

For Immediate Release

City Telecom ceased to be a member of the Infinity Consortium

(Hong Kong, 20 August 2008) City Telecom (H.K.) Limited (the “Company”, SEHK : 1137, NASDAQ : CTEL) announces today, the Company will cease to be a member of the Infinity Consortium with effect from 20 August 2008.

As announced on 30 April 2008, the Company entered into a consortium agreement dated 30 April 2008 (the “**Consortium Agreement**”) with MobileOne Ltd. and StarHub Ltd. (“**StarHub**”) to form a consortium (the “**Infinity Consortium**”) for the purpose of submitting a bid to build Singapore’s Next Generation National Broadband Network that will meet all the criteria for the Infocomm Development Authority of Singapore’s Request-for-Proposal for the Network Company.

After arm’s length negotiation, the parties to the Consortium Agreement have agreed that with effect from 20 August 2008, (a) StarHub will assume the rights and responsibilities of the Company as the consortium lead for the Infinity Consortium under the Consortium Agreement and (b) the Company will cease to be a member of the Infinity Consortium.

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About City Telecom (H.K.) 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 Next Generation Network from approximately 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 726,000 subscriptions. Additional information on City Telecom can be found at www.ctigroup.com.hk.

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