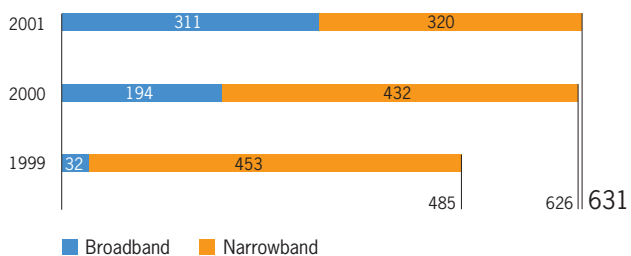
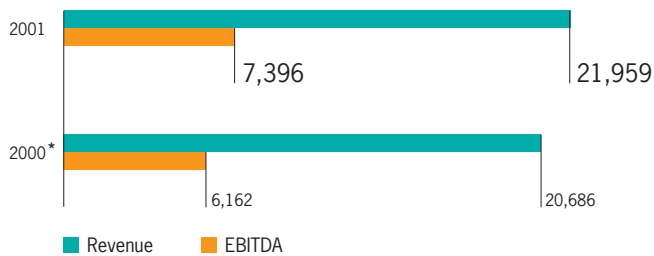


# Business and Financial Highlights

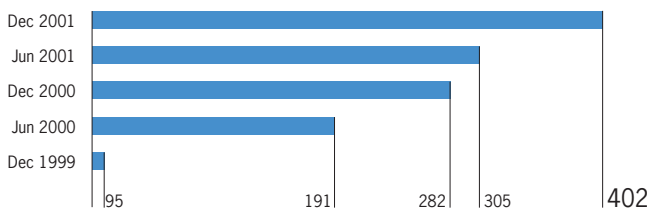
**Consumer Internet Access Subscribers ('000)**



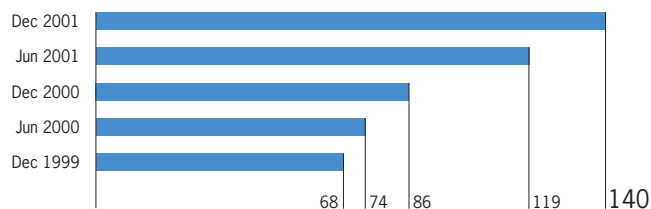
**Revenue and EBITDA (HK\$ million)**



**Wholesale Broadband Access Lines ('000)**



**Local Data (Gbps – Gigabits per second)**



\*2000 revenue and EBITDA are presented on an unaudited pro forma basis.

# Significant Events of 2001

## FEBRUARY

PCCW and Telstra launch venture companies Reach and Regional Wireless Company.

## MARCH

Associate company iLink Holdings Limited (PCCW owned 47.9 percent as of Dec. 31, 2001) completes its listing on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

## APRIL

PCCW launches wireless local area network (LAN) broadband Internet access at the Hong Kong International Airport. Passengers access the Internet by inserting a Wireless LAN card into their laptops.

## JUNE

PCCW and the Hong Kong government organize Hong Kong's first educational IT summer camp for approximately 240 secondary school students.

## JULY

Wholly owned subsidiary PCCW-HKT Telephone Limited is assigned investment grade ratings with a stable outlook by Moody's Investors Service (Baa1) and Standard & Poor's (BBB), reflecting its strong cash flow and leading position in Hong Kong's telecommunications market.

PCCW announces a new Internet Services strategy designed to drive broadband subscription through locally relevant content such as news, movies, music and online games on now.com.hk.

## JULY

PCCW launches several customer-focused initiatives:

- No.1 Club VISA card with The Bank of East Asia, Limited, rewarding loyal customers with a wide range of special services and benefits
- PCCW, Intel and IBM team up to offer an integrated hardware, software and broadband connectivity package to assist customer migration to broadband
- PCCW, Intel, Nokia and IBM team up to offer wireless broadband access at home or in the office
- PCCW's 100 percent service level guarantee for its international leased-line customers is extended to France, Germany, Switzerland and Thailand, expanding the Company's service pledge to 16 destinations worldwide

## AUGUST

In line with its customer-centric business approach to add convenience and value to households while delivering total solutions to enterprises, PCCW announces a new corporate sales channel split into two groups based on client segmentation. Commercial Group is headed by Managing Director Aloysius Lee, while Rita Hsu is appointed Managing Director, Consumer Group.

## SEPTEMBER

CSL becomes a provisional successful bidder for a 3G mobile service license in Hong Kong.

PCCW launches a redesigned and expanded corporate Website.

## OCTOBER

PCCW issues JPY 30 billion of Euroyen guaranteed notes due 2031 as a first step in achieving a more efficient group capital structure.

Grand opening of PCCW's premier multi-purpose complex Pacific Century Place Beijing. Located in the central business district of the city, Pacific Century Place Beijing contains office, residential and retail areas totaling 220,000 square meters.

Launch of subscription-based now.com.hk broadband service tailored to appeal to Hong Kong households by providing relevant local content. The service allows customers to view what they want, when they want it.

## NOVEMBER

PCCW issues 10-year guaranteed notes of US\$1 billion, lengthening its average debt maturity profile and balancing the mix of fixed and floating interest rate exposure, while taking advantage of historically low rates.

Topping out ceremony in Hong Kong for the first Cyberport building. The technology-oriented project will consist of specially designed commercial properties with related retail, residential, recreational and educational facilities.

## DECEMBER

Reach enters into an agreement to acquire the Asian assets of U.S.-based broadband infrastructure company, Level 3 Communications, Inc. at a fraction of new build cost, accelerating its regional rollout and reinforcing its service capability in North Asia.

PCCW pays down US\$559 million of debt from internal resources by year end.