





Leading Edge

OUTLOOK

i-CABLE is a clear leader in the media and telecommunications industries in Hong Kong. The Group's business foundation is solid, its cost structure is competitive and its early investments are paying dividends. It is building for the future and ready to scale new heights.

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2002 will be a challenging year for the Group as economic recovery is still uncertain and as competition will not abate.

The first or early mover advantage the Group enjoys in the provision of Pay TV and Broadband access services has placed it in a good position to compete successfully. Its leadership position in Pay TV is built on a solid customer base and a well-established brand. Its leadership position in

Broadband is built on a very competitive cost structure with significant operating leverage to prevail over the competition.

Combating piracy will remain a priority focus during the year. Looking further ahead, the Group will begin to look at new opportunities following digitisation of its television production and broadcasting facilities from the perspectives of both carriage and content provision.





On the Broadband front, the Group is examining products to upgrade its service, which would enhance operation efficiency as well as facilitate integration with the future voice service. Meanwhile, the trials for Voice over Internet Protocol (VoIP) service have returned good results and will continue with various product vendors before a final decision is made on when to roll out the voice service.

During the year, the Group has begun a trial service to provide a pan-regional satellite channel, targeting the Chinese

communities in the Asia Pacific region. We are currently awaiting results of a landing right application in Mainland China before full scale expansion of the project.

The year that passed has seen the Group not only harvesting results from past investments but also sowing seeds to prepare for the future. When the economy turns around and as the technology and markets are ready, the Group will be ready to take the business to a new height.