

For Immediate Release

## **2010 Profit Sharing with Talents – 1.9x Months Basic Salary Bonus**

(Hong Kong, 23 December, 2010) City Telecom (H.K.) Limited (HKEX: 1137, NASDAQ: CTEL) and wholly-owned subsidiary Hong Kong Broadband Network Limited. For our financial year to 31 August 2010, we delivered on the stretched key performance indicators promised a year ago, such as Fibre Home Passes, Subscribers, EBITDA and Free Cash Flow. As part of our performance based culture, we will be rewarding our 3,200 Talents with an average profit share of 1.9x months of basic salary, paid before our annual company-wide Christmas Dinners in Hong Kong and Guangzhou held in December 2010. We believe this bonus is at the high end of the Hong Kong telecom industry.

As part of our performance based culture, we terminate the bottom performing 5% of our Talent base every year. Also, bonus is allocated on performance, with Talents rated in 6 categories of A, B, C+, C, D and E, with A earning 2.5-5.0x months bonus, and E earning no bonus, being shortlisted for termination.

This year, we are introducing “Work Life Upgrade” program whereby our Talents can trade up ½ month of bonus for 10 work days of extra annual leave. We believe that this discretionary upgrade gives our Talents the option of recharging their body and mind, if they so wish to.

With our 18 year corporate history, we treasure our long serving Talents. In Hong Kong, it has become our tradition to award long serving Talents with ½ ounce gold coin for 5 and 10 years service and 1 ounce gold coin for 15 years service. This year, 180 Talents are qualified for long service resulting in award of 96 ounces of gold currently valued at over HK\$1,130,000 (US\$146,000). Over the past 18 years, we estimate that we have awarded over 450 ounces of gold, with today's market value of HK\$5,250,000 (US\$680,000). Whilst the cost per Talent of this long service award is material, we consider this to be a happy investment as it is a tiny amount relative to the 5-15 years of contributions that each of our long serving Talents have made.

*“Our hiring objective is simple, we are happy to pay 25% above market rates for Talents that contribute 100% above market average”, said Mimi Choy, Director, Talent Management. “If we were an Olympic team, we will settle for nothing less than winning Gold, and we want to only hire Talents that share this passion with us. We want our Talents to either love us or hate us, but certainly not be indifferent”.*

For a brief insight into our corporate culture, please refer to

<http://www.youtube.com/watch?v=B1x5t26Y6Q0>

– End –

**About City Telecom/Hong Kong Broadband Network Limited**

Established in 1992, City Telecom (H.K.) Limited (HKEX: 1137, NASDAQ: CTEL) provides integrated telecommunications services in Hong Kong via its own self-built fibre network. City Telecom's wholly-owned subsidiary, Hong Kong Broadband Network Limited (HKBN), is the fastest growing broadband service provider in Hong Kong. HKBN offers a diversified portfolio of innovative products that service over 1,110,000 subscriptions for broadband, local telephony and IP-TV. The Company has built a solid market position with top-of-the-line applications and practices enabling it substantial growth. The company takes great pride in developing its over 3,000 Talent force into a competitive advantage. Additional information on City Telecom can be found at [www.ctigroup.com.hk](http://www.ctigroup.com.hk)

**For Enquiries, please contact:**

Corporate Communications

Jessie Cheng

Tel: +852 3145 4118

Fax: +852 2199 8372

Email: [chengcm@ctihk.com](mailto:chengcm@ctihk.com)

Investor Engagement

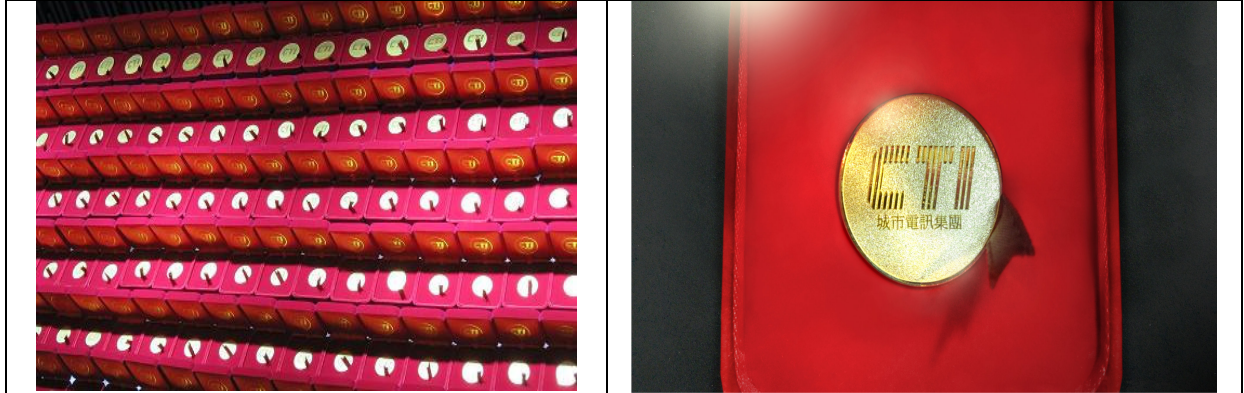
Peggy Chan

Tel: +852 3145 6068

Fax: +852 2199 8655

Email: [investor\\_engagement@ctihk.com](mailto:investor_engagement@ctihk.com)

**Appendix 1: City Telecom Gold Coins for 5, 10 and 15 years service, valued at HK\$1,130,000 (US\$146,000) to be awarded at 2010 X'mas Annual Dinner**



**Appendix 2: City Telecom X'mas Guangzhou and Hong Kong Annual Dinner**

