



董事會謹此提呈截至二零零三年十二月三十一日止年度本公司之年報及經審核財務報表。

主要業務

本公司為投資控股公司，而其主要附屬公司及主要聯營公司之業務詳情，分別載於財務報表附註37及38。

附屬公司及聯營公司

有關本公司之主要附屬公司及主要聯營公司於二零零三年十二月三十一日之詳情，分別載於財務報表附註37及38。

業績

本集團截至二零零三年十二月三十一日止年度之業績載於第24頁之綜合收入表。

五年財務概要

本集團截至二零零三年十二月三十一日止年度最近五個財政年度之業績及資產與負債之概要載於第88頁。

物業、機器及設備及投資物業

本集團之物業、機器及設備及投資物業於年內之變動詳情，分別載於財務報表附註14及15。

股本及認股權證

本公司之股本及認股權證於年內之變動詳情載於財務報表附註30。

The directors present their annual report and the audited financial statements of the Company for the year ended 31st December, 2003.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries and principal associates are set out in notes 37 and 38 to the financial statements respectively.

SUBSIDIARIES AND ASSOCIATES

Details of the Company's principal subsidiaries and principal associates at 31st December, 2003 are set out in notes 37 and 38 to the financial statements respectively.

RESULTS

The results of the Group for the year ended 31st December, 2003 are set out in the consolidated income statement on page 24.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years ended 31st December, 2003 is set out on page 88.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements during the year in the property, plant and equipment and investment properties of the Group are set out in notes 14 and 15 to the financial statements respectively.

SHARE CAPITAL AND WARRANTS

Details of movements during the year in the share capital and warrants of the Company are set out in note 30 to the financial statements.



董事會報告

儲備

本集團及本公司於年內之儲備變動詳情載於財務報表附註31。

可分派儲備

於二零零三年十二月三十一日，本公司可分派予股東之儲備金額約為11,654,000港元，包括約207,548,000港元之繳入盈餘，約316,008,000港元之股本削減儲備及約511,902,000港元之累計虧損。

主要客戶及供應商

本集團五大客戶於本年度之總營業額所佔百分比如下：

	%
最大客戶	17.7
五大客戶合計	66.6

本集團五大供應商於本年度之總採購額所佔百分比如下：

	%
最大供應商	26.4
五大供應商合計	70.1

各董事、彼等之聯繫人士或任何股東（就董事所知擁有本公司已發行股本5%以上者）於本集團五大客戶或五大供應商中概無擁有任何權益。

RESERVES

Movements during the year in the reserves of the Group and the Company are set out in note 31 to the financial statements.

DISTRIBUTABLE RESERVES

At 31st December, 2003, the amount of the Company's reserves available for distribution to shareholders was approximately HK\$11,654,000, comprising the contributed surplus of approximately HK\$207,548,000, capital reduction reserve of approximately HK\$316,008,000 and the accumulated losses of approximately HK\$511,902,000.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of the aggregate turnover for the year attributable to the Group's five largest customers is as follows:

	%
The largest customer	17.7
Five largest customers combined	66.6

The percentages of the aggregate purchases for the year attributable to the Group's five largest suppliers is as follows:

	%
The largest supplier	26.4
Five largest suppliers combined	70.1

None of the directors, their associates or any shareholders (which to the knowledge of the directors owned more than 5% of the Company's issued share capital) had any interests in the Group's five largest customers or five largest suppliers.

**董事**

本年度及截至本年報刊發日期在任之董事如下：

執行董事：

向華強先生
陳明英女士
李玉嫦女士

獨立非執行董事：

洪祖星先生
何偉志先生

根據本公司之公司細則第99(A)條，洪祖星先生將於即將舉行之股東週年大會上輪值告退，惟彼合符資格並願意膺選連任。

根據本公司之公司細則，各獨立非執行董事均無特定任期，可留任直至須輪值告退為止。

擬於即將舉行之股東週年大會上膺選連任之董事並無與本公司或其任何附屬公司簽訂任何不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. Heung Wah Keung
Ms. Chen Ming Yin, Tiffany
Ms. Li Yuk Sheung

Independent non-executive directors:

Mr. Hung Cho Sing
Mr. Ho Wai Chi, Paul

Under Bye-law 99(A) of the Company's Bye-laws, Mr. Hung Cho Sing shall retire by rotation at the forthcoming annual general meeting and, being eligible, offers himself for re-election.

The term of office for each independent non-executive director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation (other than statutory compensation).



Directors' Report

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董事會報告

董事之股份及相關股份權益

根據本公司按《證券及期貨條例》（「證券及期貨條例」）第352條存置之登記冊所載，或本公司及香港聯合交易所有限公司（「聯交所」）根據《上市公司董事進行證券交易的標準守則》（「標準守則」）接獲之通知，於二零零三年十二月三十一日，各董事及彼等之聯繫人士所擁有本公司及其相聯法團之股份及相關股份權益如下：

1. 本公司普通股權益

董事姓名 Name of director	身份 Capacity	所持股份數目 Number of shares held	所持權益 百份比約數 Approximate percentage of interests held
向華強先生 Mr. Heung Wah Keung	實益擁有人／配偶之權益／ 受控法團之權益 Beneficial owner/ interest of spouse/ interest of controlled corporation	81,004,410*	26.66
陳明英女士 Ms. Chen Ming Yin, Tiffany	實益擁有人／配偶之權益／ 受控法團之權益 Beneficial owner/ interest of spouse/ interest of controlled corporation	81,004,410*	26.66
李玉嫦女士 Ms. Li Yuk Sheung	實益擁有人 Beneficial owner	16	0.00

上述權益皆為好倉。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31st December, 2003, the interests of the directors and their associates in the shares and the underlying shares of the Company and its associated corporations, as recorded in the register maintained 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 Companies (the "Model Code") were as follows:

1. Interests in ordinary shares of the Company

All interests stated above represent long positions.

* 此等股份當中14,395,000股由向先生持有、7,429,410股由陳女士（向先生之配偶）持有、40,670,000股由陳女士全資擁有之Porterstone Limited（「Porterstone」）持有及18,510,000股由Glenstone Investments Limited全資擁有之多實有限公司（「多實」）持有。Glenstone Investments Limited由Porterstone及向先生分別控制其60%及40%權益。

* These shares are held as to 14,395,000 shares by Mr. Heung, as to 7,429,410 shares by Ms. Chen (the spouse of Mr. Heung), as to 40,670,000 shares by Porterstone Limited ("Porterstone") (a company wholly-owned by Ms. Chen) and as to 18,510,000 shares by Dorest Company Limited ("Dorest") (a company wholly-owned by Glenstone Investments Limited which is in turn controlled as to 60% by Porterstone and as to 40% by Mr. Heung).



董事之股份及相關股份權益 (續)

2. 購買本公司股份之權利

於二零零三年十二月三十一日，本公司董事擁有以下所獲授可認購本公司股份之購股權權益：

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES
(continued)

2. Rights to acquire shares in the Company

As at 31st December, 2003, the directors of the Company had interests in share options to subscribe for shares in the Company granted as follows:

董事姓名 Name of director	行使期 Exercisable period (附註c) (Note c)	每股行使價 Exercise price per share 港元 HK\$	於二零零三年一月一日 尚未行使 Outstanding at 1.1.2003		購股權數目 Number of share options		於二零零三年 十二月三十一日 尚未行使 Outstanding at 31.12.2003 總數 Total	相關股份數目 Number of underlying shares	所持權益 百分比約數 Approximate percentage of interest held
			直接權益 Direct interest	被視為擁有權益 Deemed interest	年內授出 (附註d) Granted during the year (Note d)	Direct interest			
向華強先生 Mr. Heung Wah Keung	21.11.1996-20.11.2006	60.510	337,135	337,134	—	—	674,269	2,692,344	0.89
	28.3.2000-27.3.2010	16.783	461,061	461,062	—	—	922,123		
	2.6.2000-1.6.2010	8.134	208,753	208,753	—	—	417,506		
	16.7.2002-15.7.2012	1.716	110,723	110,723	—	—	221,446		
	17.7.2003-16.7.2013	0.564	—	—	228,500	228,500	457,000		
			1,117,672	1,117,672 (附註a) (Note a)	228,500	228,500 (附註a) (Note a)	2,692,344		
陳明英女士 Ms. Chen Ming Yin, Tiffany	21.11.1996-20.11.2006	60.510	337,134	337,135	—	—	674,269	2,692,344	0.89
	28.3.2000-27.3.2010	16.783	461,062	461,061	—	—	922,123		
	2.6.2000-1.6.2010	8.134	208,753	208,753	—	—	417,506		
	16.7.2002-15.7.2012	1.716	110,723	110,723	—	—	221,446		
	17.7.2003-16.7.2013	0.564	—	—	228,500	228,500	457,000		
			1,117,672	1,117,672 (附註b) (Note b)	228,500	228,500 (附註b) (Note b)	2,692,344		
李玉嫦女士 Ms. Li Yuk Sheung	16.7.2002-15.7.2012	1.716	1,109,557	—	—	—	1,109,557	3,394,557	1.12
	17.7.2003-16.7.2013	0.564	—	—	2,285,000	—	2,285,000		
			1,109,557	—	2,285,000	—	3,394,557		

上述權益皆為好倉。

All interests stated above represent long positions.



董事之股份及相關股份權益 (續)

2. 購買本公司股份之權利 (續)

附註：

- a. 此等購股權由陳女士(向先生之配偶)持有，向先生因此被視為擁有此等購股權。
- b. 此等購股權由向先生持有，陳女士因此被視為擁有此等購股權。
- c. 行使期由授出有關購股權當日開始。
- d. 本公司股份緊接授出日期前之收市價為每股0.57港元。

除上述所披露者外，於二零零三年十二月三十一日，根據證券及期貨條例第352條須予備存之登記冊所記錄或根據標準守則須通知本公司及聯交所之規定，本公司董事及最高行政人員或其聯繫人並無於本公司或任何相關法團(定義見證券及期貨條例第XV部)之任何股份、相關股份及債券中擁有任何權益或淡倉。

除上述所披露者外，本公司或其任何附屬公司於年內任何時間並無參與任何安排，致使本公司之董事、彼等之配偶或未滿18歲之子女可藉購入本公司或任何其他法人團體任何股份或債券而獲益，而彼等亦無行使任何認購證券之權利或行使任何該等權利。

購股權計劃

本公司購股權計劃之詳情及根據購股權計劃所授出可認購本公司每股面值0.05港元之購股權之變動詳情，已載於財務報表附註35。

董事考慮到評估購股權價值涉及多項主觀及不明確的假設，因此並不適宜披露年內授出購股權的價值。董事相信，任何按投機假設而對購股權價值所作的評估並無意義，亦可能構成誤導成份。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (continued)

2. Rights to acquire shares in the Company (continued)

Notes:

- a. These share options are held by Ms. Chen, the spouse of Mr. Heung. Mr. Heung is therefore deemed to be interested in these share options.
- b. These share options are held by Mr. Heung. Ms. Chen is therefore deemed to be interested in these share options.
- c. The exercisable period commenced on the date of grant of the relevant share options.
- d. The closing price of the Company's shares immediately before the date of grant of the share options was HK\$0.57 per share.

Other than as set out above, as at 31st December, 2003, none of the directors or chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or the spouse or children under 18 years of age of such director, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate or had exercised any right to subscribe for the securities or had exercised any such rights.

SHARE OPTION SCHEMES

Particulars of the Company's share option schemes and details of movements in the share options to subscribe for shares of HK\$0.05 each in the Company granted under the share option schemes are set out in note 35 to the financial statements.

The directors consider that it is not appropriate to disclose the value of share options granted during the year since any valuation of the share options would be subject to a number of assumptions that would be subjective and uncertain. The directors believe that the evaluation of share options based upon speculative assumptions would not be meaningful and would be misleading.



關連人士交易及董事於合約之權益

本集團於年內所訂立、且根據聯交所證券上市規則（「上市規則」）之規定並不構成關連交易之重大關連人士交易，及董事於合約之權益詳情載於財務報表附註36。

除上述所披露者外，於年度終結或年內任何時間並無任何由本公司或其任何附屬公司參與訂立而本公司董事直接或間接擁有重大權益之重大合約。

主要股東

於二零零三年十二月三十一日，根據證券及期貨條例第336條本公司須予備存之主要股東登記名冊所記錄，除上文所披露若干董事之權益外，以下股東擁有本公司已發行股本面值5%或以上之權益：

名稱 Name	身份 Capacity	所持股份數目 Number of shares held	所持權益 百份比約數 Approximate percentage of interests held
Porterstone Limited	實益擁有人 Beneficial owner	40,670,000	
	受控法團之權益 Interest of controlled corporation	18,510,000*	
		59,180,000	19.48
Glenstone Investments Limited	受控法團之權益 Interest of controlled corporation	18,510,000*	6.09
安盛羅森堡投資管理亞太有限公司 AXA Rosenberg Investment Management Asia Pacific Limited	投資經理 Investment Manager	17,560,000	5.78

上述權益皆為好倉。

* 此等股份由Glenstone Investments Limited全資擁有之附屬公司多實持有，Glenstone Investments Limited則由Porterstone實益擁有60%權益。

除上文所披露者外，於二零零三年十二月三十一日，本公司並未獲知會有任何其他人士擁有本公司已發行股本5%或以上之權益或淡倉。

RELATED PARTY TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

Details of the significant related party transactions entered into by the Group which do not constitute connected transactions under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and directors' interests in contracts for the year are set out in note 36 to the financial statements.

Other than as disclosed above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2003, the register of substantial shareholders maintained by the Company under Section 336 of the SFO showed that, other than the interests disclosed above in respect of certain directors, the following shareholders had an interest of 5% or more in the issued share capital of the Company:

名稱 Name	身份 Capacity	所持股份數目 Number of shares held	所持權益 百份比約數 Approximate percentage of interests held
Porterstone Limited	實益擁有人 Beneficial owner	40,670,000	
	受控法團之權益 Interest of controlled corporation	18,510,000*	
		59,180,000	19.48
Glenstone Investments Limited	受控法團之權益 Interest of controlled corporation	18,510,000*	6.09
安盛羅森堡投資管理亞太有限公司 AXA Rosenberg Investment Management Asia Pacific Limited	投資經理 Investment Manager	17,560,000	5.78

All interests stated above represent long positions.

* These shares are held by Dorest, a wholly-owned subsidiary of Glenstone Investments Limited which is in turn beneficially owned as to 60% by Porterstone.

Other than as disclosed above, the Company had not been notified of any other interests or short positions representing 5% or more of the Company's issued share capital as at 31st December, 2003.

CHINA STAR ENTERTAINMENT LIMITED

中國星集團有限公司



董事會報告

退休福利計劃

本集團之退休福利計劃詳情載於財務報表附註34。

購買、出售及贖回本公司之上市證券

於年內本公司或其任何附屬公司概無購買、出售或贖回任何本公司之上市證券。

優先購買權

本公司之公司細則或百慕達法例均無有關優先購買權之條文，規定本公司須按持股比例向現有股東發售新股份。

遵守最佳應用守則

董事認為，本公司在截至二零零三年十二月三十一日止整個年度一直遵守上市規則附錄14所載之最佳應用守則，惟非執行董事並無指定任期，而須根據本公司之公司細則規定於本公司股東週年大會上輪席告退並膺選連任。

捐款

本集團年內之捐款為20,000港元。

審核委員會

於二零零三年十二月三十一日，本公司之審核委員會由均為獨立非執行董事之洪祖星先生及何偉志先生組成。

審核委員會之主要職責為與管理層審閱本集團採用之會計準則及慣例，並商討內部監控及財務申報事宜，包括審閱中期及年度財務報表。

RETIREMENT BENEFITS SCHEMES

Particulars of the retirement benefits schemes of the Group are set out in note 34 to the financial statements.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 to the Listing Rules throughout the year ended 31st December, 2003, except that the non-executive directors were not appointed for a specific term since they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the Company's Bye-laws.

DONATIONS

During the year, the Group made donations amounting to HK\$20,000.

AUDIT COMMITTEE

The audit committee of the Company at 31st December, 2003 was comprising Messrs. Hung Cho Sing and Ho Wai Chi, Paul, both being independent non-executive directors.

The principal duties of the audit committee are to review with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including reviews of interim and annual financial statements.

**結算日後事項**

於結算日後發生之重大事項詳情載於財務報表附註39。

核數師

於即將舉行之股東週年大會上將提呈決議案，繼續委任德勤•關黃陳方會計師行為本公司之核數師。

承董事會命
主席
向華強

香港，二零零四年四月二十六日

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events are set out in note 39 to the financial statements.

AUDITORS

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board
Heung Wah Keung
Chairman

Hong Kong, 26th April, 2004