

DISCLOSURE OF FURTHER CORPORATE INFORMATION

Set out below is information disclosed pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”):-

(A) Biographical Details of Directors and Senior Managers

(i) Directors

Stephen T. H. Ng, Chairman and Chief Executive Officer (Age: 49)

Mr. Ng became Chairman of the Company in August 2001. He has been a Director, President and Chief Executive Officer and had formerly been Deputy Chairman of the Company since 1999. He is also the deputy chairman and managing director of The Wharf (Holdings) Limited (“Wharf”), deputy chairman of Wheelock and Company Limited (“Wheelock”), a director of Joyce Boutique Holdings Limited (“Joyce”) and chairman, president and chief executive officer of Wharf New T&T Limited (“WNTT”). He serves as a member of the Hong Kong – United States Business Council. Furthermore, he is a director of Wharf Communications Limited (formerly known as Wharf Communications Investments Limited) (“Wharf Communications”) and WF Investment Partners Limited, both of which, as well as Wharf and Wheelock, are each deemed under the Securities (Disclosure of Interests) Ordinance of Hong Kong (the “SDI Ordinance”) to have an interest in the share capital of the Company discloseable to the Company under the provisions of Part II of the SDI Ordinance.

David K. D. Hsu, Director (Age: 59)

Dr. Hsu has been a Director of the Company since 2000. He is also the chairman of Multi-Fineline Electronix, Inc., a circuit manufacturer in U.S.A., a Director of MedicineNet, Inc., Webzter, Inc., California Gastroenterology Network and the former chairman of First Internet Franchise Corporation. Furthermore, he is a member of Orange County Medical Association, American Society of Gastrointestinal Endoscopy and an associate clinical professor of medicine, University of California, Irvine.

Fa Kuang Hu, CBE, JP, Director (Age: 78)

Mr. Hu has been a Director of the Company since 1999. He is also the chairman of Ryoden Development Limited and is a director of Hysan Development Company Limited. Furthermore, he is a member of the Chinese People’s Political Consultative Conference.

Victor C. W. Lo, GBS, JP, Director (Age: 51)

Mr. Lo has been a Director of the Company since 2000. He is also the chairman and chief executive of publicly-listed Gold Peak Industries (Holdings) Limited. He is one of the leading industrialists in the region. Furthermore, he is currently the chairman of the Federation of Hong Kong Industries and the Hong Kong Science and Technology Parks Corporation, a member of Hong Kong’s Council of Advisors on Innovation and Technology, and a council member of the Hong Kong Trade Development Council. He was awarded the Gold Bauhinia Star by the Government of the HKSAR in July 2001.

Dennis T. L. Sun, Director (Age: 51)

Dr. Sun has been a Director of the Company since December 2001. He is the chairman and managing director of publicly-listed China-Hongkong Photo Products Holdings Limited (“CCPH”). He is also a director of Searich Group Limited, which is the controlling shareholder of CPPH. Furthermore, he is the honorary president and chairman of the Hong Kong Photo Marketing Association and also the life honorary advisor of the Photographic Society of Hong Kong. He is also the vice patron of the Community Chest of Hong Kong from 1999 to 2002, a trustee of The Better Hong Kong Foundation and also appointed as a member of Equal Opportunities Commission from 2000 to 2002. Furthermore, he is a council member of the Lingnan University. He was awarded the Bronze Bauhinia Star in 1999.

Paul Y. C. Tsui, Director (Age: 55)

Mr. Tsui has been a Director of the Company since 1999. Mr. Tsui is also an executive director of Wharf, a director of Wheelock, Joyce, Harbour Centre Development Limited, Marco Polo Developments Limited, as well as being the group financial controller of Wheelock and Wharf. Furthermore, he is a director of Wharf Communications, which, as well as Wharf and Wheelock, are each deemed under the SDI Ordinance to have an interest in the share capital of the Company discloseable to the Company under the provisions of Part II of the SDI Ordinance.

Gordon Y. S. Wu, KCMG, FICE, Director (Age: 66)

Sir Gordon Wu has been a Director of the Company since October 2001. He is the chairman and managing director as well as the founder of publicly-listed Hopewell Holdings Limited. He is active in civic and community services, and has received many awards and honours which include, *inter alia*, chairmanship of Hong Kong Polytechnic University Council since 1997 and Hong Kong Port and Maritime Board since 2000, as well as membership of Chinese People’s Political Consultative Conference, PRC since 1983, Hong Kong Trade Development Council since 1997 and Commission on Strategic Development, HKSAR since 1998. He is also a stalwart supporter of his alma mater Princeton University, USA where he earned his Bachelor of Science in Engineering degree in 1958.

(ii) Senior management

Stephen T. H. Ng, Chairman and Chief Executive Officer (Age: 49)

Samuel S. F. Wong, Chief Financial Officer (Age: 40)

Mr. Wong joined Hong Kong Cable Television Limited ("HKC") in 1993 and was appointed Corporate Finance Director in 1995. He became Finance and Corporate Development Director in 1997 to head up the new Finance and Corporate Development Department with responsibilities for finance, planning, investment projects, development of new services and commercial dealings with acquired channels. He was appointed Chief Financial Officer of the Company and HKC in February 2002. Mr. Wong previously worked in Toronto, Canada with the investment and corporate banking group of the Bank of the Nova Scotia and as a chartered accountant with PricewaterhouseCoopers.

May M. G. Fung, Executive Director – Programming Services, HKC (Age: 58)

Ms. Fung joined HKC in 1992 and was appointed Television Operations Director in 1996. She became an executive director, Programming Services of HKC in February 2002. She is responsible for the administration of TV operations at HKC. Prior to joining HKC, Ms. Fung worked at Television Broadcasts Limited from 1967 and has over 30 years' experience in television, media and communications.

Vincent T. Y. Lam, Executive Director – Technology and Network Services, HKC (Age: 51)

Mr. Lam joined Wharf Communications in 1992 as Vice President – Planning, to lead its investment in pay-TV, telecommunications, and related operations in Hong Kong and China. In 1995, Mr. Lam was appointed chief operating officer of i-CABLE Network Limited responsible for the rollout and deployment of cable network infrastructure in Hong Kong. In 1999, Mr. Lam became Strategic Planning Director of HKC, responsible for the legal, regulatory and long-term planning. He was appointed an executive director, Technology and Network Services of HKC in February 2002. Mr. Lam has over 20 years of experience in the telecommunications industry in the United States and Asia. Prior to joining Wharf Communications, Mr. Lam was general manager of business development in Asia for U.S. West International.

Eric Lo, Executive Director – Cable Subscription Services, HKC (Age: 51)

Mr. Lo joined HKC in 1993 as Marketing and Sales Director to create and manage HKC's marketing and sales organisation. He was appointed Cable Operations Director in 1995 and became an executive director, Cable Subscription Services of HKC in February 2002. Mr. Lo has an extensive background in consumer marketing. Prior to joining HKC, Mr. Lo was associated with American Express, Sears Roebuck and The Bank of Montreal.

Benjamin W. S. Tong, Executive Director – Multimedia Services, HKC (Age: 52)

Mr. Tong joined HKC in 1995 to manage the Marketing and Sales Department in the Cable Operations Division. He was appointed Cable Multimedia Services Director in August 1999 to lead the development of the Group's high-speed Internet access service. He became an executive director, Multimedia Services of HKC in February 2002. Mr. Tong has over 20 years of marketing and sales experience in Hong Kong, China and Taiwan. Prior to joining HKC, Mr. Tong was Marketing and Sales Director in Taiwan for American Express.

Garmen K. Y. Chan, Vice President – External Affairs (Age: 48)

Mr. Chan joined Wharf Communications in 1995 as External Affairs Director. He is responsible for formulating and implementing regulatory and external affairs strategies and action plans for the Group. Mr. Chan came from a diverse media background in Hong Kong, having held key positions in English newspapers and local television stations. Mr. Chan was a media consultant prior to joining HKC.

Paul K. S. Lo, Vice President – Human Resources (Age: 46)

Mr. Lo joined HKC in 2000 as Vice President – Human Resources. He has over 20 years of experience in human resources management in a variety of industries, including electronics manufacturing and multinational trading conglomerates. Prior to joining HKC, Mr. Lo was General Manager – Group Human Resources & Communications of Dah Chong Hong Ltd.

Simon K. K. Yu, Vice President – Administration and Audit (Age: 48)

Mr. Yu joined the Wharf Group in 1987 and has held various administration and audit positions in the Wharf Group. He was appointed Corporate Controller-Operations of Wharf Communications in 1992, responsible for operations, accounting, finance, control, administration and personnel. In 1996, Mr. Yu was appointed Administration and Audit Director of HKC.

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Samuel C. C. Tsang, Chief Operating Officer – Global Media In Force Limited (Age: 45)

Mr. Tsang joined Wharf Communications in 1992 as Marketing Consultant to bid for the first cable television licence in Hong Kong. Upon the launch of HKC, he was appointed Enterprises Director to take charge of international programme licensing and advertising sales for the station. He became Chief Operating Officer of Global Media in Force Limited when it was set up in 2000. Mr. Tsang has extensive experience in media and marketing, specialising in new business establishment in China and Hong Kong.

(B) Retirement Scheme and Mandatory Provident Fund

The principal retirement scheme operated by the Group is a defined contribution retirement scheme for its employees, established under a trust deed. Other fellow subsidiaries of the Group also participate in the scheme.

The scheme is funded by contributions from employees and employers. The employees and employers contribute respectively to the scheme sums which represent percentages of the employees' salaries as defined under the trust deed. Forfeited contributions may be utilised by the employers to reduce contributions.

The Group's principal retirement scheme will be closed to new employees joining after October 1, 2000 while existing members of the scheme can continue to accrue future benefits.

Employees joining after October 1, 2000 will participate in the Mandatory Provident Fund ("MPF") with terms as stipulated by the MPF Authority. The Group will also provide voluntary top-up benefits to employees receiving a monthly basic salary exceeding HK\$20,000 which is the relevant income cap as stipulated by the MPF Ordinance.

The Group's retirement scheme costs charged to the profit and loss account during the year ended December 31, 2001 amounted to HK\$32,801,046 (2000: HK\$25,240,981) which were incurred after utilisation of forfeitures to reduce the Group's contributions of HK\$4,098,815 (2000: HK\$10,572,841).

Note: The total employers' cost in respect of the retirement scheme of the Group, including the cost related to the MPF which is not operated by the Group, charged to profit and loss account during the year ended December 31, 2001 amounted to HK\$39,054,236.

(C) Share Option Scheme (the "Scheme") of the Company

(I) Summary of the Scheme

(a) Purpose of the Scheme:

To recognise employees' effort and contributions to the Group's successful business achievements.

(b) Participants of the Scheme:

Any employee in the full time employment of the Group and any Executive Director of the Group approved by the Board of Directors.

(c) (i) Total number of ordinary shares of HK\$1 each in the capital of the Company (the "Shares") available for issue under the Scheme as at December 31, 2001:

201,400,000

(ii) Percentage of the issued share capital that it represents as at December 31, 2001:

10%

(d) Maximum entitlement of each participant under the scheme as at December 31, 2001:

50,350,000

(e) Period within which the Shares must be taken up under an option:

Employees Share Option Plan (“ESOP”)

For ESOP 1 : From April 1, 2001 to Dec 31, 2009.

For ESOP 2 : From July 1, 2002 to Dec 31, 2003.

For ESOP 3 : From July 1, 2002 to Dec 31, 2005.

(f) Minimum period for which an option must be held before it can be exercised:

For ESOP 1:

- (i) The first 20% of the entitlement – on or after April 1, 2001;
- (ii) The next 40% of the entitlement – on or after the date on which it is announced that the Company’s audited consolidated revenue in the preceding financial year has exceeded HK\$2,300 million; and
- (iii) The remaining 40% entitlement – on or after the date on which it is announced that the Company’s audited consolidated revenue in the preceding financial year has exceeded HK\$3,900 million.

For ESOP 2:

- (i) The first 50% of the entitlement – on or after July 1, 2002; and
- (ii) The remaining 50% of the entitlement – on or after April 1, 2003.

For ESOP 3:

- (i) The first 30% of the entitlement – on or after July 1, 2002;
- (ii) The next 30% of the entitlement – on or after July 1, 2003; and
- (iii) The remaining 40% of the entitlement – on or after July 1, 2004.

(g) (i) Price payable on application or acceptance of the option:

HK\$10

- (ii) The period within which payments or calls must or may be made or loans of such purposes must be repaid:
28 days after the offer date of an option.

(h) Basis of determining the exercise price:

Pursuant to rule 17.03 (9) of the Listing Rules, the exercise price must be at least the higher of:

- (i) the closing price of the Shares as stated in the Hong Kong Stock Exchange’s daily quotations sheet on the date of grant, which must be a business day; and
- (ii) the average closing price of the Shares as stated in the Hong Kong Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant.

(i) The remaining life of the scheme :

8 years

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(ii) Details of share options granted

Details of share options granted to Directors of the Company are set out in the section headed “Directors’ interests in shares” in the Report of the Directors.

Particulars, and movements during the financial year, of the Company’s outstanding share options, which were granted to approximately 1,700 employees (including a Director who was granted share options) working under employment contracts that are regarded as “continuous contracts” for the purposes of the Employment Ordinance, are as follows:–

Date granted (Day/Month/Year)	No. of outstanding share options as at 01/01/2001	No. of share options granted during the financial year	No. of share options lapsed during the financial year	No. of outstanding share options as at 31/12/2001	Period during which rights exercisable (Day/Month/Year)	Price per share to be paid on exercise of options	Consi-deration paid for the options granted
(i) 08/02/2000	19,520,000	–	(560,000)	18,960,000	01/04/2001 to 31/12/2009	HK\$10.49	HK\$10
(ii) 19/02/2001	–	34,813,000	(1,812,000)	33,001,000	01/07/2002 to 31/12/2003	HK\$3.30	HK\$10
(iii) 19/02/2001	–	15,221,000	(339,000)	14,882,000	01/07/2002 to 31/12/2005	HK\$3.30	HK\$10
	19,520,000	50,034,000	(2,711,000)	66,843,000			

The closing price of the shares immediately before the date of offer of the share options per (ii) and (iii) above was HK\$3.90 per share.

No share option was exercised or cancelled during the financial year. Apart from the Director and employees mentioned above, no option was granted to any other categories of participants as stated in rule 17.07 of the Listing Rules.

(iii) Valuation of share options granted during the financial year

The share options granted are not recognised in the accounts until they are exercised. The weighted-average value per option granted in 2001 and 2000 estimated at the date of grant using the Black-Scholes Option pricing model was HK\$1.2 and HK\$2.3 respectively. The weighted-average assumptions used are as follows:

	2001	2000
Risk-free rate (per annum)	5.0%	6.8%
Expected life	1.7 to 3.7 years	2.0 to 4.1 years
Volatility (per annum)	30%	35%
Expected dividend yield (per annum)	1%	1%

The Black-Scholes Option pricing model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, such option pricing model requires input of highly subjective assumptions, including the expected stock price volatility. Because the Company’s share options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the Black-Scholes Option pricing model does not necessarily provide a reliable measure of the fair value of the share options.

(D) Major Customers & Suppliers

For the year ended December 31, 2001:

- (I) the aggregate amount of purchases (not including the purchases of items which are of a capital nature) attributable to the Group's five largest suppliers represented less than 30% of the Group's total purchases; and
- (II) the aggregate amount of turnover attributable to the Group's five largest customers represented less than 30% of the Group's total turnover.

(E) Directors' Interests in Competing Business

Set out below is information disclosed pursuant to paragraph 8.10 of the Listing Rules of the Hong Kong Stock Exchange.

Two Directors of the Company, namely, Messrs. S. T. H. Ng and P. Y. C. Tsui, being also directors of WNTT, a wholly-owned subsidiary of Wharf, are considered as having an interest in WNTT under paragraph 8.10 of the Listing Rules.

Part of the communications businesses carried by WNTT constitutes a competing business of the Group.

WNTT currently holds a FTNS licence to provide, *inter alia*, local and international telecommunications services. WNTT is therefore a potential competitor of the Group for the provision of data services at the present and voice services in the future. However, the Group focuses on residential subscribers who are connected by its HFC network while WNTT's focus has since the initial public offering of the Company's shares in November 1999 been mainly on the business market.

In order to protect the interests of the Group, prior to the date of listing of shares of the Company on the Hong Kong Stock Exchange, each of Wharf and Wharf Communications has covenanted with the Company, subject to certain conditions, not to, and to use its best endeavours to procure that none of the directly or indirectly held subsidiaries (including WNTT) and associated companies of Wharf will, either alone or jointly with any other party, directly and indirectly carry on, or be engaged or concerned or interested in or assist, any business in Hong Kong which would compete directly or indirectly with the Pay TV and Internet access businesses of the Group from time to time.

The Group considers that its interests in the relevant sector of its communications businesses is adequately safeguarded and the Group is capable of carrying on its communications businesses independently of WNTT.

For further safeguarding the interests of the Group, the independent non-executive Directors and the Audit Committee of the Company would on a regular basis review the business and operational results of the Group to ensure, *inter alia*, that the Group's communications businesses are and continue to be run on the basis that they are independent of, and at arm's length from, that of the Wharf group.

(F) Compliance with Code of Best Practice

The Company has complied throughout the year the Code of Best Practice as set out in Appendix 14 of the Listing Rules on the Hong Kong Stock Exchange. Nevertheless, certain matters regarding three connected transactions with subsidiaries of Wharf entered into during the year as described in paragraphs (I)2(b), (I)3(b) and (IV)2 on page 84 under the section headed "Disclosure of Connected Transactions", being matters involving conflict of interest of the Company's substantial shareholder, namely, Wharf, were approved by resolutions in writing of the Directors of the Company (being technically as valid as and equivalent to resolutions passed at a Directors' meeting), and not approved by resolutions passed at a full board meeting of the Company as stipulated under paragraph 11 of the abovementioned Code of Best Practice.

(G) Summary of Significant Differences between HK GAAP and US GAAP

The Group's accounting policies conform with accounting principles generally accepted in Hong Kong ("HK GAAP") which differ in certain material respects from accounting principles generally accepted in the United States ("US GAAP"). A summary of significant differences between HK GAAP and US GAAP will be published on the Group's corporate website www.i-cablecomm.com.