

Milestones and Awards 2004

JANUARY

PCCW Directories Limited and Yahoo! Hong Kong announce the launch of the Yahoo! Yellow Pages website, integrating the classified database of Internet Yellow Pages with Yahoo! Hong Kong's search engine and platform.

FEBRUARY

PCCW Directories launches the YP Card, enabling consumers to enjoy special offers and privileges from merchants who advertise in Yellow Pages directories.

MARCH

NOW Broadband TV announces it is to broadcast the HBO and Cinemax movie channels plus 15 audio channels from DMX Music, bringing the total number of channels offered by our pay-TV service to 49 within just six months of launch.

The Company announces agreement to transfer its investment properties, the Cyberport development project and related property and facilities-management operations to separately-listed Dong Fang Gas Holdings to be majority owned by PCCW.

NETVIGATOR's Wi-Fi service goes live at all Airport Express stations.

PCCW and Shanghai Telecom join forces to offer a premium business data-carrying service between Hong Kong and Shanghai.

A Caring Company 2003/04 certificate is awarded to PCCW by the Hong Kong Council of Social Service.

APRIL

Disney Channel and Playhouse Disney Channel become available to Hong Kong viewers for the first time on NOW Broadband TV.

The Hong Kong SAR Government's Smart Identity Card System developed by a Unihub-led consortium wins an award for Breakthrough Implementation at the Card Technology & Security Technology Annual Exhibition in Washington DC in the US.

MAY

PCCW subsidiary UK Broadband announces the launch of a broadband wireless network service in six towns in the UK's Thames Valley.

PCCW confirms discussions with China Network Communications Group Corporation (China Netcom Group) "in relation to strategic and business co-

Shaking hands at the signing of the alliance agreement with China Netcom Group in January 2005 are PCCW Chairman Richard Li (front, left) and China Netcom Group President Zhang Chunjiang (front, right). PCCW Deputy Chairman and Group Managing Director Jack So is pictured second from the left with China Netcom Group Vice President Tian Suning, fourth from the right. PCCW first announced that the two operators were engaged in talks in May 2004.



During their August presentation of the Company's 2004 interim financial results, Deputy Chairman and Group Managing Director Jack So and Executive Director and Group Chief Financial Officer Alex Arena announce that PCCW's directors intend to declare an interim dividend of 5.5 HK cents per ordinary share.



operation opportunities". A strategic alliance was announced in January 2005, the terms of which were approved by shareholders at an Extraordinary General Meeting on March 16, 2005.

Following shareholder approval in April, PCCW completes the transfer of its property-related assets and operations to a separately-listed, PCCW majority-owned company that subsequently changes its name to Pacific Century Premium Developments (PCPD).

JUNE

Cascade receives the International Telecom Network Service Center Award after its Global Service Support unit is accredited by the Hong Kong Q-Mark Council.

Unihub attains top rating on the CMMI-SW assessment scale, which was established by the Software Engineering Institute at the Carnegie Mellon University in Pittsburg, US, and is recognized as the world's No.1 standard in software engineering excellence.

PCCW collects seven accolades at the Distinguished Salesperson Awards, marking six years of success in the Hong Kong Management Association awards scheme.

NETVIGATOR wins *Next* magazine's Top Service Award for Internet Service Providers (ISPs) for the sixth consecutive year.

PCCW and Telstra announce a deal to buy back a US\$1.2 billion loan for US\$311 million following agreement with the lending syndicate that provided the facility to REACH, the international wholesale carrier jointly owned by the two companies.

The PCCW-developed Cyberport project wins the international Intelligent Building of the Year Award at the US-based Intelligent Communities Conference.

JULY

The Hong Kong SAR Government announces that it will phase out its compulsory Type II interconnection policy by July 2008.

AUGUST

A ceremony marks the first distribution of proceeds from the Cyberport project, with the Hong Kong SAR Government receiving HK\$1.67 billion, while PCCW is paid HK\$920 million.

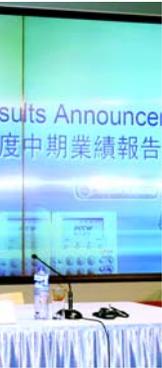
The Company announces that the directors intend to declare an interim dividend of 5.5 HK cents per ordinary share, representing a "wish fulfilled" for Deputy Chairman and Group Managing Director Jack So. The dividend was distributed in November to allow time for formalities.

NOW Broadband TV begins screening ESPN, STAR SPORTS, National Geographic Channel, Phoenix Chinese Channel, Phoenix InfoNews Channel and Star Movies.

The Hong Kong SAR Government's Smart Identity Card System developed by a Unihub-led consortium wins a Gold Award in the 6th IT Excellence Awards organized by the Hong Kong Computer Society.

PCCW wins gold and bronze honors in the Customer Service Excellence Awards organized by the Hong Kong Association for Customer Service Excellence (HKACE).

PCCW subsidiary UK Broadband launches a broadband wireless network service in the UK's Thames Valley in May 2004 using a plug-and-play model to provide broadband Internet access.



Pictured at a presentation ceremony in October 2004, PCCW Executive Director and Group Chief Financial Officer Alex Arena (left) receives NOW Broadband TV's CASBAA Chairman's Award from Marcel Fenez, Chairman of the Cable & Satellite Broadcasting Association of Asia.



The policy forcing PCCW to allow the "last mile" of its networks to be accessed by other operators through lease arrangements is to be phased out by July 2008, following an announcement by the Hong Kong SAR Government in July 2004 to end its compulsory Type II interconnection policy.

SEPTEMBER

NOW Broadband TV offers two more channels from Central China Television (CCTV). They are CCTV International (CCTV-9), the network's English-language channel; and CCTV-4, a Putonghua-language service for Chinese audiences around the world.

OCTOBER

NOW Broadband TV wins the inaugural CASBAA Chairman's Award 2004 from the Cable & Satellite Broadcasting Association of Asia.

A PCCW shop salesman out-performs 40 short-listed candidates from 23 companies to win the 2004 Frontline Level Service & Courtesy Award from the Hong Kong Retail Management Association.

Our 2004 Yellow Pages Consumer publication wins the Directories category of the US Gold Ink Award, while the Business edition achieves a gold Superb Printing Award, organized by the International Association of Printing House Craftsmen in the US.

NOW Broadband TV expands its children's programming with Nickelodeon, an international children's channel.

PCCW collects seven Customer Relationship Excellence Awards from the Asia Pacific Customer Service Consortium. Four corporate awards relate to our IDD 0060 and NETVIGATOR call centers, while three individual wins include the titles of Customer Service Manager of the Year and Customer Service Professional of the Year.

Our Contact Center business unit receives seven trophies at the Annual Call Centre Awards staged by Hong Kong's Call Centre Association.

Following its success in the home-entertainment market, NOW Broadband TV enters the commercial arena, targeting hotels, serviced apartments and sports bars.

Cascade is named Best Practice Winner for Technology Deployment by Hong Kong's Best Practice Management Group. The award was made in recognition of the Cascade-developed eCenter, which ensures top service to PCCW's voice, data and multimedia customers.

NOVEMBER

More than 400 network managers in multinational corporations throughout Asia Pacific vote PCCW's international leased and local access lines the best in the region, according to the Gartner Dataquest User Survey.

An interim dividend of 5.5 HK cents per ordinary share for the nine months to end of September is formally declared and described by Deputy Chairman and Group Managing Director Jack So as "evidence of our objective to reward our shareholders going forward".

PCCW is named Best Marketing Strategy Award winner as part of the Frost & Sullivan Service Provider of 2004 Awards, following a benchmarking study of performances from global and regional data service providers in Asia Pacific.

NOW Broadband TV announces the launch of the Mei Ah Drama Channel – Hong Kong's first 24-hour channel offering Asia's latest and hottest drama series.

PCCW is named Best Local Brand 2004/2005 and Telecom Category Leader at a Superbrands Organization awards ceremony in Hong Kong.

PCCW wins a Significant Improvement Award in the Hang Seng Index category of the Best Corporate Governance Disclosure awards, organized by the Hong Kong Institute of Certified Public Accountants (HKICPA).

DECEMBER

The PCCW shop chain is voted Hong Kong Merchant of Integrity for the second year running by readers of the *Guangzhou Daily* newspaper.

The *Sing Tao* IT Square "Editor's Choice" 2004 Awards scheme names the service now branded Prioritize Plus as Next Generation Telecommunications Service category winner, and Business NETVIGATOR Broadband as winner of the Business Internet Service class.

BBC Prime makes its Asian debut on NOW Broadband TV and is joined by the exclusive, 24-hour, Cantonese-language ATV News Channel.

Readers of Hong Kong IT magazine *PC Market* vote NETVIGATOR winner of the Best of Broadband Internet Service Provider Award in the PCM Best of IT Awards 2004.

The Hong Kong SAR Government's Smart Identity Card System developed by a Unihub-led consortium wins the e-Government & Services category of the Asia Pacific Information and Communications Technology Awards.

The Highest Service Hours Silver Award for private organizations is awarded to PCCW by the Promotion of Volunteer Service Steering Committee of the Hong Kong SAR Government's Social Welfare Department.