

For Immediate Release

**HKBN brings customers high bandwidth experience to the next stage -
Launch of the most interactive channel in the bbTV package**

(Hong Kong, 20th June 2008) Hong Kong Broadband Network Ltd (“HKBN”) today announced that it has entered into a partnership with Accedo Broadband for the launch of an interactive game channel, 307 Funspot, on 25 June 2008. This cooperation will result in new dedicated games service being added to HKBN bbTV package and brings users another high bandwidth experience.

Possessing an advanced and self-constructed network platform is one of the competitive edges of HKBN. Built on an open platform, the new channel will offer single and multi player popular games such as Mahjong and Big2. Subscribers to the game service are able to enjoy a large selection of games, free of charge for 3 teaser games at launch. Subscribers can also join the monthly package with unlimited access at HK\$12 with 24 months contract.

The users of Funspot are able to enjoy a large selection of games from the Accedo Application Portfolio. This contains the largest available portfolio of casual games for IPTV with themes as such as casino, cards, puzzles, strategy, board games and quizzes.

HKBN is an IPTV pioneer having entered into the market in August 2003. The platform of HKBN empowers an unlimited number of channels and interactivity. Currently, HKBN provides IPTV service under the brand bbTV, with more than 80 TV channels as well as more than 20 interactive application channels such as weather report, real-time text news, stock quote, SMS, email application, online photo album, useful telephone numbers and accessing information of accounts. In addition, it also supports "near Video on Demand" function, which is a unique feature for the industry in Hong Kong.

“With our FTTH network’s superior bandwidth, we deliver unlimited capacity for interactive channels, which differentiates our services from traditional Pay TV platforms”, said Elsa Cheung, Senior Vice-President – Pay TV of HKBN. “We are effectively upgrading our bbTV audience to participants via interactivity.”

Mark Adams, VP Business Development, Accedo Broadband Asia, commented: “We are very happy to start working with Hong Kong Broadband. Their high quality network,

offering up to 1000 MBps symmetric connection speeds, make them an ideal IPTV provider. Accedo will support their strategy of continuously adding new interactive channels to increase ARPU and customer loyalty.”

For more information on HKBN and the bbTV service, see <http://www.hkbn.net>.

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 in the process of expanding its Metro Ethernet from 1.4mn to 2.0mn homes pass. HKBN has achieved an aggregate Voice, Broadband (symmetric 25Mbps up to 1Gbps), IP-TV and Corporate data services base in excess of 680,000 subscriptions. Additional information on City Telecom can be found at www.ctigroup.com.hk.

For enquiries, please contact:

Corporate Communications

Jessie CHENG

Tel: (852) 3145 4118

Fax: (852) 2199 8372

Email: chengcm@ctihk.com

About Accedo Broadband

Accedo Broadband is a leading provider of interactive content and applications for IPTV and broadband enabled consumer electronics. Accedo Broadband provides the largest available multi-platform portfolio of IPTV applications, Accedo Application Portfolio™, containing e.g. IPTV games, quizzes, puzzles, video art, comics, karaoke, weather and communication. Accedo offers a turnkey solution compatible with most IPTV and online CE platforms including e.g. a IPTV multiplayer gaming solution.

Accedo is a privately held company founded by telecom and media entrepreneurs Michael Lantz and Fredrik Andersson and primarily backed by Swedish VC Industrifonden. Accedo Broadband is headquartered in Stockholm, Sweden with branch offices in London, San Francisco and Hong Kong. For more information, visit www.accedobroadband.com.

For enquiries, please contact:

Helen Weedon

Bitham Mill PR

Tel: +44 1373 460116

helen@bithamillpr.com