

For immediate release

**HKBN Awarded Hong Kong International Airport
Payphone Service Provision Contract**

(Hong Kong, 19 February 2008) Hong Kong Broadband Network Limited (HKBN), a wholly-owned subsidiary of City Telecom (H.K.) Limited (HKEX 1137.HK / NASDAQ CTEL, CTI), was awarded a 5-year contract for the provision of 150 payphones in the two passenger terminal buildings at the Hong Kong International Airport.

Hong Kong International Airport is well recognized as one of the best airports in the world with 47.8 million passengers in 2007. To select the best service provider for payphone service, the Airport Authority invited several providers to submit the tender in late July 2007. The Authority assessed whether the bidders had thorough business plan, excellent customer services and strong commitment to provide innovative value-added services in payphone zone. After rigorous selection process, the Authority granted HKBN the right to operate the 150 payphones at the airport. With this latest win, HKBN is building an impressive list of major corporate customers, including Caritas Information Technology Advancement Centre, Cyberport, Hong Kong Economic Times, Hong Kong Sports Institute, Radio Television Hong Kong and Shun Hing Technology Company Limited.

HKBN has been continuously advancing and applying telecommunications technology for the benefit of the public. It has invested more than HK\$2 billion in its self-built Metro-Ethernet IP network with fiber optics as the backbone. Unlike other IP providers who are still using old copper telephone lines to provide broadband services, it was the first to deploy FTTH (Fiber-To-The-Home) advanced technology in Hong Kong. With high quality of services and products, HKBN was the first IP provider worldwide gaining the Cisco Powered Network Metro Ethernet Quality of Service recognition. It has also received many different awards for its excellent customer services and products provided.

John Chong, Director of Corporate Division said, "The award of the contract reflects HKBN's provision of advanced yet reliable technology and a strong commitment to deliver the best service to people around the world."

Apart from residential market, HKBN has been providing quality services for the corporate market since 1997. It has been providing services such as VoIP (Voice over IP), IDD, unified messenger and corporate data services for leading organizations in trading, finance, banking, hotels, hospital and government departments. The contract for provision of services at the airport further enhances its reputation, and setting a good cornerstone for future cooperation with international groups. It is expected that HKBN would further accelerate its growth and expansion.

-End-

About City Telecom / Hong Kong Broadband Network

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 640,000 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

Investors Relations

Peggy CHAN

Tel: (852) 3145 6068

Fax: (852) 2199 8655

Email: ir@ctihk.com