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SmarTone Telecommunications Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 315)

Profit warning

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The board of directors of the Company wishes to inform shareholders of the Company and potential investors that consolidated net profit of the Group for the year ended 30 June 2009 is expected to decline significantly as compared to that for the year ended 30 June 2008. This is primarily due to a continuation of the adverse market conditions which affected the Group's interim results for the 6 months ended 31 December 2008.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

This announcement is made by SmarTone Telecommunications Holdings Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors of the Company (the "Board") wishes to inform shareholders of the Company and potential investors that consolidated net profit of the Group for the year ended 30 June 2009 is expected to decline significantly as compared to that for the year ended 30 June 2008. This is primarily due to a continuation of the adverse market conditions which affected the Group's interim results for the 6 months ended 31 December 2008.

The Board considers that the decline was mainly attributable to (1) a substantial drop in roaming revenue resulting from reduction in business travel amidst the global economic downturn; (2) lower tariffs and higher handset subsidy in line with the market trend; (3) marketing and sales expenses incurred in launching the Group's new wireless fixed-line services; and (4) a substantial drop in interest income resulting from lower interest rate.

The Group is taking various measures to reduce costs without compromising the Group's high standard of service to customers.

The Group is investing in wireless technology to serve the mobile, fixed-line and broadband markets. The Group leads the industry in network performance for coverage, stability and speed, as well as customer service that is second to none. It is leveraging on these

advantages to strategically position the Group favourably to become a key player in the fixed-line and residential broadband businesses and to generate new revenues.

The Board believes that the financial position of the Group remains strong. Cash and bank balances (including pledged bank deposits) and investments in held-to-maturity debt securities amounted to over HK\$1,400 million at 30 June 2009. As at 30 June 2009, the Group had no bank or other borrowings.

The Company is in the process of finalising the audited consolidated results of the Group for the year ended 30 June 2009. The information contained in this announcement is only a preliminary assessment by the Company based on information currently available and is not based on any figures or information audited by the Company's auditors. Finalised results of the Group and other details will be disclosed or reviewed in the results announcement for the year ended 30 June 2009 to be published by the Company.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

By order of the Board
SmarTone Telecommunications Holdings Limited
Alvin Yau-hing Mak
Company Secretary

Hong Kong, 30 July 2009

As at the date of this announcement, the Executive Directors of the Company are Mr Douglas Li and Mr Patrick Kai-lung Chan; Non-Executive Directors are Mr Raymond Ping-luen Kwok, Mr Michael Yick-kam Wong, Mr Wing-yui Cheung, Mr David Norman Prince, Mr Wing-chung Yung and Mr Thomas Hon-wah Siu; Independent Non-Executive Directors are Dr Eric Ka-cheung Li, JP, Mr Leung-sing Ng JP, Mr Xiang-dong Yang, Mr Eric Fock-kin Gan and Mr Peter David Sullivan.