

PCCW in Asia and Beyond



CYBERWORKS VENTURES

CyberWorks Ventures was established in June 1999 to take strategic positions in, and actively manage, investments in a portfolio of Internet technology companies that have synergies with PCCW's core businesses.

This unit is self-funded, using realized gains from existing investments. In 2001 CyberWorks Ventures exited 22 non-performing investments.

In the future, CyberWorks Ventures intends to assist other PCCW business units in the execution of their growth strategies and to continue to selectively search for investments that add value to PCCW businesses.

BEYOND THE NETWORK

Beyond the Network (BtN), is a legacy-free Internet backbone provider, offering IP-based end-to-end communications solutions over its own global native IP Multi Protocol Label Switching (MPLS)-enabled network.

With offices and direct network access points located in Asia, North America, Europe and the Middle East, BtN offers a suite of wholesale products, including Internet access, Voice over IP, MPLS virtual circuit connectivity (VPN), IP Centrex, managed routers and Content Delivery Network solutions through its branded BtN Multi-Service IP Port.

With the flexibility of its ready-to-use VPN and voice termination, BtN enables in-country ISPs operating in non-traditional markets to add revenue-generating opportunities to their balance sheet and compete with global carriers.

BtN's customers include emerging carriers, ISPs, Internet content providers and application-service providers.

CORPORATE ACCESS

Acquired by PCCW in March 2001, Telecommunications Technology Investments Limited (Corporate Access) is one of Asia's leading satellite-based network communication solutions providers. Corporate Access provides V-SAT (Very Small Aperture Terminal) satellite links, allowing companies to set up and install their own communications systems.

In Asia, Corporate Access has around 70 percent of the market for international V-SAT links on the rooftops of customer premises, serving more than 200 multinational customers in over 40 countries. Corporate Access operates on 15 different satellites and employs 70 staff.

2001 Corporate Access Highlights

Corporate Access commenced delivering solutions via fiber as well as satellite. It also began delivering voice products and Internet services to its corporate customer base, leveraging increased revenues from existing clientele while enhancing customer loyalty.

INDIA

Data Access (India) Limited (Data Access) was incorporated in 1997 and is headquartered in New Delhi. PCCW has an equity interest in Data Access, which also has equity participation from SPA Enterprises Limited. Data Access operates the now-india.com portal, with retail subscribers in four cities: Delhi, Mumbai, Chennai and Bangalore.

2001 Data Access Highlights

In July, Data Access launched the Gateway Internet Service product for India and currently provides Gateway Internet Connectivity to more than 50 percent of the Indian ISP market. In October, Data Access acquired the ISP business of BPLNET.COM of Bangalore, marking the first time in India that a nationalized ISP was acquired by a private business.

In early 2002, Data Access was awarded a letter of intent from the Indian government to enter India's international long-distance telephone services business, which was opened to private competition on April 1.

PCCW JAPAN

Pacific Century CyberWorks Japan Co. Ltd. (PCCW Japan) (JASDAQ: 7954) focuses predominantly on the development and delivery of console and online games.

The PCCW Japan group operates game development teams in Tokyo, Colorado, and St. Petersburg. With its proven "Conductor" technology, PCCW Japan is a pioneer in "massively multi-player" games development. The Company is also involved in other forms of digital media development and production.

On November 7, 2000, PCCW completed the acquisition of Jaleco Limited (Jaleco), now named Pacific Century CyberWorks Japan Co., Ltd., which develops video game software. In 2001, the Company completed restructuring of Jaleco, positioning it for profitability and growth, expanding production geographically while reducing headcount.

In April 2001, the Company completed its acquisition of US based VR-1. Combined with the Jaleco division, the Company now has nine highly competent game development teams and a lower cost basis than the original Jaleco.

Many third party observers believe that the interactive entertainment industry offers significant growth and return potential due to several factors including: expanding demographics, significantly larger penetration of game consoles in global markets, as well as strong demand for the software.