For immediate release

HKBN launches Hong Kong's First 100Mbps and World's First 1Gbps Residential Broadband Services

(Hong Kong, 16 November 2004) Hong Kong Broadband Network Limited ("HKBN") is pleased to announce the launch of our symmetric 100Mbps and 1,000Mbps (1Gbps) residential broadband services, branded "BB100" and "BB1000", respectively. We believe that BB100 is Hong Kong's first and BB1000 will be the world's first residential broadband service at such high speeds. These service offerings push Hong Kong's broadband market to a new technology pinnacle.

New Services Over Existing Fiber-To-The-Building /Metro Ethernet Network

Since we received our Wireline-based Fixed Telecommunications Network Service license in 2002, HKBN has been aggressively upgrading our Metro Ethernet backbone from Wireless-LMDS to self-owned optical fiber. HKBN's backbone consists of 2x200 optical core fibers that can support up to 64,000Gbps transmissions. HKBN's optical fiber-to-the-building (FTTB) rollout is expected to be 90% self-owned by the end of the first quarter in 2005. HKBN's Metro Ethernet is capable of 10/100/1000 Mbps bandwidths over existing in-building Category 5e copper-block wiring. Total investment cost to date for this Metro Ethernet has been contained to approximately US$130/home pass – a fraction of comparable bandwidth networks around the world.

BB100 Symmetrical 100Mbps Service for HK$268/month (US$35/month)

We believe is HKBN the first operator in Hong Kong to release "3G" BB100 Internet access service providing up to 100 Mbps for both upstream and downstream bandwidth. While being 16 to 155 times faster than the most popular ADSL service currently offered in Hong Kong, HKBN intends to capture all market segments by

charging only HK$268/month (US$35/month) for unlimited 100Mbps local and 20Mbps international access. In addition, for the extreme bandwidth users, HKBN will offer a BB100 unlimited option with 100 Mbps local and international access for HK$1,980/month (US$254/month).

Initially, HKBN will offer BB100 as an upgrade to reward its existing customers, but over time, it will target new customers.

With BB100, HKBN enables Hong Kong's mass market access to speeds that were traditionally reserved only for large enterprise environments. Importantly, HKBN is able to upgrade the current 10 Mbps standard service offering to 100 Mbps without any physical change in the customer's premise; hence an upgrade can be provisioned remotely via an Internet or phone acceptance.

While "2G" ADSL services are a marked improvement over "1G" dial-up services, we believe consumer appetites for large digital multi-media exchange will soon exceed the technical limitations of existing ADSL platforms, especially with their upstream limitations. For example, Hong Kong's most popular ADSL service today offers 6 Mbps downstream but only 640 Kbps upstream, which makes high bandwidth symmetrical data exchange impractical. HKBN's "3G" BB100 shatters this limitation by offering symmetric 100 Mbps bandwidth for both upstream and downstream.

HKBN's Cisco-powered Metro Ethernet currently covers 1.2 million homes, 90% of which will be eligible for service upgrades to at least BB100 by the first quarter of 2005. Furthermore, HKBN is committed to expanding the number of homes passed to 1.6 million, which represents nearly 75% of Hong Kong's total homes.

BB1000 1,000 Mbps Service by Second Quarter 2005

In addition to our 100 Mbps service, we plan to release our BB1000 symmetric 1,000 Mbps (1Gbps) service by the second quarter of 2005. Like BB100, the unique feature of our BB1000 service is that HKBN will be able to deliver this service through its existing Category 5e copper-block wiring connection inherent in its Metro Ethernet 10/100/1000 Mbps progression path. Bypassing the requirement for expensive fiber-direct-to-PC will result in substantial cost savings, which HKBN will partly share with consumers.

“Yahoo BB in Japan was the first telecom operator to introduce residential 100Mbps broadband service and Japan is still the only country in Asia that has commercial deployment of residential 100Mbps services. Hong Kong, despite being considered to be the telecom hub of Asia, has yet to launch similar services. We believe HKBN’s launch of our 100Mbps and 1,000Mbps will be firsts in Hong Kong and the world, and are a direct result of our mission to be a technology pioneer,” said Ricky Wong, Chairman of HKBN. Commenting on the 1,000Mbps service, Ricky Wong said, “HKBN’s BB1000 service will effectively be the Autobahn of Broadband access – on our BB1000 Internet freeway, the only limitation will be the processing speed of the consumers’ equipment. BB100 and BB1000 services showcase the inherent bandwidth and cost advantages of HKBN’s next-generation network over legacy platforms.”

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About City Telecom

Established in 1992, City Telecom (H.K.) Limited (SEHK : 1137, NASDAQ : CTEL) provides integrated telecommunications services in Hong Kong. CTI's wholly owned subsidiary, Hong Kong Broadband Network Limited (HKBN), has deployed a Metro Ethernet network of 1.2 mn homes passed and to date, has achieved an aggregate Voice, Broadband and Pay-TV base in excess of 465,000 subscriptions. Additional information on City Telecom can be found at www.ctihk.com.

Appendix 1 : Hong Kong Broadband Market – Service Alternatives

	Standard	Bandwidth	
		Downstream	Upstream
"1G"	Dial-up	64Kbps	64Kbps
"2G"	ADSL Cable Modem	1.5-6Mbps 8M (shared)	640Kbps 5M (shared)
"2.5G"	VDSL	10Mbps	10Mbps
"3G"	10Mbps Ethernet 100Mbps Fast Ethernet 1Gbps Gigabit Ethernet	10/100/1000Mbps	10/100/1000Mbps