



For immediate release

Hong Kong Broadband Network extends innovation with IBM's smart solutions

Enhanced services supported by robust IT infrastructure

New data center to capture business opportunities

Hong Kong – February 26, 2009: Hong Kong Broadband Network Ltd. (HKBN) and IBM (NYSE: IBM) today announced the successful implementation of IBM System Storage, virtualization and data center solutions as part of HKBN's efforts to build a more dynamic infrastructure to support its business growth. This initiative allows the company to drive new and improved services by responding faster and effectively to the increasingly changing market demands and new challenges in the current economic environment.

With an advanced and dynamic IT environment, HKBN can continuously improve its customer service through the enhanced billing and subscriber email services. The new data center also helps the company to capture business opportunities and reduce its operational costs.

“Hong Kong's telecommunications market is one of the most liberalized in the world. To compete and be successful, we have to meet the challenges of a dynamic market and constantly look for better and more innovative ways to meet customer expectations,” said John Chong, Director of Corporate Division, Hong Kong Broadband Network Ltd.

“IBM helped us to run our business smarter and improve services to customers by providing a more dynamic infrastructure for our billing systems and subscriber email system. At the same time, we have been able to reduce the Total Cost of Ownership and do more with less through storage virtualization,” said Mr Chong.

As a result of the implementation, IBM has delivered a 50 percent improvement in application performance for HKBN's billing system and a 70 percent increase in subscriber number for the bbMAIL system.

“The building of the new data center has allowed HKBN to provide data center solutions to clients and capture business opportunities in this market,” said Dr Ivan Tam, Chief Technology Officer, Hong Kong Broadband Network Ltd.

“As a trusted technology partner, IBM provided smart solutions backed by business insights and innovative technologies to help HKBN reduce costs, improve service levels to customers, and develop enhanced business solutions. We aimed to help HKBN build an IT infrastructure that will bring more automation, integration and efficiencies to their business operations,” said Savio Ng, Executive, Systems and Technology Group, IBM China/Hong Kong Limited.

IBM has implemented three major projects that delivered a more dynamic, resilient, virtualized and efficient infrastructure for HKBN.

- **Consolidation and virtualization lowers TCO and improves manageability**

By deploying IBM's System Storage DS8000 and virtualization technologies supported by SAN Volume Controller (SVC), HKBN has simplified its storage infrastructure, reducing the number of physical storage and server boxes through consolidation which in turn has improved its Total Cost of Ownership. Performance improvements of 50 percent were delivered in some long-running processes without modifying the application codes, far exceeding the 30 percent increase in application performance estimated by IBM. The deployment of SVC has brought significant business benefits for HKBN for investment protection and flexibility. With SVC onboard, HKBN can continue to utilize its current storage systems while improving the overall manageability of it as a single storage pool.

- **Robust storage infrastructure supports improved subscription email service**

HKBN's subscription email service (bbMAIL) faced slow response times and service interruptions in peak hours due to storage system overload which had hindered the subscriber growth. IBM's System Storage N5300 was deployed to provide faster service response time for email access, increase storage system performance and data capacity headroom for the growing number of users, and provide an IT infrastructure with high availability. The solution allowed HKBN to enhance its email storage to 1GB for users and achieved a 70 percent increase in subscriber number. This allows HKBN expand its customer base and improve customer service levels.

- **Data center solution to capture business opportunities**

HKBN wanted to capture new business opportunities by providing data center services and required a data center solution that can support its strategy of maximizing energy efficiency. IBM Global Technology Services provided a space- and cooling-optimization approach to design and build the new data center that included a sophisticated air conditioning system, enhanced airflow cooling capabilities and raised flooring, Uninterrupted Power Supply (UPS), and a fire protection and prevention system.

“By running their business smarter, HKBN has a solid platform for building innovative and reliable telecommunication services and is well positioned to meet customer demands,” said Annabella Yau, Executive, Global Technology Services, IBM China/Hong Kong Limited.

“The partnership between IBM and HKBN has delivered not only a robust solution for HKBN, but has also empowered them to expand their services and explore new business opportunities – that's a great position to have in a challenging business environment. IBM is looking forward to seeing HKBN drive further innovation and business growth,” said Ms Yau.

About IBM

For more information about IBM Hong Kong, go to: www.ibm.com/hk.

About City Telecom/Hong Kong Broadband Network Limited

Established in 1992, City Telecom (H.K.) Limited (SEHK : 1137, NASDAQ : CTEL) provides integrated telecommunications services in Hong Kong. City Telecom's wholly-owned subsidiary, Hong Kong Broadband Network Limited (HKBN), is the largest alternative residential broadband service provider in Hong Kong, and plans to extend its homepass service to two million households and 1,800 commercial

buildings. HKBN currently serves more than 800,000 subscribers across Voice, Broadband (symmetric 25Mbps up to 1Gbps) and IP-TV services. Additional information on City Telecom can be found at www.ctigroup.com.hk.

###

Media contacts:

Sammie Lee
IBM China/Hong Kong Limited
Tel: (852) 2825 0031
Fax: (852) 2537 1783
Email: sammieky@hk1.ibm.com

Pauline Poon
Text 100 Hong Kong
Tel: (852) 2821 8692
Fax: (852) 2866 6220
Email: pauline.poon@text100.com.hk

Jessie Cheng
Corporate Communications
Hong Kong Broadband Network Ltd
Tel: (852) 3145 4118
Fax: (852) 2199 8372
Email: chengcm@ctihk.com

Photo Appendix



Starting from left, Savio Ng, Executive, Systems and Technology Group of IBM, Annabella Yau, Executive, Global Technology Services of IBM, John Chong, Director of Corporate Division of HKBN and Dr Ivan Tam, Chief Technology Officer of HKB officiating the ceremony.