

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: 51)

Mr. Ng became Chairman of the Company in August 2001. He has been a Director, President and Chief Executive Officer since 1999 and formerly was the Deputy Chairman of the Company. 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 and chairman, president and chief executive officer of Wharf T&T Limited (“WTT”). He serves as a member of the Hong Kong – United States Business Council and the General Committee of the Hong Kong General Chamber of Commerce.

Fa Kuang Hu, GBS, CBE, JP, Director (Age: 80)

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.

Quinn Y. K. Law, Director (Age: 51)

Mr. Law has been a Director of the Company since April 2003. He is also a director of Wharf, Modern Terminals Limited and WTT.

Victor C. W. Lo, GBS, JP, Director (Age: 53)

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. Furthermore, he is currently chairman of the Hong Kong Science and Technology Parks Corporation, council chairman of The Hong Kong Polytechnic University and chairman of Board of Governors, Hong Kong Design Centre. He is also a member of the Steering Committee on Innovation and Technology, the Greater Pearl River Delta Business Council, the Exchange Fund Advisory Committee 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, BBS, JP, Director (Age: 53)

Dr. Sun has been a Director of the Company since December 2001. He is the chairman and managing director of publicly-listed China Hong Kong Photo Products Holdings Limited. Furthermore, he is the chairman of the Board of Governors of the Hong Kong Arts Centre, deputy chairman of the Hong Kong Management Association and a council member of The City University of Hong Kong. He is also the vice patron of the Community Chest of Hong Kong from 1999 to 2004. He is the honorary chairman of the Hong Kong Photo Marketing Association, the life honorary advisor of the Photographic Society of Hong Kong and the founding member of the China Charity Foundation. He was awarded the Bronze Bauhinia Star in 1999 and appointed as a Justice of the Peace in 2002.

Disclosure of Further Corporate Information *(continued)*



Samuel S. F. Wong, Director and Chief Financial Officer (Age: 42)

Mr. Wong has been a Director of the Company since April 2003. He joined Hong Kong Cable Television Limited (“HKC”) in 1993 and was appointed as the Chief Financial Officer of the Company and of HKC in February 2002. He is currently responsible for finance, corporate development, accounting, planning, treasury, MIS, investor relations, investment projects, and commercial dealings with acquired channels. 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 Price Waterhouse.

Gordon Y. S. Wu, KCMG, FICE, Director (Age: 68)

Sir Gordon Wu has been a Director of the Company since October 2001. He is the chairman 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 City University of Hong Kong since 2004, as well as membership of Chinese People’s Political Consultative Conference, The People’s Republic of China since 1983, and Great Pearl River Delta Business Council since 2004. 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.

Note: Wheelock, Wharf, Diplock Holdings Limited, WF Investment Partners Limited and Wharf Communications Limited (“Wharf Communications”) (of which Mr. S. T. H. Ng and/or Mr. Q. Y. K. Law is/are director(s)) have interests in the share capital of the Company discloseable to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the “SFO”).

(II) Senior management

Stephen T. H. Ng, Chairman and Chief Executive Officer (Age: 51)

Samuel S. F. Wong, Director and Chief Financial Officer (Age: 42)

Vincent T. Y. Lam, Executive Director – Technology and Network Services, HKC (Age: 53)

Mr. Lam joined Wharf Communications in 1992 as Vice President – Planning, to lead its investment in Pay TV and telecommunications. 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 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: 53)

Mr. Lo joined HKC in 1993 as Marketing and Sales Director to create and manage HKC’s marketing and sales operations. He was appointed Cable Operations Director in 1995 when he was put in charge of customer service and technical operations as well. He 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.

Disclosure of Further Corporate Information *(continued)*



Benjamin W. S. Tong, Executive Director – Multimedia Services, HKC (Age: 54)

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, Mainland China and Taiwan. Prior to joining HKC, Mr. Tong was marketing and sales director in Taiwan for American Express.

Siuming Y. M. Tsui (alias: Siuming Tsui), Executive Director – Programming Services, HKC (Age: 50)

Mr. Tsui joined HKC in July 2001 as Chief Operating Officer of i-CABLE Satellite Television Limited, a subsidiary of the Company, to develop satellite television business and programme production in Mainland China. Mr. Tsui was appointed Executive Director, Programming Services of HKC in August 2002. Mr. Tsui was principally responsible for programme development, production and transmission of channels other than the Sports and News platform. Mr. Tsui has extensive managerial and production experience in the media industry. Prior to joining HKC, he was chief executive officer of Sun TV Cyberworks Holdings Limited, senior vice president of Asia Television Limited and chief executive officer of Emperor Movie Group Limited.

Garmen K. Y. Chan, Vice President – External Affairs (Age: 50)

Mr. Chan joined HKC 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.

Ronald Y. C. Chiu, Vice President – News and Sports HKC (Age: 51)

Mr. Chiu joined HKC in 1991 as a member of the pre-licence consultant team. When HKC was awarded the licence in June 1993, Mr. Chiu was appointed Assistant News Controller and was instrumental in the launch of the first 24-hour Cantonese language News Channel in the world. Mr. Chiu was promoted to News Controller in 1994 and appointed as Vice President, News & Sports in 2002, a portfolio giving him also overall responsibility for the planning and production of HKC's sports programmes.

Prior to joining HKC, Mr. Chiu held various senior news positions in the television industry. His experience spans from reporting, editing, news anchoring, to planning and execution of news coverage as well as management of news operation.

Paul K. S. Lo, Vice President – Human Resources and Administration (Age: 48)

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.

Disclosure of Further Corporate Information *(continued)*



Simon K. K. Yu, Vice President – Procurement (Age: 50)

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 and he became Vice President – Procurement of HKC in 2003.

Samuel C. C. Tsang, Chief Operating Officer – Hong Kong Cable Enterprises Limited (Age: 47)

Mr. Tsang joined Wharf Communications in 1992 as marketing consultant to bid for the cable television licence in Hong Kong. In 1995, he was appointed Enterprises Director to take charge of international programme licensing and advertising sales for the station. He became chief operating officer of Hong Kong Cable Enterprises Limited when it was set up in 2000 to take over advertising sales of HKC. Mr. Tsang has extensive experience in media and marketing, specialising in new business establishment in the Mainland China and Hong Kong.

(B) Directors' Interests in Shares

At December 31, 2003, Directors of the Company had the following beneficial interests, all being long positions, in the ordinary shares of the Company, of its parent company, namely, Wharf, and of a subsidiary of Wharf, namely, Harbour Centre Development Limited ("Harbour Centre"), and the percentages which the shares represented to the issued share capital of the Company, Wharf and Harbour Centre respectively:

	No. of Shares (Percentage of Issued Capital)	Nature of Interest
The Company		
Mr. Stephen T. H. Ng	1,065,005 (0.0527%)	Personal interest
Mr. Samuel S. F. Wong	3,000 (0.0001%)	Personal interest
Wharf		
Mr. Stephen T. H. Ng	650,057 (0.0266%)	Personal interest
Harbour Centre		
Mr. F. K. Hu	50,000 (0.0159%)	Corporate interest

Note: The 50,000 shares regarding 'Corporate Interest' in which Mr. F. K. Hu was taken to be interested as stated above was the interest held by a corporation in general meetings of which Mr. Hu was either entitled to exercise (or was taken under Part XV of the SFO to be able to exercise) or control the exercise of one-third or more of the voting power.

Disclosure of Further Corporate Information *(continued)*

Set out below are particulars of interest (all being personal interests) in options to subscribe for ordinary shares of the Company granted under the Share Option Scheme of the Company held by Directors of the Company during the financial year (no movements in such options recorded during the year except that all those options stated below with exercisable period ending on December 31, 2003 lapsed at the end of the financial year):

Name of Director	Date granted (Day/Month/Year)	No. of ordinary shares represented by unexercised options outstanding during the year	Period during which rights exercisable (Day/Month/Year)	Price per share to be paid on exercise of options HK\$	Consideration paid for the options granted HK\$
Mr. Stephen T. H. Ng	(i) 08/02/2000	1,500,000	01/04/2001 to 31/12/2009	10.49	10
	(ii) 19/02/2001	150,000	01/04/2003 to 31/12/2003	3.30	10
	(iii) 19/02/2001	700,000	01/07/2002 to 31/12/2005	3.30	10
Mr. Samuel S. F. Wong	(i) 08/02/2000	700,000	01/04/2001 to 31/12/2009	10.49	10
	(ii) 19/02/2001	65,500	01/04/2003 to 31/12/2003	3.30	10
	(iii) 19/02/2001	241,500	01/07/2003 to 31/12/2005	3.30	10

Except as disclosed above, as recorded in the register kept by the Company under section 352 of the SFO in respect of information required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the SFO or to the Model Code for Securities Transactions by Directors of Listed Companies:

- (i) there were no interests, both long and short positions, held as at December 31, 2003 by any of the Directors or Chief Executive of the Company in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO); and
- (ii) there existed during the financial year no rights to subscribe for any shares, underlying shares and debentures of the Company which were held by any of the Directors or Chief Executive of the Company or any of their spouses or children under 18 years of age nor had there been any exercises during the financial year of any such rights by any of them.

Disclosure of Further Corporate Information *(continued)*



(C) Substantial Shareholders' Interests

Given below are the names of all parties, other than person(s) who is/are Director of the Company, who/ which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital of the Company, the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at December 31, 2003 as recorded in the register kept by the Company under section 336 of the SFO and the percentages which the shares represented to the issued capital of the Company:

	Names	No. of Ordinary Shares (Percentage of Issued Capital)
(i)	Wharf Communications Limited	1,355,261,583 (67.12%)
(ii)	The Wharf (Holdings) Limited	1,356,031,238 (67.16%)
(iii)	Diplock Holdings Limited	1,463,654,999 (72.49%)
(iv)	WF Investment Partners Limited	1,463,822,799 (72.49%)
(v)	Wheelock and Company Limited	1,481,442,626 (73.37%)
(vi)	Bermuda Trust (Guernsey) Limited	1,481,442,626 (73.37%)
(vii)	Marathon Asset Management Limited	102,212,000 (5.06%)

Note: For the avoidance of doubt and double counting, it should be noted that duplication occurs in respect of the shareholdings stated against parties (i) to (vi) above to the extent that the shareholding stated against party (i) above was entirely duplicated or included in that against party (ii) above, with the same duplication of the shareholdings in respect of (ii) in (iii), (iii) in (iv), (iv) in (v) and (v) in (vi).

All the interests stated above represented long positions and as at December 31, 2003, there were no short positions recorded in the said register.

(D) 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 is 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 before capitalisation and charged to the profit and loss account during the year ended December 31, 2003 amounted to HK\$20,835,331 (2002: HK\$33,050,383) which were incurred after utilisation of forfeitures to reduce the Group's contributions of HK\$2,091,170 (2002: HK\$2,825,503).

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, 2003 amounted to HK\$30,939,810 (2002: HK\$40,716,728).

Disclosure of Further Corporate Information *(continued)*

(E) 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, 2003:*

196,689,040

(ii) *Percentage of the issued share capital that it represents as at December 31, 2003:*

9.74%

(d) *Maximum entitlement of each participant under the Scheme as at December 31, 2003:*

No option may be granted to any one employee which if exercised in full would result in the total number of Shares already issued and issuable to him under all the options previously granted to him and the said option exceeding 25% of the maximum aggregate number of Shares in the capital of the Company in respect of which options may at that time be granted under the Scheme.

(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.
For a grant in 2002	:	From Jan 1, 2004 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.

Disclosure of Further Corporate Information *(continued)*



For ESOP 2 (expired on December 31, 2003):

- (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.

For a grant in 2002:

- (i) The first 50% of the entitlement – on or after January 1, 2004; and
 - (ii) The remaining 50% of the entitlement – on or after January 1, 2005.
- (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:*
- 6 years

Disclosure of Further Corporate Information *(continued)*

(II) *Details of share options granted*

Details of share options granted to Directors of the Company are set out in section (B) above.

Particulars, and movements during the financial year of the Company's outstanding share options which were granted to approximately 1,700 employees (two of whom are Directors of the Company), all of whom are working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance and are participants with options not exceeding the respective individual limits, were as follows:

	Date granted (Day/Month/Year)	No. of ordinary shares represented by unexercised options outstanding as at Jan 1, 03	No. of ordinary shares represented by options lapsed/ exercised during the financial year	No. of ordinary shares represented by unexercised options outstanding as at Dec 31, 03	Period during which rights exercisable (or exercisable in different phases) (Day/Month/Year)	Price per share to be paid on exercise of options HK\$
(i)	08/02/2000	17,820,000	(1,550,000)	16,270,000	01/04/2001 to 31/12/2009	10.49
(ii)	19/02/2001	27,243,800	(27,243,800)	–	01/07/2002 to 31/12/2003	3.30
(iii)	19/02/2001	13,099,800	(958,300)	12,141,500	01/07/2002 to 31/12/2005	3.30
(iv)	09/10/2002	380,000	–	380,000	01/01/2004 to 31/12/2005	3.30
		58,543,600	(29,752,100)	28,791,500		

Share options per (ii) above lapsed on December 31, 2003. Except as disclosed above, no share option of the Company was issued, exercised, cancelled, lapsed or outstanding throughout the financial year.

(F) **Major Customers and Suppliers**

For the year ended December 31, 2003:

- (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.



(G) 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 Q. Y. K. Law, being also directors of WTT, a wholly-owned subsidiary of Wharf, are considered as having an interest in WTT under paragraph 8.10 of the Listing Rules.

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

WTT currently holds a FTNS licence to provide, *inter alia*, local and international telecommunications services. WTT 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 hybrid fibre coaxial network while WTT'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 WTT) 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 WTT.

For further safeguarding of 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.

(H) Purchase, Sale or Redemption of Shares

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

(I) Compliance with Code of Best Practice

The Company has complied throughout the financial year with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of the Hong Kong Stock Exchange.