

MILESTONES AND AWARDS 2005

JANUARY

The Office of the Telecommunications Authority (OFTA) adopts a new regulatory regime with PCCW-HKT Telephone Limited (HKTC) accepting a new ex-post Fixed Carrier license, under the terms of which OFTA's pre-approval of tariff revisions (including discounts and promotions) is no longer required. Instead, HKTC is to merely notify OFTA of any tariff revisions one day before they become effective, allowing PCCW to compete on a more level playing-field.

PCCW and China Network Communications Group Corporation (China Netcom Group) announce a strategic alliance to jointly develop businesses in mainland China and internationally.

Hong Kong Exchanges and Clearing Limited (HKEx) selects PCCW as service provider for an Internet Protocol-based (IP) integrated network that will become Asia's largest mission-critical, IP-enabled securities and derivatives markets network when completed in 2007.



For the second consecutive year, PCCW's chain of shops is awarded the title "Hong Kong Merchants of Integrity" in a mainland China readership survey run by the *Guangzhou Daily* newspaper.

The Hong Kong Association for Customer Service Excellence honors NOW TV with the Hotline Service Gold Award and two – Silver and Bronze – Field Service Awards. PCCW's Consumer Sales and Channel unit wins an individual Bronze Award, while our Contact Centers business unit receives an individual Silver Award.

Capital, a Chinese-language business magazine, names PCCW "Best

Telecom Company" at the publication's fifth Outstanding Enterprise Awards ceremony.

PC Market magazine presents the PCM Best of IT Award – Best of Broadband Internet Service Provider Award to NETVIGATOR.

FEBRUARY

An in-house fund to help those suffering the aftermath of the Indian Ocean tsunami reaches HK\$1 million and is handed to the Hong Kong Red Cross South Asia Relief Fund in March.

The Hong Kong Council of Social Service awards PCCW the Caring Company 2004/05 Certificate. Wholly-owned subsidiary Power Logistics Limited receives the same award and two PCCW staff members are appointed Caring Ambassadors.

MARCH

PCCW announces an attributable profit of HK\$1.638 billion* for 2004, compared with a loss of HK\$6.1 billion* the previous year when the Company booked large provisions for asset impairment. The Board proposes a final dividend of 9.6 HK cents per share, bringing the total dividend for 2004 to 15.1 HK cents per share.

*These figures (HK\$1.638 billion and HK\$6.1 billion) are from PCCW's 2004 Annual Report. Adoption of new and revised Hong Kong Financial Reporting Standards, effective January 1, 2005, means these figures have since been restated in accordance with relevant requirements.

The Hong Kong Quality Assurance Agency presents CASCADE with Top-Class Gold Awards in all 14 categories of the Certification of Business Performance Index. CASCADE also receives eight Business Performance Index (BPI) "Outstanding" certificates.

NOW TV announces the addition of BLOOMBERG TELEVISION and HBO Signature channels.

APRIL

Three directors nominated by China Netcom Group join the PCCW Board.

PCCW is named winner of the Platinum Telecom Company Award in the *Reader's Digest* SuperBrands Asia 2005 recognition scheme.

NETVIGATOR is awarded BS 15000 certification for Information Technology

and Telecoms (IT&T) industry operation processes, making PCCW the first telecoms carrier in Asia to acquire the accreditation.

MAY

A strategic partnership between PCCW and AsiaWorld-Expo Management Limited is formed to provide next-generation Information and Communications Technologies (ICT) services for exhibitions and events.

A total of 12 accolades, including the Outstanding Achievement Award (Grand Award), are presented to PCCW and CASCADE by the Asia Pacific Customer Service Consortium at its Customer Relationship Excellence Awards ceremony.

Telecom Asia magazine names PCCW "Best Broadband Carrier" at the 2005 *Telecom Asia* Awards presentation ceremony.

CASCADE announces a contract with the Ministry of Finance of the Negara Brunei Darussalam Government to interconnect all government agencies in support of the Sultanate of Brunei's e-government strategy.



JUNE

PCCW announces a return to the mobile communications business, with the acquisition of a controlling stake in SUNDAY Communications Limited (SUNDAY), a subsidiary of which holds a 3G license. In early 2006, the new PCCW mobile division announced a six-month "3G Trial" to test the service before launch (see page 12).

Five PCCW professionals receive honors at the Distinguished Salesperson Awards ceremony staged by the Hong Kong Management

Association and recognized as the "Oscars" for salespeople.

Our broadband service is recognized as the best in Asia Pacific, when consulting firm Frost & Sullivan crowns PCCW "Broadband Service Provider of the Year 2005" at the Asia Pacific Technology Awards 2005.

Computerworld magazine names PCCW the Hong Kong leader in hosting, managed services and data & telecommunications provision at the *Computerworld* Hong Kong Awards 2005.

JULY

NOW TV celebrates its second birthday by announcing a customer base of 400,000 and an agreement that makes NOW TV the exclusive Hong Kong provider of HBO and STAR Group channels. Other additions include CNN Headline News, EuroNews, EETV Asia Channel, EETV Asia News and the Asian Food Channel.

For the seventh year running, NETVIGATOR wins the Top Service Award – Internet Service Provider Category at *Next Magazine's* Top Service Awards 2005. NETVIGATOR also wins the Top Service Gold Award and an individual silver Best Staff Award.

AUGUST

PCCW announces an interim profit of HK\$1.1 billion, representing a 43% increase compared with the figure for the first six months of 2004. After deducting minority interests, net profit attributable to shareholders is HK\$954 million, a 25% increase. The Board declares an interim dividend of 6.5 HK cents per share.

Representing more than 4,200 TV, radio and other media players in 60 countries, PROMAX and BDA name NOW TV winner of their World Gold and World Silver Awards.

SEPTEMBER

New channels unveiled by NOW TV include Asia's leading music service, made up of Channel [V] Mainland China, Channel [V] India and Channel [V] International.

A contract with Thai telecoms operator, True Corporation, marks CASCADE's

first overseas IPTV project, establishing PCCW's technical services arm as a leader in IPTV technology.

OCTOBER

PCCW Global launches to expand the Company's share of the international business market and capture emerging opportunities in high-growth markets.

NOW TV announces the NOW Ticketing service, enabling viewers to purchase UA Cinema tickets and choose seats using a TV remote control. Also unveiled are the China Movie Channel, Movie Trailer Channel and NOW MOVIE CLUB.

Best in Business Award in the Asia Pacific Service Provider of the Year 2005 category is conferred on PCCW by the 70-member Metro Ethernet Forum for outstanding innovation.

PCCW announces completion of the sale of approximately 12.1% of MobileOne Ltd, one of Singapore's three mobile telephone operators. The stake was sold by Great Eastern Telecommunications Limited, PCCW's joint venture with Cable and Wireless plc.

NOVEMBER

NOW TV smashes through the 500,000-customer target set for the end of 2005, establishing itself as the world's leading IPTV service and envy of the global broadband pay-TV industry. Also announced is an interactive on-demand service.



Based on a survey among 400 multinational corporation network managers in Asia Pacific, PCCW Global is awarded the "Best International Leased Lines" – for the second consecutive year – and "Best International Frame Relay" titles in the



international data services category of the Gartner DataQuest User Survey: International Telecom Services Asia Pacific 2005.

PCCW is named "Leading Local Brand 2005/2006" and wins the Telecommunications Category Award for the third successive year at the Superbrands Awards Ceremony.

CASCADE wins the Best Practice Award 2005 from the Best Practice Management Group in recognition of outsourcing excellence.

Our PCCW Convergence integrated office communications solution wins a Gold Award in the Enterprise Mobility Application category of the inaugural Hong Kong Wireless Technology Excellence Awards staged by the Hong Kong Wireless Technology Industry Association.

PCCW's Development for Direct Sales program wins a Certificate of Merit in the Awards for Excellence in Training 2005 recognition scheme run by the Hong Kong Management Association.

DECEMBER

Business NETVIGATOR wins the Business Internet Service category, and PCCW Convergence tops the Intelligent Communications Service class of the IT Square Editor's Choice 2005 Awards organized by the *Sing Tao* newspaper.

PCCW's Call Center Sales unit wins best-in-class honors for technical support management, while SUNDAY gains recognition for proactive service management at the Customer Relationship Excellence Summit staged by the Asia Pacific Customer Service Consortium.

CASCADE announces IPTV projects in Serbia and Montenegro, Ukraine and Morocco in collaboration with China's Huawei Technologies Co., Ltd. telecoms equipment vendor.