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Lighting Segment

For the period under review, the export market continued to be the main source of revenue. Turnover from the major customers of the Group, large DIY chain stores in the US, recorded steady growth during the Period. Energy-saving products launched in recent years contributed significantly to the Group's performance. For the commercial lighting division, repeated orders from the third largest commercial lighting supplier in the US was recorded. With respect to the market in the People's Republic of China ("PRC"), certain projects which the Group negotiated with foreign-invested supermarket chain stores last year reached final stages and are expected to be delivered in the second half of 2010. Although performance of the lighting segment was satisfactory, an upsurge trend in cost of sales, especially in labour cost, was noted for the period under review. The Group expects such trend to continue and to exert pressure on the performance of the lighting segment.

Forestry Segment

For the period under review, the Group started off its business in the forestry segment by selling timber in Guangdong Province, China. However, the business had a slow start due to the flat demand for construction material and increasing market competition in the area. The Group will explore opportunities to develop value-added products in order to utilize and enhance the value of our forestry resources.

Gold Mining Segment

On 13 May 2010, the Group completed the acquisition of equity interest in Goldpic Investments Limited which owns 7 gold mines through its subsidiaries in Hebei Province, China ("Hebei Acquisition") and the acquisition of equity interest in Mark Unison Limited which owns 2 gold mines through its subsidiaries in Shandong Province, China ("Shandong Acquisition").

Hebei Acquisition

Chilong Gold Mine

During the Period, a total of 874 tonnes of unprocessed gold ore were sold to customers and the reported revenue and cost of sales are RMB6.4 million and RMB2.5 million respectively. The existing ore processing facility has a daily processing capacity of 50 tonnes. An expansion plan is underway and a new 480 tonnes daily processing plant is scheduled to be constructed, which, on completion, will significantly enhance both quality and quantity of gold concentrates produced.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Gold Mining Segment (continued)

Hebei Acquisition (continued)

Xiangshuigou Gold Mine

During the Period, the total amount of unprocessed gold ore sold to customers was approximately 1,045 tonnes and the reported revenue and cost of sales are RMB4.7 million and RMB2.1 million respectively. Similar to the Chilong gold mine, the construction of a new 480 tonnes daily processing plant is also being planned. On completion, the aggregate daily processing capacity of the existing and new plant will be uplifted to 630 tonnes.

Other Gold Mines

Regarding the remaining five gold mines, namely, Longfeng gold mine, Mazhazi gold mine, Zijin gold mine, Qidaohexiang gold mine and Dayingzi gold mine, there is no commercial production yet. However, the design of the new ore processing plant in Longfeng gold mine with daily processing capacity of about 480 tonnes is close to finalization. The refurbishment of the existing processing facilities in Mazhazi gold mine is also in progress, which will be capable of processing 200 tonnes of gold ore daily. As for the remaining mines, the Group has scheduled the construction of new processing facilities for each mine, with daily ore processing capacity of about 480 tonnes individually in the near future.

In order to intensify investment in the gold mining resources in Longhua County, Hebei Province, the Group and the local government of Longhua County entered into a non-legally binding Strategic Cooperation Framework Agreement (the "Agreement") on 21 June 2010. Pursuant to the Agreement, the local government of Longhua County will procure the integration and reorganization of the gold mine resources in Longhua County. Upon completion, the Group will be given first right of refusal to obtain the exploration licence as well as the permit and licence in relation to the construction of the relevant ore processing plant. The Group expects this strategic cooperation to strengthen its competitive edge in the gold mining business in the PRC.

Shandong Acquisition

Commercial production has not yet commenced for the two acquired gold mines, namely, Sujiakou gold mine and Xiapangezhuang gold mine, during the reporting period. Currently, management is working with professionals to design and construct a new ore processing plant to cater for gold ore concentrates production from these 2 mines.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Prospects

Following the acquisition of certain gold mines in May 2010, the Group will speed up the process of reorganizing and integrating the gold mine segment with other business segments. Despite the increasingly difficult business environment, the Group will continue to seek other opportunities in a prudent manner to diversify its business and increase profit.

Liquidity and Financial Resources

As at 30 June 2010, the Group has a strong liquidity position. Cash on hand and bank balances totaled HK\$144,357,000 (31 December 2009: HK\$172,310,000) and net asset value amounted to approximately HK\$2,756,348,000 (31 December 2009: HK\$710,236,000). The Group had short term interest bearing bank borrowings in the amount of approximately HK\$28,009,000 (31 December 2009: HK\$47,901,000). As at 30 June 2010, the Group had not pledged any time deposits for securing general banking facilities or pledged any assets for other purposes. The gearing ratio of the Group, calculated as the aggregate of total bank borrowings of approximately HK\$28,009,000 (31 December 2009: HK\$47,901,000), promissory notes of approximately HK\$306,961,000 (31 December 2009: Nil) and convertible notes of approximately HK\$4,888,351,000 (31 December 2009: Nil) divided by total assets of approximately HK\$8,499,887,000 (31 December 2009: HK\$1,063,702,000), as at 30 June 2010 was 61% (31 December 2009: 5%). Provision for bad and doubtful debt was made during the Period in the amount of approximately HK\$5,508,000 (31 December 2009: HK\$6,149,000).

Foreign Exchange and Currency Risks

The majority of the Group's trade receivables and trade payables are denominated in US dollars. Due to the fact that the HK dollar is pegged to the US dollar, the Group's exposure to foreign currency risk is low. During the Period, the Group has not issued any financial instruments for hedging purpose.

Contingent Liabilities

As at 30 June 2010, the Group had no significant contingent liabilities (2009: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Employees and Remuneration Policy

As at 30 June 2010, the Group had approximately 1,900 employees (2009: approximately 2,000). We remunerate our employees based on their performance and prevailing industry practice. Remuneration policy and packages are reviewed by the Board on a periodical basis. Bonus and share options may be awarded to employees based on performance evaluation. These are drivers and incentives to encourage individual performance.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2010, the interests of the directors of the Company in the shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long position in issued ordinary shares of the Company

Name of director	Capacity	Number of ordinary shares interested	Percentage [#] of the Company's issued share capital
Mr. Hsu Chen Shen (<i>Note 1</i>)	Interest held by controlled corporation	109,296,000	3.00%
Mr. Cheung Wai Yin, Wilson (<i>Note 2</i>)	Interest held by controlled corporation	100,000,000	2.74%
Mr. Pak Ping Chun	Beneficial owner	5,144,000	0.14%
Mr. Yang Hsien Lin	Beneficial owner	5,144,000	0.14%

Notes:

1. Mr. Hsu Chen Shen was deemed to be interested in 109,296,000 shares of the Company which were held by Wealthy Way Investments Ltd., a controlled corporation of Mr. Hsu pursuant to the SFO.
2. Mr. Cheung Wai Yin, Wilson was deemed to be interested in 100,000,000 shares of the Company which were held by Knight Asia Investments Limited, a controlled corporation of Mr. Cheung pursuant to the SFO.

[#] The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 30 June 2010.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (continued)

In addition to the above, as at 30 June 2010, a director of the Company held a share in a Hong Kong subsidiary of the Company in a non-beneficial capacity for the benefit of the Group, solely for the purpose of complying with the previous minimum company membership statutory requirement.

Save as disclosed above, as at 30 June 2010, none of the directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was deemed or taken to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange; nor had there been any grant or exercise of rights of such interests to/by them during the six months ended 30 June 2010.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2010, the following parties had interests of 5% or more of the issued shares and underlying shares of the Company according to the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

A. Long position in issued ordinary shares of the Company

Name of substantial shareholder	Capacity	Number of ordinary shares interested	Notes	Percentage ^a of the Company's issued share capital
Perfect Direct Limited ^{**}	Beneficial owner	450,000,000	1	12.36
Mr. Mow Tai Loy ^{**}	Interest held by controlled corporation	450,000,000	1	12.36
Ms. Yiu Mei Lan ^{**}	Interest held by spouse	450,000,000	2	12.36
Mr. Mow Yan Loy, Milton ^{**}	Interest held by controlled corporation	450,000,000	1	12.36
Ms. Peggy Wong ^{**}	Interest held by spouse	450,000,000	2	12.36
Super Master Investments Limited ^{**}	Beneficial owner	300,000,000	3	8.24

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (CONTINUED)

A. Long position in issued ordinary shares of the Company (continued)

Name of substantial shareholder	Capacity	Number of ordinary shares interested	Notes	Percentage ^a of the Company's issued share capital
Mr. Cheng Pak Lung ^{**}	Interest held by controlled corporation	300,000,000	3	8.24
New Galaxy Management Limited ^{**}	Beneficial owner	325,000,000	4	8.93
Mount Light International Ltd ^{**}	Interest held by controlled corporation	325,000,000	4	8.93
Growing Up Business Co Ltd ^{**}	Interest held by controlled corporation	325,000,000	4	8.93
Prime Score Group Limited ^{**}	Interest held by controlled corporation	325,000,000	4	8.93
Mr. Chiu Wai Shing ^{**}	Interest held by controlled corporation	325,000,000	4	8.93
Trumpet Victory Limited ^{**}	Beneficial owner	348,012,000	5	9.56
Mr. Lo Man Ching, David ^{**}	Interest held by controlled corporation	348,012,000	5	9.56
Silver Bright Investments Limited ^{**}	Beneficial owner	95,000,000	6	2.61
Mr. Chan Hoi Kwong, Paul ^{**}	Interest held by controlled corporation	95,000,000	6	2.61
Ms. Lee Yup Yip, Peggy ^{**}	Interest held by spouse	95,000,000	7	2.61
Metrolink Holdings Limited ^{**}	Beneficial owner	130,000,000	8	3.57
Ms. Wai Lai Yung ^{**}	Interest held by controlled corporation	130,000,000	8	3.57
Mr. Lai Kui Shing, Andy ^{**}	Interest held by controlled corporation	130,000,000	8	3.57
Ms. Lau Shui Kuen, Lily ^{**}	Interest held by spouse	130,000,000	9	3.57
Hero Year Limited ^{**}	Beneficial owner	150,000,000	10	4.12
Mr. Kong Ho Cheung ^{**}	Interest held by controlled corporation	150,000,000	10	4.12

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (CONTINUED)

A. Long position in issued ordinary shares of the Company (continued)

Notes:

1. These shares were held by Perfect Direct Limited, a controlled corporation of Mr. Mow Tai Loy and Mr. Mow Yan Loy, Milton.
2. Ms. Yiu Mei Lan and Ms. Peggy Wong were deemed to be interested in these shares through the interests of their spouses, Mr. Mow Tai Loy and Mr. Mow Yan Loy, Milton respectively, substantial shareholders of the Company.
3. These shares were held by Super Master Investments Limited, a controlled corporation of Mr. Cheng Pak Lung.
4. These shares were held by New Galaxy Management Limited, a wholly owned subsidiary of Mount Light International Ltd, which in turn was a wholly owned subsidiary of Growing Up Business Co Ltd. Growing Up Business Co Ltd was a wholly owned subsidiary of Prime Score Group Limited, which in turn was a controlled corporation of Mr. Chiu Wai Shing.
5. These shares were held by Trumpet Victory Limited, a controlled corporation of Mr. Lo Man Ching, David.
6. These shares were held by Silver Bright Investments Limited, a controlled corporation of Mr. Chan Hoi Kwong, Paul.
7. Ms. Lee Yup Yip, Peggy was deemed to be interested in these shares through the interest of her spouse, Mr. Chan Hoi Kwong, Paul, a substantial shareholder of the Company.
8. These shares were held by Metrolink Holdings Limited, a controlled corporation of Mr. Lai Kui Shing, Andy and Ms. Wai Lai Yung.
9. Ms. Lau Shui Kuen, Lily was deemed to be interested in these shares through the interest of her spouse, Mr. Lai Kui Shing, Andy, a substantial shareholder of the Company.
10. These shares were held by Hero Year Limited, a controlled corporation of Mr. Kong Ho Cheung.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

B. Long position in the underlying shares of the Company (physically settled unlisted equity derivatives) – convertible notes

Name of substantial shareholder	Capacity	Number of underlying shares in respect of the convertible notes issued	Notes	Percentage [#] of the underlying shares over the Company's issued share capital
Perfect Direct Limited**	Beneficial owner	3,531,666,666	1	97.04
Mr. Mow Tai Loy**	Interest held by controlled corporation	3,531,666,666	1	97.04
Ms. Yiu Mei Lan**	Interest held by spouse	3,531,666,666	2	97.04
Mr. Mow Yan Loy, Milton**	Interest held by controlled corporation	3,531,666,666	1	97.04
Ms. Peggy Wong**	Interest held by spouse	3,531,666,666	2	97.04
Super Master Investments Limited**	Beneficial owner	3,015,000,000	3	82.85
Mr. Cheng Pak Lung**	Interest held by controlled corporation	3,015,000,000	3	82.85
New Galaxy Management Limited**	Beneficial owner	353,333,333	4	9.70
Mount Light International Ltd**	Interest held by controlled corporation	353,333,333	4	9.70
Growing Up Business Co Ltd**	Interest held by controlled corporation	353,333,333	4	9.70
Prime Score Group Limited**	Interest held by controlled corporation	353,333,333	4	9.70
Mr. Chiu Wai Shing**	Interest held by controlled corporation	353,333,333	4	9.70
Trumpet Victory Limited**	Beneficial owner	95,000,000	5	2.61
Mr. Lo Man Ching, David**	Interest held by controlled corporation	95,000,000	5	2.61
A3W Infrastructure Corporation***	Beneficial owner	148,333,333	6	4.07
Silver Bright Investments Limited**	Beneficial owner	293,333,333		8.06
	Interest held by controlled corporation	148,333,333	6	4.07
		441,666,666	7	12.13

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

B. Long position in the underlying shares of the Company (physically settled unlisted equity derivatives) – convertible notes (continued)

Name of substantial shareholder	Capacity	Number of underlying shares in respect of the convertible notes issued	Notes	Percentage [#] of the underlying shares over the Company's issued share capital
Mr. Chan Hoi Kwong, Paul ^{**}	Interest held by controlled corporation	441,666,666	7	12.13
Ms. Lee Yup Yip, Peggy ^{**}	Interest held by spouse	441,666,666	8	12.13
Metrolink Holdings Limited ^{**}	Beneficial owner	451,666,667		12.41
	Interest held by controlled corporation	<u>148,333,333</u>	6	<u>4.07</u>
		600,000,000	9	16.48
Ms. Wai Lai Yung ^{**}	Interest held by controlled corporation	600,000,000	9	16.48
Mr. Lai Kui Shing, Andy ^{**}	Interest held by controlled corporation	600,000,000	9	16.48
Ms. Lau Shui Kuen, Lily ^{**}	Interest held by spouse	600,000,000	10	16.48
Rondo Development Limited	Beneficial owner	326,666,667	11	8.97
Mr. Yip Chun Tung	Interest held by controlled corporation	326,666,667	11	8.97
Hero Year Limited ^{**}	Beneficial owner	58,333,333	12	1.60
Mr. Kong Ho Cheung ^{**}	Interest held by controlled corporation	58,333,333	12	1.60

Notes:

- Mr. Mow Tai Loy and Mr. Mow Yan Loy, Milton were deemed to be interested in these 3,531,666,666 underlying shares of the Company, which may be issued and allotted upon exercise of the conversion rights attaching to the convertible notes in an aggregate principal amount of HK\$2,118,999,999.6 at the initial conversion price of HK\$0.6 per conversion share. Such convertible notes were held by Perfect Direct Limited, a controlled corporation of Mr. Mow Tai Loy and Mr. Mow Yan Loy, Milton.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

B. Long position in the underlying shares of the Company (physically settled unlisted equity derivatives) – convertible notes (continued)

Notes: (continued)

2. Ms. Yiu Mei Lan and Ms. Peggy Wong were deemed to be interested in these underlying shares of the Company through the interests of their spouses, Mr. Mow Tai Loy and Mr. Mow Yan Loy, Milton respectively, substantial shareholders of the Company.
3. Mr. Cheng Pak Lung was deemed to be interested in these 3,015,000,000 underlying shares of the Company, which may be issued and allotted upon exercise of the conversion rights attaching to the convertible notes in an aggregate principal amount of HK\$1,809,000,000 at the initial conversion price of HK\$0.6 per conversion share. Such convertible notes were held by Super Master Investments Limited, a controlled corporation of Mr. Cheng Pak Lung.
4. These 353,333,333 underlying shares of the Company, which may be issued and allotted upon exercise of the conversion rights attaching to the convertible notes in an aggregate principal amount of HK\$211,999,999.8 at the initial conversion price of HK\$0.6 per conversion share, were held by New Galaxy Management Limited. New Galaxy Management Limited was a wholly owned subsidiary of Mount Light International Ltd, which in turn was a wholly owned subsidiary of Growing Up Business Co Ltd. Growing Up Business Co Ltd was a wholly owned subsidiary of Prime Score Group Limited, which in turn was a controlled corporation of Mr. Chiu Wai Shing.
5. Mr. Lo Man Ching, David was deemed to be interested in these 95,000,000 underlying shares of the Company, which may be issued and allotted upon exercise of the conversion rights attaching to the convertible notes in an aggregate principal amount of HK\$57,000,000 at the initial conversion price of HK\$0.6 per conversion share. Such convertible notes were held by Trumpet Victory Limited, a controlled corporation of Mr. Lo Man Ching, David.
6. These 148,333,333 underlying shares, which may be issued and allotted upon exercise of the conversion rights attaching to the convertible notes in an aggregate principal amount of HK\$88,999,999.8 at the initial conversion price of HK\$0.6 per conversion share, were held by A3W Infrastructure Corporation, which was a controlled corporation of Silver Bright Investments Limited and Metrolink Holdings Limited.
7. Mr. Chan Hoi Kwong, Paul was deemed to be interested in these 441,666,666 underlying shares of the Company, which may be issued and allotted upon exercise of the conversion rights attaching to the convertible notes in an aggregate principal amount of HK\$264,999,999.6 at the initial conversion price of HK\$0.6 per conversion share. Out of these underlying shares, the interest in 293,333,333 underlying shares of the Company was held by Silver Bright Investments Limited, a controlled corporation of Mr. Chan Hoi Kwong, Paul; and the interest in 148,333,333 underlying shares was held by A3W Infrastructure Corporation, a controlled corporation of Silver Bright Investments Limited.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

B. Long position in the underlying shares of the Company (physically settled unlisted equity derivatives) – convertible notes (continued)

Notes: (continued)

8. Ms. Lee Yup Yip, Peggy was deemed to be interested in these underlying shares of the Company through the interest of her spouse, Mr. Chan Hoi Kwong, Paul, a substantial shareholder of the Company.
9. Mr. Lai Kui Shing, Andy and Ms. Wai Lai Yung were deemed to be interested in these 600,000,000 underlying shares of the Company, which may be issued and allotted upon exercise of the conversion rights attaching to the convertible notes in an aggregate principal amount of HK\$360,000,000 at the initial conversion price of HK\$0.6 per conversion share. Out of these underlying shares, the interest in 451,666,667 underlying shares was held by Metrolink Holdings Limited, a controlled corporation of Mr. Lai Kui Shing, Andy and Ms. Wai Lai Yung; and the interest in 148,333,333 underlying shares was held by A3W Infrastructure Corporation, a controlled corporation of Metrolink Holdings Limited.
10. Ms. Lau Shui Kuen, Lily was deemed to be interested in these underlying shares of the Company through the interest of her spouse, Mr. Lai Kui Shing, Andy, a substantial shareholder of the Company.
11. Mr. Yip Chun Tung was deemed to be interested in these 326,666,667 underlying shares of the Company, which may be issued and allotted upon exercise of the conversion rights attaching to the convertible notes in an aggregate principal amount of HK\$196,000,000.2 at the initial conversion price of HK\$0.6 per conversion share. Such convertible notes were held by Rondo Development Limited, a controlled corporation of Mr. Yip Chun Tung.
12. Mr. Kong Ho Cheung was deemed to be interested in these 58,333,333 underlying shares of the Company, which may be issued and allotted upon exercise of the conversion rights attaching to the convertible notes in an aggregate principal amount of HK\$34,999,999.8 at the initial conversion price of HK\$0.6 per conversion share. Such convertible notes were held by Hero Year Limited, a controlled corporation of Mr. Kong Ho Cheung.

The percentage represents the number of ordinary/underlying shares interested divided by the number of the Company's issued shares as at 30 June 2010.

These substantial shareholders had interest in both issued shares and underlying shares of the Company.

The percentage of these underlying shares over the Company's issued share capital as at 30 June 2010 was below 5%, but the Company did not receive any notice from this corporation reporting its cessation of having a notifiable interest pursuant to the SFO.

Save as disclosed above, as at 30 June 2010, no person, other than the directors of the Company whose interests are set out in the section headed "Directors' interests and short positions in shares and underlying shares of the Company and its associated corporations" above, had registered an interest or a short position in the shares or underlying shares of the Company as recorded in the register of the Company required to be kept pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants (including but not limited to the directors and employees of the Group) who contribute to the success of the Group's operations.

A summary of movements of share options of the Company during the six months ended 30 June 2010 is set out below:

Option holders	Number of share options outstanding at 1 January 2010	Number of share options granted/ cancelled/ lapsed during the Period	Number of share options exercised during the Period (Note 1)	Number of share options outstanding at 30 June 2010	Date of grant of share options	Exercise period of share options	Exercise price per share option
Employees other than the directors							
In aggregate	10,288,000	-	10,288,000	0	12 June 2008	From 12 June 2008 to 11 June 2010	HK\$0.472
	<u> </u>	<u> </u>	<u> </u>	<u> </u>			

Notes:

1. The weighted average closing price of shares immediately before the dates on which the option were exercised was HK\$0.88.
2. The number and/or exercise price of the share options is/are subject to adjustment in the case of rights or bonus issues, or other changes in the Company's share capital.

PURCHASE, SALE OR REDEMPTION 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.

CORPORATE GOVERNANCE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Board is of the view that the Company has met the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules for the six months ended 30 June 2010, except for the following deviations:

Code provision A.2.1

This code provision stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Hsu Chen Shen currently holds the offices of Chairman and Chief Executive Officer of the Company. Mr. Hsu is the founder of the Group and has about 30 years of experience in the lighting industry. The Board believes that this structure provides the Group with strong and consistent leadership and considers that Mr. Hsu is most capable to guide discussions among Board members on the Group development and planning, leading to more effective and efficient decision making and execution of business strategies on a long-term basis. As such, the structure is beneficial to the business prospects of the Group.

Code provision E.1.2

This code provision stipulates that the chairman of the board of a listed issuer should attend the issuer's annual general meeting. Mr. Hsu Chen Shen, the Chairman of the Company, was unable to attend the Company's 2010 annual general meeting held on 3 May 2010 due to other business engagement. However, he had arranged for Mr. Cheung Wai Yin, Wilson, the Vice-Chairman of the Company, to attend on his behalf and to chair the meeting and communicate with the shareholders of the Company.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS

The Company has adopted its code of conduct regarding directors' dealings in the securities of the Company (the "Own Code") on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all directors of the Company, the directors of the Company have complied with the required standard set out in the Model Code and the Own Code throughout the accounting period covered by the interim report.

The Company has also established written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines") in respect of the dealings in the Company's securities by employees who are likely to be in possession of unpublished price-sensitive information of the Company or its securities.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company throughout the six months ended 30 June 2010.

AUDIT COMMITTEE

The Audit Committee of the Company, which comprises three independent non-executive directors of the Company, namely, Mr. Ma Chun Fung, Horace, Dr. Hsiao Horng Ching and Mr. Cheng Yung Hui, has reviewed the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters, including the review of these interim results.

PROPOSED CHANGE OF COMPANY NAME

On 17 August 2010, the Company announced that, subject to the approval of its shareholders in a special general meeting and the approval by the Registrar of Companies in Bermuda, its Company name shall change from “Bright International Group Limited” to “Dejin Resources Group Company Limited” and a new Chinese name “德金資源集團有限公司” shall be adopted as its secondary name in place of the existing name in Chinese “榮輝集團有限公司” (which was adopted for identification purposes only). The Board believes that the proposed change of the Company name will better reflect the diversified business of the Group in future and provide the Company with a fresh new corporate identity which is in the interests of the Company and its shareholders as a whole. A circular containing, inter alia, details of this proposed change of Company name will be dispatched to the Company’s shareholders in due course.

By order of the Board

Hsu Chen Shen

Chairman

Hong Kong, 17 August 2010