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PCCW LTD
Form SC 13G/A
February 17, 2004

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G/A
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(b), (c) AND (d) AND AMENDMENTS
THERE TO FILED PURSUANT TO RULE 13d-2(b)
(Amendment No. 3)*

PCCW Limited

(Name of Issuer)

Ordinary Shares

(Title of Class of Securities)

70454G207

(CUSIP Number)

December 31, 2003

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which
this Schedule is filed:

- Rule 13d-1(b)
 Rule 13d-1(c)
Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a
reporting person's initial filing on this form with respect to the
subject class of securities, and for any subsequent amendment
containing information which would alter the disclosures provided
in a prior cover page.

The information required in the remainder of this cover page shall
not be deemed to be "filed" for the purpose of Section 18 of the
Securities Exchange Act of 1934 (the "Act") or otherwise subject
to the liabilities of that section of the Act but shall be subject
to all other provisions of the Act (however, see the Notes).

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1. NAME OF REPORTING PERSON: INTEL CORPORATION
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON: 94-1672743
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) []
(b) []
3. SEC USE ONLY
4. CITIZENSHIP OR PLACE OF ORGANIZATION: DELAWARE
5. SOLE VOTING POWER: -0-
- NUMBER OF SHARES BENEFICIALLY OWNED BY THE REPORTING PERSON WITH
6. SHARED VOTING POWER: 280,065,772**
7. SOLE DISPOSITIVE POWER: -0-
8. SHARED DISPOSITIVE POWER: 280,065,772**
9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY THE REPORTING PERSON: 280,065,772**
10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 9 EXCLUDES CERTAIN SHARES* []
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9: 5.22%
12. TYPE OF REPORTING PERSON:* CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

** See Item 4 below.

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This Amendment No. 3 to Intel Corporation's Schedule 13G is being made to report additional details of the transactions entered into among Intel Capital Corporation, Intel Pacific, Inc. and Pacific Century Regional Developments Limited on January 14, 2002.

ITEM 4. Ownership.

Item 4 is amended as follows:

- (a) Amount beneficially owned: 280,065,772
- (b) Percent of Class: 5.22%
- (c) Number of shares as to which such person has:
- (i) Sole power to vote or to direct the vote: -0-
 - (ii) Shared power to vote or to direct the vote: 280,065,772
 - (iii) Sole power to dispose or to direct the disposition of: -0-
 - (iv) Shared power to dispose or to direct the disposition of: 280,065,772

Intel Corporation ("Intel") does not directly own any shares of the Issuer. By reason of the provisions of Rule 13d-3 under the Securities Exchange Act as amended, Intel may be deemed to own beneficially the

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shares of the Issuer owned beneficially by Intel Pacific, Inc. ("Intel Pacific") and Intel Capital Corporation ("Intel Capital"), each a wholly-owned subsidiary of Intel. Intel Capital may be deemed to share beneficial ownership of 280,065,772 shares of the Issuer with Pacific Century Regional Developments Limited ("PCRD"), 62,397,600 shares of which Intel Capital has the right to acquire pursuant to 3% secured redeemable exchangeable bonds due 2006 to 2007 issued to Intel Capital by PCRD ("exchangeable bonds"). 176,065,773 of such 280,065,772 shares are pledged by PCRD to Intel Pacific, acting as security trustee, to secure obligations of PCRD to Intel Capital, and Intel Pacific may be deemed to share beneficial ownership of the pledged shares with PCRD and Intel Capital.

Since the date of Intel's last filing on Schedule 13G, Intel Pacific has sold 103,336,000 shares of the Issuer, and has received as security trustee an additional 90,443,959 shares of the Issuer in which Intel Capital and/or Intel Pacific may be deemed to share beneficial ownership with PCRD.

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On June 11, 2003, Intel Capital granted in favor of PCRD a waiver of certain potential breaches of the covenants, terms and conditions of the exchangeable bonds, which breaches could have occurred (and triggered an event of default) as a result of PCRD's deconsolidation of the Issuer as a subsidiary (made effective January 1, 2003). In connection with the waiver, Intel Capital and PCRD amended several terms in the prior exchangeable bonds documentation, including, but not limited to, providing that an event of default would be triggered by (i) PCRD and Richard Li Tzar Kai failing to otherwise maintain, in the aggregate, a minimum shareholding percentage in the Issuer, and (ii) PCRD and Richard Li Tzar Kai breaching restrictions on jointly disposing of shares in the Issuer.

On November 24, 2003, Intel Capital and PCRD agreed to amend and vary several terms of the exchangeable bonds. The amendments became effective on December 23, 2003 and are summarized below.

1. The prior exchange price (the US Dollar equivalent of HK\$12.35 per Issuer share) was reduced and reset to the current exchange price (the US Dollar equivalent of HK\$8.50 per Issuer share). The prior exchange price reflects several adjustments made in 2003 including an initial adjustment to reflect the 5 for 1 share consolidation made effective January 7, 2003 and a subsequent adjustment pursuant to certain adjustment provisions triggered by the issuance of new shares by the Issuer in a private

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placement in July 2003.

2. The current exchange price would be further adjusted on the business day falling 180 days prior to December 7, 2005 (Reset Date) to the lower of the US Dollar equivalent of HK\$8.50 or an amount per share of the Issuer calculated as the US Dollar equivalent of 110% of the average of the closing quotations of one share of the Issuer, for the 60 trading days prior to the Reset Date.
3. One of the events of default under the terms of the exchangeable bonds was further amended so that it would be triggered by the disposal by PCRD of more than 5% in aggregate of the Issuer's issued share capital at any time after June 11, 2003. Previously, such event of default was triggered by the disposal of PCRD and Richard Li Tzar Kai together of more than 5% in aggregate of the Issuer's issued share capital at any time after June 11, 2003.

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ITEM 6. Ownership of More than Five Percent on Behalf of Another Person.

Item 6 is amended as follows:

Intel does not directly own any shares of the Issuer. By reason of the provisions of Rule 13d-3 under the Securities Exchange Act as amended, Intel may be deemed to own beneficially the shares of the Issuer owned beneficially by Intel Pacific and Intel Capital, each a wholly-owned subsidiary of Intel. Intel Capital may be deemed to share beneficial ownership of 280,065,772 shares of the Issuer with PCRD, representing 5.22% of the 5,368,754,074 shares of the Issuer outstanding as of July 25, 2003. Pursuant to the exchangeable bonds, Intel Capital has the right to acquire 62,397,600 of those 280,065,772 shares. 176,065,773 of those 280,065,772 shares, representing 3.28% of the Issuer's outstanding shares, are pledged to Intel Pacific, acting as security trustee, to secure obligations of PCRD to Intel Capital. For additional information, see the full text of the Deed Poll constituting the exchangeable bonds, attached as Exhibit 12 to Amendment No. 3 to Schedule 13D filed with the Securities and Exchange Commission ("SEC") on January 15, 2002, by Richard Li Tzar Kai and others and the full text of the Second Supplemental Deed Poll, attached as Exhibit 18 to Amendment No. 4 to Schedule 13D filed with the SEC on August 27, 2003 by Richard Li Tzar Kai and others.

To the best knowledge of the Reporting Person, no person other than Intel Pacific and Intel Capital has the right to receive or the power to direct the

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receipt of dividends from, or the proceeds from the sale of, the shares reported in this Schedule 13G/A-3, except that pursuant to the Securities Lending Agreement (the "Securities Lending Agreement"), dated January 14, 2002 between PCRD and Intel Capital, and the Share Charge Agreement (the "Share Charge Agreement"), dated January 14, 2002 between PCRD and Intel Pacific, (i) PCRD only has the right to receive or the power to direct the receipt of dividends from shares lent to Intel Capital that are not in Intel Capital's possession to the extent that Intel Capital receives such dividends and (ii) PCRD does not have the right to receive or the power to direct the receipt of proceeds from the sale of shares lent to Intel Capital or pledged to Intel Pacific until such shares have been returned to PCRD. For additional information, see the full text of the Securities Lending Agreement and the Share Charge Agreement, attached as Exhibits 13 and 15, respectively, to Amendment No. 3 to Schedule 13D filed with the SEC on January 15, 2002, by Richard Li Tzar Kai and others and the full text of the Second Supplemental Deed Poll, attached as Exhibit 18 to Amendment No. 4 to Schedule 13D filed with the SEC on August 27, 2003 by Richard Li Tzar Kai and others.

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ITEM 10. Certifications.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of, or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated as of February 12, 2004

INTEL CORPORATION

By: /s/ F. Thomas Dunlap, Jr.

F. Thomas Dunlap, Jr.
Senior Vice President, and
General Counsel