

Asia and beyond

REACH

- **Under difficult market conditions, REACH generated total revenue of HK\$9,854 million**
- **The venture remains a strategic asset for PCCW.**

In 2001, PCCW formed an Asia Pacific strategic alliance with Australia's Telstra to benefit from advantages of scale.

The alliance created REACH, a 50:50 venture, and an international network backbone and data/IP services company.

Headquartered in Hong Kong, with a significant business presence in Australia and offices across North America, Europe and Asia, REACH is Asia's largest international carrier of combined voice, private line and IP data services.

In late 2001, REACH acquired the Asian assets of US-based broadband infrastructure company Level 3 Communications, Inc to accelerate its entry to new markets including Taiwan and Korea.

REACH's extensive portfolio of products and services also includes satellite connectivity, and the company has interests in more than 50 submarine cable and satellite systems, including the largest satellite earth station in Asia. It has operating licenses, and backhaul and landing rights in most major markets including Japan, Korea, Taiwan, Hong Kong, Singapore, Australia, North America and Europe.

The company operates the most diversely-routed Internet backbone network in Asia Pacific and has direct commercial relationships with more than 300 carriers worldwide.

REACH is currently operating under extremely difficult market conditions, largely brought about by slower-than-expected growth in the demand for cross-border connectivity services, competitors undercutting rates as a result of United States' bankruptcy protection advantages, and a glut in



The REACH earth station at Stanley in Hong Kong is the largest of its kind in Asia.

capacity. In February 2003, PCCW announced that it had written down the value of its investment in REACH by HK\$8,263 million, which is reflected in the Group's financial statements for the year ended December 31, 2002.

For further information, please visit www.reach.com

Ventures

- **Ventures continued to dispose of non-performing investments in 2002**
- **Ventures was self-funding throughout 2002 by utilizing proceeds from the disposal of investments.**

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

Beyond the Network (BtN)

■ **Beyond the Network completed an MPLS (multi protocol label switching) upgrade and expansion of its global IP network, providing broader network access, enhanced backbone engineering capabilities, greater flexibility and new service plans for customers throughout the world.**

BtN is a global provider offering end-to-end IP-based solutions to wholesale and enterprise customers over its MPLS-enabled network.

Along with its many network access points and offices, BtN's network extends to 35 points of presence (PoPs) in the US, Europe and Asia as a result of BtN's network infrastructure acquisition of certain assets of Ardent Communications Inc.

BtN utilizes a unique multi-service IP port, which, unlike the 'one port, one product' rule of traditional networks, allows for greater customer flexibility.

The BtN multi-service IP port provides carriers, ISPs, ICPs and enterprise customers with the ability to access multiple products – such as Internet access, Voice-over IP (VoIP), IP-VPN and Virtual Private Line – through a single port.

Corporate Access

- **Introduced fiber, as well as satellite-based solutions, and delivered voice products and Internet services to its corporate customer base**
- **Reinforced its enterprise customer base in 2002 by extending fiber-based solutions in Guangdong, Hong Kong, Taipei and Tokyo**
- **Corporate Access expanded into the broadcasting market, with successful transmission of the 2002 Asian Games in Seoul.**

Acquired by PCCW in March 2001, Telecommunications Technology Investments Limited (Corporate Access) is one of Asia's leading satellite-based network-solutions providers. It provides VSAT (very small aperture terminal) satellite links, allowing companies to set up and install their own communications systems.

In Asia, Corporate Access commands about 70 percent of the market for international VSAT links, serving more than 200 multinational corporations in more than 50 countries. Corporate Access uses 15 different satellites and employs 70 staff.

Data Access

- **Obtained a new carrier license in India in April 2002 for international voice and data services**
- **Commenced international long-distance service on July 23, 2002 and is making rapid progress in capturing market share**
- **Data Access attained 25 percent share of India's international long-distance market by the end of 2002.**

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

PCCW Japan

- **Produced 25 games for various platforms such as PlayStation 2, Xbox, GBA, and personal computers**
- **Built up its game publishing business, marketing and distributing games for developers and publishers in Japan, America and Europe by hiring key executives from the games industry.**

Pacific Century CyberWorks Japan Co., Ltd. (PCCW Japan) (JASDAQ: 7954) is in the business of developing and delivering computer interactive entertainment.

From studios in Asia and the US, PCCW Japan develops a variety of games played on game consoles, personal computers, and handheld devices including mobile phones.