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i-CABLE COMMUNICATIONS LIMITED

(incorporated in Hong Kong with limited liability)

Stock Code: 1097

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the previous announcements of i-CABLE dated 14 December 2012, 18 December 2012 and 29 January 2014 respectively regarding the renewal of various master agreements and entering into of supplemental agreements in respect of certain continuing connected transactions between i-CABLE Group and Wharf Group concerning tenancy/licensing arrangements and provision of services regarding general management, computer and network services, etc..

On 19 December 2014, i-CABLE and/or its subsidiary(ies) and Wharf and/or its subsidiary(ies) entered into the Supplemental Agreements to the Master Tenancy Agreement (which will expire on 31 December 2016), and four other agreements which will all expire on 31 December 2015, namely, the Master Licence Agreement, the D&C Sharing Agreement, the Master Services Agreement and the Management Services Agreement, to extend the duration of the relevant agreements so that they will all expire on 31 December 2017 and to fix the respective aggregate annual cap amounts of the relevant agreements for the extended terms. For avoidance of doubts, there is no change to the respective aggregate annual caps of the existing terms, and all other terms and/or conditions of the original agreements remain unchanged.

As i-CABLE is a 73.8%-owned subsidiary of Wharf, the Agreements and various transactions contemplated and/or governed thereunder constitute continuing connected transactions for i-CABLE under the Listing Rules. The relevant transactions, given the size or value thereof, are exempt from the requirement for shareholders' approval, but are subject to requirements regarding announcement, annual reporting and annual review under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the continuing connected transactions disclosed in the Previous

Announcements relating to, *inter alia*, the Master Tenancy Agreement and the Master Licence Agreement, both dated 14 December 2012 and entered into between i-CABLE and Wharf concerning tenancy/licensing arrangements between i-CABLE Group and Wharf Group, and also the Master Services Agreement and certain other supplemental agreements, all dated 14 December 2012, entered into by i-CABLE and/or its subsidiary(ies) with Wharf and/or its subsidiary(ies) whereby Wharf Group agreed to provide and/or sell to i-CABLE Group (and/or vice versa), *inter alia*, general management, computer and network services. The Master Tenancy Agreement will expire by the end of December 2016 while all the other agreements have a term of three years and will expire by the end of December 2015.

On 19 December 2014, i-CABLE and Wharf entered into the Third Supplemental Master Tenancy Agreement and the Supplemental Master Licence Agreement for the purpose of, *inter alia*, regulating the Lease-in Agreements with the term extended for a further one-year period commencing on 1 January 2017 and the Lease-out Agreements with the term extended for a further two-year period commencing on 1 January 2016 respectively.

Also on 19 December 2014, i-CABLE and/or its subsidiary(ies) entered into the Supplemental Master Services Agreement, the Fifth DCS Supplemental Agreement and the Fifth Supplemental Management Services Agreement with Wharf and/or its subsidiary(ies) to extend the duration of certain existing agreements whereby Wharf Group agreed to provide and/or sell to i-CABLE Group (and/or vice versa), *inter alia*, general management, computer and network services with the term extended for a further two-year period commencing on 1 January 2016.

Details of the Third Supplemental Master Tenancy Agreement, the Supplemental Master Licence Agreement, the Supplemental Master Services Agreement, the Fifth DCS Supplemental Agreement and the Fifth Supplemental Management Services Agreement are set out below.

PARTICULARS OF THE AGREEMENTS

(I) Third Supplemental Master Tenancy Agreement

The Master Tenancy Agreement dated 14 December 2012, as supplemented by the supplemental agreement dated 18 December 2012 and the second supplemental agreement dated 29 January 2014 entered into between i-CABLE and Wharf regulating the Existing Lease-in Agreements between i-CABLE Group and Wharf Group will expire by the end of December 2016. Certain particulars of that Master Tenancy Agreement were disclosed in the Previous Announcements.

According to the Master Tenancy Agreement, it is agreed, *inter alia*, that the annual aggregate amount of rental and/or licence fees payable by i-CABLE Group to Wharf Group and relevant associated/affiliated companies of Wharf under the Lease-in Agreements for use of the premises set out below will be subject to the Master Tenancy Cap Amount of HK\$66.0 million for each of the two years ending 31 December 2015 and 2016 respectively:-

- (1) (a) Factories 1-4 on G/F, 4/F to 12/F (inclusive), portions of 1/F, 2/F and roof top, units 1-7 on 40/F and a unit on 13/F of Cable TV Tower; and

- (b) Various parking spaces in Cable TV Tower;
- (2) Workshop No. E13, 11/F, Block E of Tsing Yi Industrial Centre Phase II, Nos. 1-33 Cheung Tat Road, Tsing Yi, New Territories, Hong Kong;
- (3) Portion of 11/F of World Tech Centre, Kwun Tong, Kowloon, Hong Kong;
- (4) Various units on 3/F of Wheelock House, 20 Pedder Street, Central, Hong Kong;
and
- (5) Shop No. 233, Level 2 Plaza Hollywood, Diamond Hill, Kowloon, Hong Kong.

For reference purpose, the aggregate rents/licence fees paid/payable by i-CABLE Group to Wharf Group and the relevant associated/affiliated companies of Wharf for the years ended/ending 31 December 2013 and 2014 were/would be HK\$44.5 million and HK\$43.7 million respectively.

Other major terms of the Master Tenancy Agreement are as follows:-

- (i) The Master Tenancy Agreement, the duration of which has been revised/extended by two supplemental agreements dated 18 December 2012 and 29 January 2014 respectively, has a term commencing on 1 January 2013 and expiring on 31 December 2016;
- (ii) The Master Tenancy Agreement will automatically be terminated and cease to have any effect in the event of and upon Wharf ceasing to be a substantial shareholder (as defined in the Listing Rules) of i-CABLE, and also provides that in the event of the Master Tenancy Agreement being otherwise terminated or otherwise ceasing to be effective, Wharf will use its best endeavours to arrange for all the agreements for the tenancies/licences covered at the relevant time under the Master Tenancy Agreement and to which the Eligible Landlords are parties to be terminated as soon as practicable; and in the event that for any reason the relevant agreements for the tenancies/licenses are not promptly terminated on the termination of the Master Tenancy Agreement, i-CABLE will take necessary and appropriate action to comply with the relevant requirements of the Listing Rules regarding, *inter alia*, the issue of relevant announcement(s) in respect of the existence of every Individual Lease-in Agreement which would constitute a connected transaction for i-CABLE;
- (iii) During the term of the Master Tenancy Agreement, members of i-CABLE Group may from time to time enter into Individual Lease-in Agreements on agreed terms for renting relevant premises with any of the Eligible Landlords, provided that:-
 - (a) the terms and conditions of the Individual Lease-in Agreements must be negotiated on a case-by-case basis and an arm's length basis as well as on normal commercial terms;
 - (b) each Individual Lease-in Agreement must be for a fixed term of not

more than three years;

- (c) the terms and conditions of each Individual Lease-in Agreement must be no less favourable to the relevant i-CABLE Group member when compared with similar tenancy/licence agreement available from independent third parties for comparable premises; and
- (d) the annual aggregate amount of the rental and/or licence fees for any one year during the term of the Master Tenancy Agreement payable under all of the Lease-in Agreements must not exceed the Master Tenancy Cap Amount;
- (iv) The Master Tenancy Agreement is not to rectify and/or substantiate the Lease-in Agreements. It is an agreement to, *inter alia*, provide for an annual aggregate maximum amount payable by i-CABLE Group for the renting/use of Wharf Group's relevant premises and govern the entry into of any Individual Lease-in Agreements, and the Existing Lease-in Agreements are not and will not be terminated upon the entry into of the Master Tenancy Agreement; and
- (v) Wharf undertakes that in the event that for any financial year during the term of the Master Tenancy Agreement, the relevant aggregate amount of rental and/or licence fees regulated thereunder would exceed the Master Tenancy Cap Amount, Wharf will (unless the relevant cap is duly revised upwards to an adequate amount, subject to the requirements, if any, for such revision being complied with in accordance with the Listing Rules) procure one or more of its relevant subsidiaries to, unconditionally waive any such rental and/or licence fee to the extent that the relevant aggregate amount would remain within the Master Tenancy Cap Amount and, where applicable, any revised cap amount.

The Third Supplemental Master Tenancy Agreement was entered into on 19 December 2014 to revise and supplement the Master Tenancy Agreement to the effect that:-

- (a) the duration of the Master Tenancy Agreement has been further extended for a one-year period commencing on 1 January 2017 and expiring at the end of 31 December 2017; and
- (b) the Aggregate Annual Tenancy Cap Amount has been fixed as HK\$70.0 million applicable to the year ending 31 December 2017.

All other terms and conditions of the Master Tenancy Agreement remain unchanged.

The Aggregate Annual Tenancy Cap Amount is determined with reference to, *inter alia*, the historic rental records in respect of the tenancy/licence arrangements under the Existing Lease-in Agreements and other comparable premises, projected on the basis of the current economic sentiment, and represents the estimated maximum possible relevant annual rental/licence fees payable by i-CABLE Group to Wharf Group and relevant associated/affiliated companies of Wharf having regard to, *inter alia*, anticipated economic conditions in the next several years and taking into account the possibility of future increase in unit rent, plus a suitable cushion.

(II) Supplemental Master Licence Agreement

The Master Licence Agreement dated 14 December 2012 entered into between i-CABLE and Wharf regulating the Existing Lease-out Agreements between i-CABLE Group and Wharf Group will expire by the end of December 2015. Certain particulars of that Master Licence Agreement were disclosed in the announcement dated 14 December 2012.

According to the Master Licence Agreement, it is agreed, *inter alia*, that the annual aggregate amount of licence fees payable by Wharf Group to i-CABLE Group under all of the Lease-out Agreements in relation to, but not limited to, the licences of the following premises for Wharf Group's use will be subject to the Master Licence Cap Amount of HK\$10.0 million in respect of the financial year of i-CABLE ending 31 December 2015:-

- *(1) The northern portion of 12/F of Cable TV Tower;
- *(2) 9/F and parts of 12/F of Cable TV Tower;
- (3) Unit C, 12/F of Yiko Industrial Building, 10 Ka Yip Street, Chai Wan; and
- (4) Portion of 3/F, Oriental Financial Building, 140 Dongfeng Road West, Yuexiu District, Guangzhou.

** Items (1) and (2) above represent part of the premises which have been let by an Eligible Landlord (being a wholly-owned subsidiary of Wharf) to i-CABLE Group under a separate lease, and such premises have been sub-let by i-CABLE Group to other wholly-owned subsidiaries of Wharf.*

For reference purpose, the aggregate licence fees received/receivable by i-CABLE Group from Wharf Group in relation to the use of those premises by the latter for the financial year ended/ending 31 December 2013 and 2014 amounted/would amount to HK\$6.3 million and HK\$6.4 million respectively.

The other terms of the Master Licence Agreement, *mutatis mutandis*, resemble those of the Master Tenancy Agreement as described in paragraphs (i) to (v) under the section "(I) Third Supplemental Master Tenancy Agreement" above.

A Supplemental Master Licence Agreement was entered into on 19 December 2014 to revise and supplement the Master Licence Agreement to the effect that:-

- (a) the duration of the Master Licence Agreement has been extended for a two-year period commencing on 1 January 2016 and expiring at the end of 31 December 2017; and
- (b) the Aggregate Annual Licence Cap Amount has been fixed as HK\$15.0 million applicable to each of the two years ending 31 December 2016 and 2017 respectively.

All other terms and conditions of the Master Licence Agreement remain unchanged.

The Aggregate Annual Licence Cap Amount is determined with reference to, *inter alia*, the historic rental records in respect of the licence arrangements under the Existing Lease-out Agreements and other comparable premises, projected on the basis of the current economic sentiment, and represents the estimated possible aggregate annual licence fees payable by Wharf Group to i-CABLE Group having regard to, *inter alia*, anticipated economic conditions in the next several years and taking into account the possibility of future increase in unit rent, plus a suitable cushion.

(III) Interim Agreement for the Construction and Sharing of Ducts

On 26 February 1997, all the then fixed telecommunications network operators in Hong Kong, namely, HKC, WTT, Hong Kong Telephone Company Limited (now known as PCCW-HKT Telephone Limited), Hutchison Communications Limited (now known as Hutchison Global Communications Limited) and New World Telephone Limited (now known as New World Telecommunications Limited), entered into the C&D Sharing Agreement. Since the date of the C&D Sharing Agreement, the parties have been in the process of negotiating a final agreement, and such negotiations have not yet been concluded to date.

Under the C&D Sharing Agreement, each party, in respect of its attributable share of charges/costs, makes payments to each of the other parties. For the three years ending 31 December 2014, the average annual payments made by HKC to WTT would amount to approximately HK\$0.8 million, and the average annual payments made by WTT to HKC would amount to approximately HK\$0.9 million.

According to the Master Services Agreement mentioned in section “(V) Supplemental Master Services Agreement”, it is agreed, *inter alia*, that the aggregate amount of fees which are payable by HKC to WTT for certain computer, network services, etc., of which the C&D Sharing Services under the C&D Sharing Agreement form part, will be subject to the Master Services Annual Cap I of HK\$40.0 million for the financial year of i-CABLE ending 31 December 2015.

For the two-year period from 1 January 2016 to 31 December 2017, the amounts payable by HKC to WTT and vice versa under the C&D Sharing Agreement will be subject to certain annual aggregate cap amounts as set out below in section “(V) Supplemental Master Services Agreement”.

(IV) Agreement for the Maintenance and Sharing of Ducts, Cables and Ancillary Equipment

Pursuant to the D&C Sharing Agreement dated 1 November 1999 and various supplemental agreements thereto, HKC and WTT agreed to regulate their respective responsibilities and rights in connection with certain Duct Runs, Shared Cables and Ancillary Equipment (as respectively defined in the D&C Sharing Agreement), and it was agreed, *inter alia*, that the D&C Sharing Agreement be in force for a fixed term of three years commencing on 1 January 2013 and ending on 31 December 2015. For the two years ended/ending 31 December 2013 and 2014, respective amounts of HK\$21.1 million and HK\$9.3 million were/would be paid/payable by WTT to HKC under the

D&C Sharing Agreement.

According to the Master Services Agreement mentioned in section “(V) Supplemental Master Services Agreement”, it is agreed, *inter alia*, that the aggregate amount of fees which are payable by WTT to HKC for certain computer, network services, etc., of which the D&C Sharing Services under the D&C Sharing Agreement forms part, will be subject to the Master Services Annual Cap II of HK\$30.0 million for the financial year of i-CABLE ending 31 December 2015.

On 19 December 2014, the Fifth DCS Supplemental Agreement was entered into between HKC and WTT whereby it is agreed, *inter alia*, that the D&C Sharing Agreement be extended for a further fixed term of two years commencing on 1 January 2016 and expiring at the end of 31 December 2017.

For the two-year period from 1 January 2016 to 31 December 2017, the annual fee amounts payable under the D&C Sharing Agreement as revised by the Fifth DCS Supplemental Agreement will be subject to certain annual aggregate cap amounts as set out below in section “(V) Supplemental Master Services Agreement”.

(V) Supplemental Master Services Agreement

The Master Services Agreement dated 14 December 2012 entered into between i-CABLE and Wharf regulating various services agreements for the provision of, *inter alia*, Computer Services, the IAS Orders, the VLS Orders, C&D Sharing Services and D&C Sharing Services will expire by the end of December 2015. For the two years ended/ending 31 December 2013 and 2014, aggregate amounts of approximately HK\$26.8 million and HK\$24.1 million were/would be paid/payable by i-CABLE Group to Wharf Group respectively in respect of the relevant services provided by Wharf Group to i-CABLE Group and aggregate amounts of approximately HK\$26.4 million and HK\$18.6 million were/would be received/receivable by i-CABLE Group from Wharf Group respectively in respect of the relevant services provided by i-CABLE Group to Wharf Group.

A Supplemental Master Services Agreement was entered into on 19 December 2014 between i-CABLE and Wharf whereby it is agreed, *inter alia*, that the aggregate amount of fees for several categories of services, namely, those under the Existing Service Agreements and any relevant Individual Service Agreements, including the Computer Services, the IAS Orders, the VLS Orders, C&D Sharing Services, Telephony Services and Business Process Outsourcing and Support Services which are payable by i-CABLE Group to Wharf Group will be subject to the Aggregate Annual Services Cap Amount I of HK\$50.0 million for each of the two financial years of i-CABLE ending 31 December 2016 and 2017. Furthermore, the Supplemental Master Services Agreement also provides for aggregate amounts of fees payable by Wharf Group to i-CABLE Group in respect of several categories of services, namely, those under the Existing Service Agreements and any relevant Individual Service Agreements, including the Fifth DCS Supplemental Agreement, C&D Sharing Agreement, Guangzhou Office Support Services and Advertising Services to be subject to the Aggregate Annual Services Cap Amount II of HK\$40.0 million in respect of each of those two financial years ending 31 December 2016 and 2017.

The Aggregate Annual Services Cap Amount I is: (i) arrived at by reference to the historic service fees, charges and/or payments paid/payable by i-CABLE Group to Wharf Group under various relevant Service Agreements, which amounted/would amount to approximately HK\$26.8 million and HK\$24.1 million for the financial years ended/ending 31 December 2013 and 2014 respectively; and (ii) projected on the basis of the current economic sentiment, and represents the estimated possible annual fees, charges and/or payments payable by i-CABLE Group to Wharf Group having regard to the anticipated economic conditions in the next several years, plus a suitable cushion.

The Aggregate Annual Services Cap Amount II is: (i) arrived at by reference to the historic service fees, charges and/or payments for the years ended/ending 31 December 2013 and 2014 received/receivable by i-CABLE Group from Wharf Group under various relevant Services Agreements which amounted/would amount to approximately HK\$26.4 million and HK\$18.6 million respectively; and (ii) projected on the basis of the current economic sentiment, and represents the estimated possible annual fees, charges and/or payments receivable by i-CABLE Group from Wharf Group having regard to the anticipated economic conditions in the next several years, plus a suitable cushion.

The other terms of the Master Services Agreement insofar as the Service Agreements, IAS Orders and VLS Orders are concerned, where applicable and *mutatis mutandis*, resemble those of the Master Tenancy Agreement as described in paragraphs (i) to (v) under the section “(I) Third Supplemental Master Tenancy Agreement” above.

(VI) Fifth Supplemental Management Services Agreement

Pursuant to the Management Services Agreement dated 1 November 1999 and various supplemental agreements thereto, Wharf Limited agreed to provide i-CABLE with certain management services, including corporate secretarial services, treasury services, provision of management personnel and other general corporate services. Under a fourth supplemental agreement dated 14 December 2012, it was agreed, *inter alia*, that the Management Services Agreement be in force for a fixed term of three years commencing on 1 January 2013 and ending on 31 December 2015. The total amounts of service fees, exclusive of fee(s) for the service(s) which is/are exempted under the Listing Rules from any and all connected transaction requirements, paid/payable by i-CABLE to Wharf Limited under the Management Services Agreement for the two years ended/ending 31 December 2013 and 2014 were/would be about HK\$9.2 million and HK\$9.0 million respectively.

According to the Management Services Agreement, it is agreed, *inter alia*, that the aggregate amount of fees for the abovementioned management services which are payable by i-CABLE to Wharf Limited will be subject to the Management Services Cap Amount of HK\$12.0 million for the financial year of i-CABLE ending 31 December 2015.

On 19 December 2014, the Fifth Supplemental Management Services Agreement was entered into between i-CABLE and Wharf Limited whereby it is agreed, *inter alia*, that the Management Services Agreement be extended for a further fixed term of two years

commencing on 1 January 2016 and expiring at the end of 31 December 2017 and that the fees payable by i-CABLE to Wharf Limited, other than any fee(s) for the service(s) which is/are exempted under the Listing Rules from any and all connected transaction requirements, will be subject to the Aggregate Annual MS Cap Amount of HK\$15.0 million for each of the two financial years of i-CABLE ending 31 December 2016 and 2017. The Aggregate Annual MS Cap Amount is arrived at basically by reference to the historic fee payable by i-CABLE to Wharf Limited under the Management Services Agreement, projected on the basis of the current economic sentiment, and represent the estimated maximum possible annual fee payable by i-CABLE to Wharf Limited having regard to the anticipated economic conditions in the next several years, plus a suitable cushion.

PAYMENT TERMS

All fees, payments or rental/licence amounts in respect of the Agreements are settled in cash, with: (i) the payments under agreements covered by the Master Tenancy Agreement, as supplemented by, *inter alia*, the Third Supplemental Master Tenancy Agreement, and the Master Licence Agreement, as supplemented by the Supplemental Master Licence Agreement, based on fixed rent with reference to open market rental/prices after taking into account location and vicinity of the premises, market comparables and rents/licence fees for leases with tenants in the same building who are independent third parties, payable monthly in advance; (ii) the payments under the Management Services Agreement, as supplemented by, *inter alia*, the Fifth Supplemental Management Services Agreement, based on fixed amount of fees for respective services determined on a cost basis, payable annually in arrear; and (iii) the payments under all the agreements covered by the Master Services Agreement, as supplemented by the Supplemental Master Services Agreement, based on fixed amount of fees and/or usage for respective services having regard to market rates for similar services offered to independent third parties or prescribed fee schedules or charging rates as agreed between the relevant parties from time to time, payable monthly in arrear.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The directors of i-CABLE believe that:-

- (i) the entering into of the Third Supplemental Master Tenancy Agreement, the Supplemental Master Services Agreement insofar as the Existing Service Agreements, the IAS Orders and the VLS Orders are concerned, the Fifth DCS Supplemental Agreement and the Fifth Supplemental Management Services Agreement is necessary for the continued operation and growth of i-CABLE Group's businesses and is beneficial to i-CABLE and its shareholders as a whole;
- (ii) the entering into of the Supplemental Master Licence Agreement represents the licensing to members of Wharf Group of such premises which are in excess of the current business need of i-CABLE Group, and will continue to generate recurrent rental revenue to i-CABLE Group, and therefore is beneficial to i-CABLE and its shareholders as a whole; and
- (iii) the entering into of the Supplemental Agreements will realign the expiry dates of all the relevant master agreements to 31 December 2017 for administrative efficiency and

therefore is beneficial to i-CABLE and its shareholders as a whole.

REGULATORY ASPECTS

As i-CABLE is a 73.8%-owned subsidiary of Wharf, the entering into of the Agreements and various transactions contemplated and/or governed thereunder constitute continuing connected transactions for i-CABLE under the Listing Rules.

On the basis that all of the applicable percentage ratios in respect of the Aggregate Annual Tenancy Cap Amount, Aggregate Annual Licence Cap Amount, Aggregate Annual Services Cap Amount I, Aggregate Annual Services Cap Amount II and Aggregate Annual MS Cap Amount set out in Rule 14.07 of the Listing Rules for each of the relevant financial years are greater than the 0.1% threshold under Rule 14A.76(1) of the Listing Rules, while all such ratios are below the 5% threshold under Rule 14A.76(2) of the Listing Rules, the transactions are exempt from, *inter alia*, independent shareholders' approval requirement, but are subject to requirements regarding announcement and reporting etc. under Chapter 14A of the Listing Rules. Going forward, during the renewal terms as set out in the Supplemental Agreements, no further announcement will be issued by i-CABLE on each occasion any i-CABLE Group member enters into any Individual Lease-in Agreement, any Individual Lease-out Agreement and/or any Individual Service Agreement with any Wharf Group member or Eligible Landlord, subject to fulfillment of the terms and/or conditions stipulated in the related supplemental master agreements and as mentioned above, particularly the relevant aggregate annual cap amounts not being exceeded.

GENERAL

The directors, including independent non-executive directors, of i-CABLE are of the view that the Agreements and various transactions contemplated and/or governed thereunder are on normal commercial terms with reference to the prevailing market conditions, are fair and reasonable, and in the interests of i-CABLE and its shareholders as a whole. Furthermore, the Agreements were entered into in the ordinary and usual course of business of i-CABLE Group after due negotiations on an arm's length basis with reference to the prevailing market conditions. Two directors of the Company, namely, Mr. Stephen T. H. Ng and Mr. Paul Y. C. Tsui, being also directors and employees of Wharf, are all the directors of i-CABLE who are considered as having a material interest, or having conflict of interest, in the relevant transactions and who have abstained from participating in the approval of the transactions.

The principal business activities of i-CABLE Group are the ownership and operation of advanced broadband distribution infrastructure, creation of multimedia contents and the provision of television and Internet services, and the principal business activities of Wharf Group are ownership of properties for development and letting, investment holding, container terminals as well as communications, media and entertainment.

As at the date of this announcement, the board of directors of i-CABLE comprises Mr. Stephen T. H. Ng, Mr. William J. H. Kwan and Mr. Paul Y. C. Tsui, together with four independent non-executive directors, namely, Mr. Herman S. M. Hu, Mr. Roger K. H. Luk, Mr. Sherman S. M. Tang and Mr. Patrick Y. W. Wu.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings :-

“Advertising Services”	advertising services provided by a member of i-CABLE Group to Wharf Group
“Aggregate Annual Licence Cap Amount”	HK\$15.0 million, being the upper limit for the annual aggregate amount of relevant licence fees payable by Wharf Group to i-CABLE Group for each of the two years ending 31 December 2016 and 2017 as stipulated in the Supplemental Master Licence Agreement
“Aggregate Annual MS Cap Amount”	HK\$15.0 million, being the upper limit for the annual aggregate amount of fees for certain management services, including corporate secretarial services, treasury services, provision of management personnel and other general corporate services payable by i-CABLE to Wharf Limited for each of the two years ending 31 December 2016 and 2017 as stipulated in the Fifth Supplemental Management Services Agreement
“Aggregate Annual Services Cap Amount I”	HK\$50.0 million, being the upper limit for the annual aggregate amount of fees for several categories of services, namely, those under the Existing Service Agreements and any relevant Individual Service Agreements, including the Computer Services, the IAS Orders, the VLS Orders, C&D Sharing Services, Telephony Services and Business Process Outsourcing and Support Services which are payable by i-CABLE Group to Wharf Group for each of the two years ending 31 December 2016 and 2017 as stipulated in the Supplemental Master Services Agreement
“Aggregate Annual Services Cap Amount II”	HK\$40.0 million, being the upper limit for the annual aggregate amount of fees payable by Wharf Group to i-CABLE Group in respect of several categories of services, namely, those under the Existing Service Agreements and any relevant Individual Service Agreements, including the Fifth DCS Supplemental Agreement, C&D Sharing Agreement, Guangzhou Office Support Services and Advertising Services for each of the two years ending 31 December 2016 and 2017 as stipulated in the Supplemental Master Services Agreement
“Aggregate Annual Tenancy Cap Amount”	HK\$70.0 million, being the upper limit for the annual aggregate amount of relevant rents/licence fees payable by i-CABLE Group to Wharf Group and other Eligible Landlord(s) (if any) which is/are not member(s) of Wharf Group for the year ending 31 December 2017 as stipulated in the Third Supplemental Master Tenancy Agreement

“Agreements”	the Master Tenancy Agreement, the Master Licence Agreement, the D&C Sharing Agreement, the Master Services Agreement and the Management Services Agreement, together with the Supplemental Agreements
“Business Process Outsourcing and Support Services”	business data process outsourcing and support services provided by a member of Wharf Group to HKC
“C&D Sharing Agreement”	the interim agreement dated 26 February 1997 entered into by HKC, WTT, Hong Kong Telephone Company Limited (now known as PCCW-HKT Telephone Limited), Hutchison Communications Limited (now known as Hutchison Global Communications Limited) and New World Telephone Limited (now known as New World Telecommunications Limited) in respect of the multi-party arrangements for the construction and the sharing and maintenance of ducts for telecommunications cables and equipment in Hong Kong
“C&D Sharing Services”	construction, sharing and maintenance of ducts for telecommunications cables and equipment in Hong Kong
“Cable TV Tower”	Cable TV Tower situated at 9 Hoi Shing Road, Tsuen Wan, Hong Kong
“Computer Services”	information technology and telecommunications services and solutions, software and hardware sourcing and purchasing agency services including without limitation network design and implementation, maintenance and support services for application, billing services, software solutions and technical services
“D&C Sharing Agreement”	the agreement dated 1 November 1999 between HKC and WTT in respect of the regulation of their respective responsibilities and rights in connection with certain Duct Runs, Shared Cables and Ancillary Equipment (as respectively defined in the D&C Sharing Agreement)
“D&C Sharing Services”	maintenance and sharing of Duct Runs, Shared Cables and Ancillary Equipment (as respectively defined in the D&C Sharing Agreement) provided to WTT
“Datalines”	Internet backbone and Ethernet connection
“Eligible Landlord(s)”	all Wharf Group members and all those associated/affiliated companies of Wharf which are connected persons (as defined under the Listing Rules) of i-CABLE during the term of the Master Tenancy Agreement (as further supplemented by the Third Supplemental Master Tenancy Agreement), or any one of them, which let properties to i-CABLE Group

“Existing Lease-in Agreements”	the existing tenancy/licence agreements entered into between member(s) of i-CABLE Group and the Eligible Landlords in respect of renting and licensing to use by i-CABLE Group of certain premises owned by the Eligible Landlords
“Existing Lease-out Agreements”	the existing licence agreements entered into between member(s) of each of i-CABLE Group and Wharf Group in respect of licensing of certain premises for Wharf Group’s use
“Existing Service Agreements”	the existing service agreements entered into between i-CABLE Group and Wharf Group whereby the relevant Wharf Group members agreed to provide, among others, the Computer Services, the IAS Orders, the VLS Orders, C&D Sharing Services, Telephony Services and Business Process Outsourcing and Support Services, etc. to the relevant i-CABLE Group members; and vice versa, C&D Sharing Services, office support services and Advertising Services, etc.
“Fifth DCS Supplemental Agreement”	the fifth supplemental agreement dated 19 December 2014 to the D&C Sharing Agreement entered into between HKC and WTT
“Fifth Supplemental Management Services Agreement”	the fifth supplemental agreement dated 19 December 2014 to the Management Services Agreement entered into between i-CABLE and Wharf Limited
“Guangzhou Office Support Services”	office support services provided by a member of i-CABLE Group to WTT’s office in Guangzhou, People’s Republic of China
“HKC”	Hong Kong Cable Television Limited, a wholly-owned subsidiary of i-CABLE
“IAS Orders”	various order confirmations whereby WTT agreed to provide to HKC for the use of HKC certain Datalines as more particularly set forth in the IAS Orders
“i-CABLE”	i-CABLE Communications Limited, a 73.8%-owned subsidiary of Wharf incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange.
“i-CABLE Group”	i-CABLE and its subsidiaries
“Individual Lease-in Agreement(s)”	individual tenancy/licence agreement(s), if any, entered into from time to time during the term of the Master Tenancy Agreement between member(s) of i-CABLE Group and the Eligible Landlords in respect of renting or licensing to use by i-CABLE Group of certain premises owned by the Eligible Landlords

“Individual Lease-out Agreement(s)”	individual licence agreement(s), if any, entered into from time to time during the term of the Master Licence Agreement between member(s) of i-CABLE Group and member(s) of Wharf Group in respect of licensing of certain premises for Wharf Group’s use
“Individual Service Agreement(s)”	the individual service agreement(s) existing or entered into from time to time between member(s) of i-CABLE Group and member(s) of Wharf Group, including any amendments or extension of the Existing Services Agreements, in respect of provision of Computer Services, data processing and management services, office support, sales & marketing services and advertising services
“Lease-in Agreements”	the Existing Lease-in Agreements and the Individual Lease-in Agreements
“Lease-out Agreements”	the Existing Lease-out Agreements and the Individual Lease-out Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Services Agreement”	the management services agreement dated 1 November 1999 entered into between i-CABLE and Wharf Limited, as supplemented by various supplemental agreements with its term extended by, <i>inter alia</i> , the fourth supplemental agreement dated 14 December 2012
“Management Services Cap Amount”	shall have the same meaning as ascribed to it under the section headed “Fifth Supplemental Management Services Agreement” in this announcement
“Master Licence Agreement”	the master licence agreement dated 14 December 2012 entered into between i-CABLE and Wharf
“Master Licence Cap Amount”	shall have the same meaning as ascribed to it under the section headed “Supplemental Master Licence Agreement” in this announcement
“Master Services Agreement”	the master services agreement dated 14 December 2012 entered into between i-CABLE and Wharf
“Master Services Annual Cap I”	shall have the meaning as ascribed to it under the section headed “Interim Agreement for the Construction and Sharing of Ducts” in this announcement
“Master Services Annual Cap II”	shall have the meaning as ascribed to it under the section headed “Agreement for the Maintenance and Sharing of Ducts, Cables and Ancillary Equipment” in this announcement
“Master Tenancy Agreement”	the master tenancy agreement dated 14 December 2012 as revised and supplemented by supplemental agreements dated 18 December

	2012 and 29 January 2014, all of which were entered into between i-CABLE and Wharf
“Master Tenancy Cap Amount”	HK\$66.0 million, being the upper limit for the annual aggregate amount of relevant rents/licence fees payable by i-CABLE Group to Wharf Group and other Eligible Landlord(s) (if any) which is/are not member(s) of Wharf Group for each of the two years ending 31 December 2015 and 2016 as stipulated in the Master Tenancy Agreement
“Previous Announcements”	the announcements dated 14 December 2012, 18 December 2012 and 29 January 2014 published by i-CABLE
“Service Agreements”	the Existing Service Agreements and the Individual Service Agreements
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements”	include, among others, the Third Supplemental Master Tenancy Agreement, the Supplemental Master Licence Agreement, the Supplemental Master Services Agreement, the Fifth DCS Supplemental Agreement and the Fifth Supplemental Management Services Agreement
“Supplemental Master Licence Agreement”	the supplemental agreement dated 19 December 2014 to the Master Licence Agreement entered into between i-CABLE and Wharf
“Supplemental Master Services Agreement”	the supplemental agreement dated 19 December 2014 to the Master Services Agreement entered into between i-CABLE and Wharf
“Third Supplemental Master Tenancy Agreement”	the supplemental agreement dated 19 December 2014 to the Master Tenancy Agreement entered into between i-CABLE and Wharf
“Telephony Services”	sales and marketing, service provision and customers service operation of telecommunication services provided by a member of i-CABLE Group to WTT
“VLS Orders”	various order confirmations whereby WTT agreed to provide to HKC certain videolink facilities as more particularly set forth in the VLS Orders
“Wharf”	The Wharf (Holdings) Limited (stock code: 4), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Wharf Group”	Wharf together with its subsidiaries
“Wharf Limited”	a wholly-owned subsidiary of Wharf
“WTT”	Wharf T&T Limited, a wholly-owned subsidiary of Wharf

By Order of the Directors
H. O. Hung
Company Secretary

Hong Kong, 19 December 2014