



Hong Kong Broadband Driving World's Fastest Residential Broadband Service with Cisco Powered Network QoS-certified Metro Ethernet Solution

HKBN builds on Cisco IP NGN for rapid service growth

HONG KONG – October 27, 2005 – Cisco Systems® today announced that Hong Kong Broadband (HKBN) has become the first service provider in the world to achieve the Cisco Powered Network Metro Ethernet QoS Certified status. This certification indicates that HKBN has demonstrated, through a third-party assessment, that its Metro Ethernet service meets Cisco® best practices and standards for delivering quality of service (QoS). The architecture of HKBN is based on Cisco's IP Next-Generation Network.

The IP Next-Generation Network (IP NGN), a Cisco initiative to enable service provider migration to all-Internet Protocol (IP) networks, increases providers' abilities to deliver innovative new services, improves their operational and capital expenditure efficiencies and advances the network and service control that they and their customers need for long-term business success.

The deployment of a Cisco IP NGN enables HKBN to deliver its current portfolio of services more efficiently and effectively, while the Metro Ethernet QoS Certification demonstrates that HKBN has the means to deliver tomorrow's real-time, application-intensive business and residential services. The IP NGN creates an intelligent infrastructure from which application-aware services are delivered by a service-aware network. This infrastructure opens new opportunities to offer business customers advanced, highly secure, value-added and personalized all-media services over wireline and wireless connections.

In June 2002, HKBN successfully established the largest Metro Ethernet IP network in the world, which now serves 1.2 million homes, or about 60 percent of the population in Hong Kong. In an effort to continually improve the services available through this network, HKBN is testing the Cisco ME 3400, an Ethernet access switch purpose-built for service provider needs, in consideration for future deployment. For more information about the Cisco ME 3400 and other related announcements from Cisco today, please go to newsroom.cisco.com.

"We are very pleased to receive this certification from an industry leader like Cisco. It not only demonstrates our own commitment to quality and our investment to deliver world-class service, but also raises the bar for our competitors," said Ricky Wong, chairman of HKBN. "Every member of our staff can take pride in this achievement, but the real beneficiaries will be our customers."

About the IP VPN Multiservice QoS Certification and the Cisco Powered Network Program

The new Cisco QoS Certification requires the service provider to undergo an annual third-party, on-site assessment, to validate that the service provider follows best practices for delivering recommended levels of network performance (including latency, jitter and packet loss, real-time voice and video conferencing). The certification also specifies that the service-level agreement must span the network from customer edge to customer edge.

The Cisco Powered Network Program identifies service providers that use Cisco equipment in their networks end to end and meet Cisco requirements for service and support. By building their networks using Cisco equipment, Cisco Powered Network Program members can offer services with high levels of network quality and interoperability. Additionally, these service providers have a commitment to bring businesses specialized expertise, enhanced efficiency and access to global network resources, allowing businesses confidence when outsourcing the management of their network to a Cisco Powered Network Program member. For additional information about the Cisco Powered Network Program visit www.cisco.com/cpn.

“QoS is increasingly important because service providers are converging different services on the same network. Real-time applications such as voice, video and TV in particular, drive QoS improvements to eliminate latency,” said Fredy Cheung, Managing Director, Cisco Systems (HK) Limited.

HKBN rolls out world’s first Metro Ethernet-based 1Gb residential broadband service

Running on a Cisco based infrastructure, HKBN has unveiled the world’s first Metro Ethernet-based 1Gb residential broadband service. HKBN delivers the most comprehensive suite of broadband services in Hong Kong giving consumers the option of symmetric 10 Mbps, 100 Mbps and 1Gbps services. Thanks to Cisco’s highly scalable metro optical solution, HKBN can rely on its existing network infrastructure to deliver the 1Gbps service with minimum additional investment.

“We are extremely pleased to be able to offer our residential customers the fastest broadband services in the world. On a cost per Mbps basis, Hong Kong consumers across the whole spectrum of value, mass and premium segments, now enjoy amongst the best value in the World,” said Ricky Wong. “Partnering with Cisco empowers HKBN with the competitive advantage to deliver future services today and at commercially attractive price points.”

“Cisco and HKBN are more than merely vendor and customer. We work with HKBN as a strategic partner, designing and fine-tuning the network infrastructure, as well as exploring new market opportunities together,” added Fredy Cheung. “As a leader in IP communications, Cisco believes higher speed and converged services on broadband

networks are clearly an industry trend. Our state-of-the-art solutions enable forward-thinking service providers such as HKBN to anticipate and respond to customer needs in a timely and cost-effective manner.”

About Hong Kong Broadband Network

Hong Kong Broadband Network (HKBN) is a wholly owned subsidiary of City Telecom (H.K.) Limited (NASDAQ: CTEL and HKSE: 1137.HK). Since HKBN’s inception in 2000, it has become the largest alternative end-to-end residential broadband network in Hong Kong, with 500,000 subscriptions across its service offerings of voice, broadband and IP-TV. HKBN has committed to expanding its Metro Ethernet coverage from 1.2 million homes passed today to 1.8 million homes passed (80% of Hong Kong’s total homes) within the next 3 years. Information about HKBN can be found at <http://www.ctihk.com>.

About Cisco Systems

Cisco Systems, Inc. (NASDAQ: CSCO) is the worldwide leader in networking for the Internet. Information about Cisco can be found at www.cisco.com. For ongoing news, please go to newsroom.cisco.com. Asia Pacific news and information are available at www.cisco.com/asiapac/news.

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