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SmarTone Telecommunications Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00315)

DISCLOSEABLE TRANSACTION IN RELATION TO AUCTION OF RADIO SPECTRUM

The Board is pleased to announce that SmarTone Mobile, an indirect wholly-owned subsidiary of the Company, is the provisional successful bidder for the auction of the Radio Spectrum for provision of public mobile telecommunications services.

The use of the Radio Spectrum has a term of 15 years starting from the date of assignment of the Radio Spectrum. The Spectrum Utilisation Fee will be HK\$875 million.

SmarTone Mobile is also required to provide a Performance Bond of HK\$50 million to OFTA.

The acquisition of the Radio Spectrum constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

On 3 March 2011, OFTA published a Provisional Successful Bidder Notice announcing the provisional successful bidders for the auction of radio spectrum in the 850MHz, 900MHz and 2GHz bands for the provision of public mobile telecommunications services in Hong Kong. The Board is pleased to announce that SmarTone Mobile, an indirect wholly-owned subsidiary of the Company, is the provisional successful bidder for the Radio Spectrum.

Auction Results

During the period from 28 February 2011 to 3 March 2011, OFTA conducted a public auction of radio spectrum in the 850MHz, 900MHz and 2GHz bands for the provision of public mobile telecommunications services in Hong Kong. SmarTone Mobile took part in the auction and, after a total of 41 bidding rounds, successfully bid for the Radio Spectrum in the following frequency band at a Spectrum Utilisation Fee of HK\$875 million.

Radio Spectrum : 832.5 MHz – 837.5 MHz paired with
877.5 MHz – 882.5 MHz
(i.e. 2 x 5 MHz)

Assignment of the Radio Spectrum

The use of the Radio Spectrum has a term of 15 years starting from the date of assignment of the Radio Spectrum.

OFTA will assign the Radio Spectrum to SmarTone Mobile after receipt of the one-off Spectrum Utilisation Fee and the Performance Bond.

The Spectrum Utilisation Fee will be settled in cash and the Group will also arrange for a bank in Hong Kong to issue the Performance Bond, within 30 business days after publication of the Provisional Successful Bidder Notice.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, OFTA and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

Information of the Company

The Company is a leader in total communications in Hong Kong, providing voice, multimedia and broadband services in the mobile and fixed markets through its ubiquitous GSM/3G/HSPA+ network. The Company's main subsidiary in Hong Kong operates as SmarTone-Vodafone, a Partner Network of Vodafone Group Plc., the world's leading mobile telecommunications company. The Company has been listed in Hong Kong since 1996 and is a subsidiary of Sun Hung Kai Properties Limited, one of the largest developers in Hong Kong.

Reasons for and Benefits of the Radio Spectrum

The new spectrum provides the Group the most cost-effective and the quickest way to expand its network capacity. At the 850 MHz frequency band, the lowest frequencies available to mobile operators in Hong Kong, the Group will be able to provide even better in-building radio coverage to its customers. Further network capacity expansion can also be effected at a lower cost at this lower frequency band. This spectrum could also be used in the future for LTE, and with LTE-Advanced, it could be deployed in conjunction with the Group's LTE network operating in the 1800MHz frequency band, gaining further trunking efficiency.

The Board considers that the acquisition of the Radio Spectrum under the current terms is fair and reasonable and in the interests of the shareholders of the Company as a whole.

Implications under the Listing Rules

As the applicable percentage ratios as set out in the Listing Rules is more than 5% but less than 25%, the acquisition of the Radio Spectrum constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Terms Used in this Announcement

"Board"	The board of directors of the Company.
"Company"	SmarTone Telecommunications Holdings Limited.
"Group"	The Company and its subsidiaries.
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong.
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China.
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
"OFTA"	the Office of Telecommunications Authority of the Government of Hong Kong Special Administrative Region.
"Performance Bond"	performance bond of HK\$50 million, serving as a guarantee for compliance with the network and service rollout requirements.
"Radio Spectrum"	832.5 MHz – 837.5 MHz paired with 877.5 MHz – 882.5 MHz (i.e. 2 x 5 MHz)
"SmarTone Mobile"	SmarTone Mobile Communications Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company.
"Spectrum Utilisation Fee"	HK\$875 million, being the sum payable in respect of the use of the Radio Spectrum.

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

Hong Kong, 3 March 2011

As at the date of this announcement, 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. Wing-yui Cheung, Mr. David Norman Prince, Mr. Wing-chung Yung; Mr. Thomas Hon-wah Siu, Mr. Alfred Wing-kit Tsim and Mr. John Anthony Miller; Independent Non-Executive Directors are Dr. Eric Ka-cheung Li, JP, Mr. Leung-sing Ng, JP, Mr. Xiang-dong Yang and Mr. Eric Fock-kin Gan.