



For immediate release

World Leading ICT Innovation: HKBN Officially Launched FTTH bb1000 Service

(Hong Kong, 20th April 2005) Hong Kong Broadband Network Limited (HKBN), a wholly owned subsidiary of City Telecom (HK) Limited (NASDAQ: CTEL and Hong Kong Stock Exchange: 1137.HK), today announced the official launch of its bb1000 service, a symmetric 1Gbps for the Residential market. HKBN believes that Hong Kong is the first market in the World whereby 1/3rd of the total households, approximately 800,000 households out of a total of 2.2 million households, can now enjoy World Leading FTTH (Fibre-to-the-Home) symmetric 1Gbps Internet access service.

bb1000 is the fastest Internet access service in Hong Kong, being up to 166x faster downstream and 1,950x faster upstream than the advertised bandwidth by the leading Asymmetric Digital Subscriber Line (ADSL) deployment in Hong Kong. Priced at HK\$1,680/month (US\$215) for unlimited access, bb1000 targets premium residential users, such as Home Office or Remote Office access applications. As an introductory offer, HKBN is offering a three-month rebate for the first 200 customers who commit to 15 months contracts.

HKBN has been developing its end-to-end Cisco-powered Metro Ethernet since 2000 and has been upgrading its trunk to self-owned fiber since its Wireless-FTNS to Wireline-FTNS license upgrade in April 2002, its fibre network now covers 1,000,000 households. On HKBN's primary routes, it has deployed a fibre-backbone of 400 cores. Counting on the basis that each 2 cores carry a capacity of 10Gbps, we can offer up to 2,000Gbps. This capacity should more than sufficient to meet bandwidth demands in the coming five years. If needed, this 2,000Gbps capacity can be upgraded to 64,000Gbps at minimal efforts.

The highlight of bb1000 is that, customer can opt to connect high-speed broadband service by Fibre-to-the-Home (FTTH). From ADSL transmission connected by legacy telephone lines, to Ethernet via CAT5-E cables, evolving to FTTH, these all signifies

breakthroughs of the Hong Kong telecom market. While FTTH can support extremely high speed transmission, the launch of 1,000Mbps (1Gbps) service is just a beginning, that can further upgrade according to customer needs.

Empowered by Metro Ethernet technology, HKBN's network is flexible to offer various bandwidth packages. HKBN's Premium bb1000 service is being offered on the same Metro Ethernet that delivers its Mass Market bb100 (symmetric 100 Mbps) and Entry Point bb10 (symmetric 10 Mbps). This family of bb1000, bb100 and bb10 is the most comprehensive suite of broadband offerings in Hong Kong, addressing all service segments and price points. To celebrate its bb1000 launch, HKBN is also offering three-month rebate for 15 months contracts on bb100, valued at HK\$268/month (US\$34) and bbB10, valued at HK\$128/month (US\$16).

Furthermore, in support of HKBN's bb1000 launch, Liu Xiang, China's first male Olympic Track and Field Gold medalist, will feature in its new branding campaign. "The background of Liu Xiang parallels our company development, with the theme 'dare to dream, dare to do and strike your best'. Liu's self-belief and persistence, as well as 'I can do it' spirit, have delivered World Class breakthroughs from humble beginnings. We subscribe to Liu's philosophy of 'If I am not capable, I will not try, but if I can, why don't I seize the opportunity?'" At HKBN, we strongly believe that the one who runs in front of oneself, is the one who writes history," said Ricky Wong, chairman of HKBN.

"HKBN has always strived to propel Hong Kong as a World Leading Information and Communications Technology hub, and today, we have delivered it! With the launch of bb1000, Hong Kong and Japan are the only cities in the World can deliver 1000Mbps residential broadband service. With our Metro Ethernet expansion from 1.2 million to 1.8 million households, we will bring this World Leading service to the majority of Hong Kong's consumers. Whilst legacy carriers may rely only pricing, HKBN, with our Next Generation Network, is now offering both World Class Service and World Class Value to the community of Hong Kong." said Mr. Wong.

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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 IP-TV subscription base in excess of 500,000 subscriptions. Additional information on City Telecom can be found at www.ctihk.com.