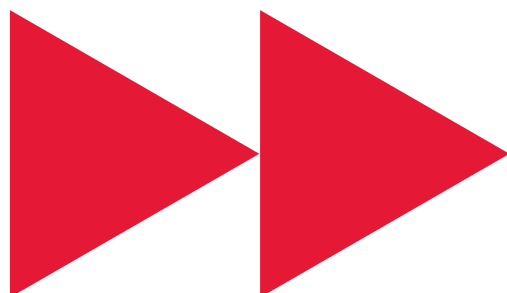
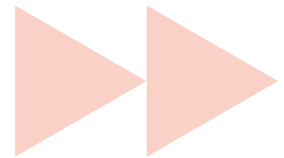


Operations Review Fixed-Line Business

HGC is a one-stop solutions provider dedicated to delivering advanced offerings,
while continually modernising its network infrastructure and facilities.



Riding on our extensive fibre network and connectivity services, we continue to serve international and local carriers, corporate clients and residential customers throughout the year.

International and Local Carrier Business

Geographical expansion

We continued to pursue a strategy of geographical expansion, as one of Asia's leading telecommunications players. For example, HGC became one of the first operators to be granted permission to provide international telecommunications services in Myanmar. This strategic move strengthened our already robust market position in the Greater Mekong Sub-region and enabled international carriers and content providers around the world to improve interconnectivity there. Our solid experience in niche markets came to the fore when we extended our reach even further afield to new markets via co-operation with carriers around the world.

One-stop solutions provider

We believe HGC's market leadership has been reinforced by adoption of a strategy to evolve from a conventional capacity vendor to a one-stop solutions provider.

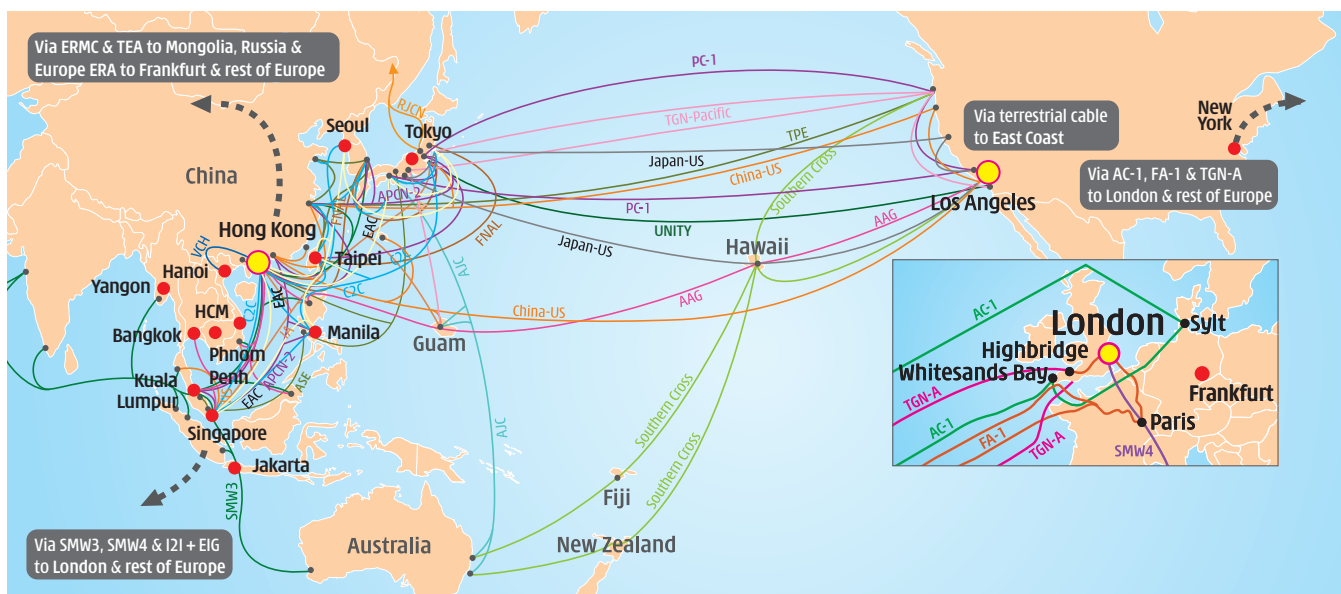
Following the upward trend in content and OTT provision, we launched offerings such as the Application and Content

Provider Solution (ACP Solution), which is a bundled hosting service of HGC's premium data centres, connectivity and solutions that encourages content exchange, enhances application performance and improves user experience in a cost-efficient manner.

Meanwhile, our one-stop Carrier Network Extension (CNX) capability helps global carriers establish their networks and services in distant geographies, without having to take on the arduous task of entering an emerging market from scratch.

Our Internet Packet Exchange platform (IPX), for example, is now interconnected with numerous mobile carriers to facilitate their provision of roaming data, voice and signaling services via HGC's private network. This enables mobile operators to meet explosive demand for data roaming traffic generated by end users. We also expanded to meet the needs of application/content providers and introduced additional services to the existing IP platform - in a move to broaden our service portfolio and enrich our IP interconnection offerings to capture the attention of local and overseas customers.

We expanded our portfolio to include HGC cloud computing services. This enables multinational corporations and Internet Content Providers (ICP) to deploy Infrastructure-as-a-Service (IaaS), Bandwidth-as-a-Service (BaaS), Dedicated Bandwidth-as-a-Service (DBaaS) as well as on-demand virtual leased-line (ODVLL) technology.



► Strategic investment in diverse cable systems expanded HGC's global footprint even further afield in 2013.



▶ Comprehensive network and connectivity services continue to serve HGC's broad customer base.



▶ TVB Network Vision now delivers HDTV programming via HGC's extensive optical-fibre network, following a 2013 launch ceremony.

HGC now has voice interconnections with more than 370 carriers, plus direct connections with 170-plus mobile operators in more than 90 countries. We also provide video coverage in 58 countries via 160 carriers, and have increased new Voice-over-Internet-Protocol (VoIP) interconnections to open up more IP opportunities.

Ever-growing volumes of local data traffic underscore the value to customers of our high-speed, low latency services such as Metro Ethernet connection and Gigabit Access Network. In addition, our ability to meet rising demand for bandwidth in the 4G LTE era makes our services crucial to local mobile carriers, as well as international carrier customers.

Corporate and SME Market

HGC offers a wide range of off-the-shelf and tailor-made services that include broadband, data and voice to match rising levels of sophistication in the market.

In 2013, HGC started offering ROADM-based 100G network service. In addition, launch of the WisenET next generation Metro Ethernet network service offers an ideal top-end solution for data centres and cloud service providers, thanks to its cloud-ready and ultra-low latency capabilities.

We also teamed up with a local television broadcaster to transmit pay-TV content via our optical-fibre network. The smooth and high-quality transmission technology involved delivers an enhanced audio-visual experience for viewers.

We aim to transform from a network provider to an all-round solutions provider by offering a host of cloud solutions including cloud infrastructure, application services and provision of managed services to hardware equipment and Wi-Fi solutions. enterprizCloud and bizCloud are prime examples of the latest cutting-edge additions to HGC's diverse portfolio.

Residential Market

3Home Broadband has evolved into a major market player, offering high-speed network service, as well as a range of unique and exciting initiatives.

HGC's prime focus continues to be provision of quality high-speed broadband Internet service in the form of a Fibre-to-the-Home ("FTTH") capability, delivering speeds of between 100Mbps and 1000Mbps. Current broadband coverage now exceeds 1.7 million home-passes.

The new 3Home Broadband Total Wi-Fi Solution combines our FTTH strength and city-wide Wi-Fi coverage. This means customers can enjoy ultra-fast triple Internet access via FTTH broadband service, plus indoor Wi-Fi at speeds up to 1G, as well as outdoor Wi-Fi at Hong Kong's "hgc on air" hotspots.

Another highlight of the year was launch of HelloWay, a handy smartphone app that comes complete with a fixed-line Hong Kong phone number. Users are able to make or receive calls to or from Hong Kong at home, or while travelling overseas, via Wi-Fi or a data network.



► HGC's outdoor Wi-Fi network service is rebranded "hgc on air".

Data Centre Business

HGC has formed a joint venture with Cheung Kong (Holdings) Limited to provide local enterprises and international corporate customers with data centre services. Our data

centres are located in Hong Kong Island and the New Territories which provide geographical diversity, allowing us to offer stable and uninterrupted service. Our edge, backed by our solid network capability, enabled us to provide Internet Data Centre (IDC) services to a leading provider of comprehensive Internet services in mainland China.

Graded tier-3 or higher, our data centres are accredited with ISO 27001 certification and offer long-term service to ensure a stable, reliable and secure environment for our clients' digital assets.

Outlook

The data boom is enabling HGC to move from traditional carrier to one-stop solutions provider with a powerful OTT strategy, plus the ability to tailor services to application and content providers.

We are dedicated to delivering increasingly more advanced offerings to the market by drawing on our thorough understanding of corporate customer needs and strong partnerships with ICT leaders.

Meanwhile, we are making ongoing efforts to upgrade our network infrastructure and facilities. For example, new data centres will be built to meet rising demand from businesses from across a range of industries.



► HGC data centres offer a stable, reliable and secure environment for our clients' digital assets.