

For Immediate Release

HKBN Shatters the Millionth Subscription Mark Driven by Strong Broadband Subscription Growth

(Hong Kong, 11 January 2010) Hong Kong Broadband Network Ltd (“HKBN”), a wholly owned subsidiary of City Telecom (HK) Limited (HKSE: 1137, NASDAQ: CTEL), is pleased to announce that we have shattered the millionth mark for Fixed Telecom Network Services subscriptions. This achievement is a solid testimonial of our competitive advantages in fibre network technology and customer service.

The launch of “AWESOME SPEED_ FOR EVERYONE” program on 1 November 2009, which offers symmetric 100Mbps broadband service at US\$13/month (HK\$99/month), has brought overwhelming market response. For the two months since launch, we have added net 38,000 broadband subscriptions. This growth rate of net 19,000/month is 3x higher than our net 6,250/month achieved during FY09.

During December 2009, total subscriptions for broadband, voice & IPTV services shattered the millionth mark to reach 1,004,000, with detail breakdown as below:

Fixed Telecom Network Services Subscriptions

	31 Aug 08	31 Aug 09	31 Dec 09
Broadband	316,000	391,000	443,000
Voice	329,000	382,000	403,000
TV	156,000	170,000	158,000
Total	801,000	943,000	1,004,000

HKBN’s CEO, William Yeung said, “For the four months to 31 Dec 2009, we added net 52,000 broadband subscriptions which compares with our full financial year 2010 target of adding net 110,000. As such, we are confident on delivering our FY2010 (12 months to 31 Aug 2010) guidance of reaching 500,000 broadband subscriptions, maintaining core EBITDA of HK\$478 million , keeping capex below core EBITDA and mild revenue growth.”

He added, "There is growing evidence of the market embracement of our ultra-high bandwidth fibre network and superior customer service. For the four months to 31 December 2009, our net additions of 13,000/month far exceeds normal industry growth of 5,100/month¹, which means that existing customers from other broadband providers are switching over to us on mass."

Embracing the support from our fans and to leverage the superiority of our ultra-high bandwidth broadband services, we have launched series of local Pop Concert downloads with full copyrights. Our bb100 subscribers will be able to effortlessly download feature length concerts (a typical DVD is about 5GB) of local pop stars for free in just under 7 minutes. For details on the concert downloads, please feel free to visit www.hkbn.net/concert and kindly refer to the Appendix for the Stars line up in the coming months.

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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. City Telecom's wholly-owned subsidiary, Hong Kong Broadband Network Limited (HKBN), is in the process of expanding its self-built Next Generation fibre network. HKBN has achieved an aggregate Voice, Broadband (symmetric 25Mbps up to 1Gbps) and IP-TV services base in excess of 1,004,000 subscriptions. Additional information on City Telecom can be found at www.ctigroup.com.hk.

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¹ Per latest OFTA statistics, there were 2,004,074 broadband users in Hong Kong as of 31 Oct 2009, an addition of 61,202 users during the year or 5,100/month.

Appendix: Feature length Concerts Download

Aaron Kwok De Show Reel Live In Concert 2008 / 郭富城舞林正傳演唱會延續編2008	Leo Ku /古巨基 Magic Moments Concert 2007
<p>Available since September 2009</p> 	<p>Available Mid-January 2010</p> 
Air Justin (側田) 08 Live	Chim Jim, GAG & THE CITY 詹瑞文 笑慾都市
<p>Available February 2010</p> 	<p>Available February 2010</p> 
Our Sandy Lam Live 07 憶蓮Live 07	William So, So I Sing 08 蘇永康 So I Sing 08
<p>Available March 2010</p> 	<p>Available April 2010</p> 