
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in SmarTone Telecommunications Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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SMARTONE TELECOMMUNICATIONS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00315)

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
FINAL DIVIDEND
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of SmarTone Telecommunications Holdings Limited to be held at World Trade Centre Club, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 6 November 2012 at 10:00 a.m. is set out on pages 15 to 18 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting, to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

4 October 2012

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DEFINITIONS

In this document, the following expressions shall have the following meanings unless the context requires otherwise:

“Annual General Meeting”	the annual general meeting of the Company to be held at World Trade Centre Club, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 6 November 2012 at 10:00 a.m.
“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	SmarTone Telecommunications Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and the Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26 September 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each (or of such other nominal amount as shall result from a sub-division or a consolidation of such shares from time to time) in the capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD

SMARTONE TELECOMMUNICATIONS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00315)

Directors:

*KWOK Ping-luen, Raymond, *Chairman*
Douglas LI, *Chief Executive Officer*
CHAN Kai-lung, Patrick
*CHEUNG Wing-yui
*David Norman PRINCE
*YUNG Wing-chung
*SIU Hon-wah, Thomas
*TSIM Wing-kit, Alfred
*John Anthony MILLER
LI Ka-cheung, Eric, *JP*
NG Leung-sing, *JP*
YANG Xiang-dong
GAN Fock-kin, Eric

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Office in Hong Kong:

31st Floor
Millennium City 2
378 Kwun Tong Road
Kwun Tong
Kowloon
Hong Kong

* *Non-Executive Director*

Independent Non-Executive Director

4 October 2012

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES FINAL DIVIDEND RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

To: the Shareholders

Dear Sir or Madam,

INTRODUCTION

At the Annual General Meeting, resolutions will be proposed to approve, inter alia, (i) the grant of general mandates to repurchase and issue Shares (including the extension of the general mandate to issue Shares by the number of Shares repurchased); (ii) the payment of final dividend; and (iii) the re-election of Directors. The purpose of this circular is to give Shareholders notice of the Annual General Meeting and information relating to the resolutions to be proposed.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 2 November 2011, ordinary resolutions were passed granting general mandates to the Directors, inter alia, (i) to repurchase Shares not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at 2 November 2011; and (ii) to allot, issue and deal with additional Shares not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at 2 November 2011 and those Shares (not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at 2 November 2011) repurchased by the Company.

In accordance with the provisions of the Listing Rules and the terms of the existing general mandates, the existing general mandates shall lapse if, inter alia, they are revoked or varied by an ordinary resolution of the Shareholders in general meeting or at the conclusion of the next annual general meeting, whichever is earlier.

The existing general mandates will lapse at the conclusion of the Annual General Meeting. Accordingly, new general mandates to issue and to repurchase Shares, as set out in Resolutions 5, 6 and 7 (namely (i) the grant of general mandate to issue Shares not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution; (ii) the grant of general mandate to repurchase Shares not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution; and (iii) the extension of the general mandate to issue Shares by the number of Shares repurchased) in the notice of the Annual General Meeting set out in pages 15 to 18 of this circular, are now proposed to be granted.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed new general mandate to repurchase Shares is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the Annual General Meeting.

DIVIDEND

The Board has recommended the payment of a final dividend of HK\$0.53 per share for the year ended 30 June 2012. Subject to Shareholders' approval at the Annual General Meeting, the proposed final dividend will be payable in cash, with an option to receive new and fully paid Shares in lieu of cash under a scrip dividend scheme (the "Scrip Dividend Scheme"). A circular containing details of the Scrip Dividend Scheme and the relevant election form are expected to be sent to shareholders on or about Thursday, 22 November 2012.

The Scrip Dividend Scheme is conditional upon the passing of the resolution relating to the payment of the proposed final dividend at the Annual General Meeting and the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the new Shares to be issued under the Scrip Dividend Scheme.

LETTER FROM THE BOARD

The proposed final dividend will be distributed, and the share certificates issued under the Scrip Dividend Scheme will be sent on or about Monday, 17 December 2012 to Shareholders whose names appear on the Register of Members of the Company as at the close of business on Friday, 16 November 2012.

RE-ELECTION OF DIRECTORS

According to the Bye-laws of the Company and the requirements of the Listing Rules, at each annual general meeting, one-third of the Directors, including the Chairman and the Chief Executive Officer, are subject to retirement by rotation. Further, every Director should be subject to retirement by rotation at least once in every three years. Besides, any newly appointed Director shall hold office only until the next general meeting and shall be eligible for re-election at the then general meeting.

Messrs. Cheung Wing-yui, David Norman Prince, Siu Hon-wah, Thomas, Tsim Wing-kit, Alfred and Gan Fock-kin, Eric will retire at the Annual General Meeting pursuant to the Bye-laws of the Company and the requirements of the Listing Rules and, being eligible, will offer themselves for re-election. Details of these Directors are set out in Appendix II to this circular.

RIGHT TO DEMAND A POLL

Pursuant to Bye-law 78 of the Bye-laws of the Company, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the Chairman of the meeting; or
- (b) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or

LETTER FROM THE BOARD

- (e) if required by the rules of the stock exchange in the relevant territory, by any director or directors of the Company who, individually or collectively, hold proxies in respect of shares representing five per cent. or more of the total voting rights at the meeting.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting is set out on pages 15 to 18 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the meeting in person, please complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting, the Register of Members of the Company will be closed from Friday, 2 November 2012 to Tuesday, 6 November 2012, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 1 November 2012.

For determining the entitlement to the proposed final dividend, the Register of Members of the Company will be closed from Wednesday, 14 November 2012 to Friday, 16 November 2012, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (address as per above) for registration no later than 4:30 p.m. on Tuesday, 13 November 2012.

RECOMMENDATION

The Directors believe that the grant of the general mandates to issue and repurchase Shares (including the extension of the general mandate to issue Shares by the number of Shares repurchased), the payment of final dividend and the re-election of the retiring Directors are in the interests of the Company and the Shareholders. Accordingly, the Board recommends Shareholders to vote in favour of all of these resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the board of
SmarTone Telecommunications Holdings Limited
Kwok Ping-luen, Raymond
Chairman

This Appendix serves as an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed new general mandate for repurchase of Shares to be granted to the Directors.

1. EXERCISE OF THE REPURCHASE MANDATE

Resolution 6 set out in the notice of the Annual General Meeting will, if passed, give a general unconditional mandate to the Directors authorising the repurchase by the Company of up to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing such resolution at the Annual General Meeting (the “Repurchase Mandate”), at any time until the end of the Relevant Period as defined in paragraph (D) of such resolution.

Accordingly, exercise in full of the Repurchase Mandate (on the basis of 1,037,051,642 Shares in issue as at the Latest Practicable Date) would result in up to 103,705,164 Shares being repurchased by the Company during the Relevant Period.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or the Company’s earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company will apply internally generated funds which are legally available for such purpose in accordance with the laws of Bermuda and the Memorandum of Association and Bye-laws of the Company and the Listing Rules.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 30 June 2012) in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE REPURCHASE

No purchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

5. SHARE PRICES

The highest and lowest prices at which shares of the Company have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
September	18.50	11.70
October	15.42	9.80
November	15.20	11.72
December	14.20	13.02
2012		
January	13.98	12.96
February	16.70	13.10
March	17.50	15.64
April	16.66	14.50
May	15.52	13.46
June	15.40	14.10
July	16.82	14.56
August	17.38	15.92
September (up to the Latest Practicable Date)	16.92	14.46

6. EFFECT OF THE TAKEOVERS CODE

If as a result of share repurchase by the Company, a substantial Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Sun Hung Kai Properties Limited ("SHKP"), which is the controlling shareholder of the Company, together with its associates held approximately 66.49% of the issued share capital of the Company. In the event that the Repurchase Mandate is exercised in full, the interests of SHKP and its associates would be increased to approximately 73.88% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 and 32 of the Takeovers Code.

The Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any purchases pursuant to the Repurchase Mandate.

7. GENERAL

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their associates currently intends to sell any Shares to the Company under the Repurchase Mandate if the Repurchase Mandate is approved by Shareholders.

The Directors have undertaken to the Stock Exchange that, as far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the laws of Bermuda.

No connected persons have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by Shareholders.

The following are the particulars of the retiring Directors (the “Retiring Directors”) proposed to be re-elected at the Annual General Meeting.

CHEUNG Wing-yui, *Non-Executive Director*

Mr. Cheung Wing-yui (aged 62) was appointed Director of the Company in March 2003. Mr. Cheung is a director of a number of other publicly listed companies, namely being non-executive director of Tai Sang Land Development Limited, SUNeVision Holdings Ltd., Tianjin Development Holdings Limited and SRE Group Limited (formerly Shanghai Real Estate Limited), and being independent non-executive director of Hop Hing Group Holdings Limited and Agile Property Holdings Limited. Mr. Cheung previously held directorships in Taifook Securities Group Limited (resigned on 1 October 2007), Ching Hing (Holdings) Limited (resigned on 25 July 2007) and Ping An Insurance (Group) Company of China, Limited (resigned on 3 June 2009).

Mr. Cheung was the Vice-Chairman of the Mainland Legal Affairs Committee of the Law Society of Hong Kong until January 2006 and was a director of Po Leung Kuk, a member of the Board of Review (Inland Revenue) and past Deputy Chairman of the Hong Kong Institute of Directors and he is currently a director of the Community Chest and Deputy Chairman of The Open University of Hong Kong. Mr. Cheung received a Bachelor of Commerce degree in accountancy from the University of New South Wales, Australia and is a member of the Australian Society of CPAs. Mr. Cheung has been a practicing solicitor in Hong Kong since 1979 and is a consultant of the law firm Woo, Kwan, Lee & Lo. He was admitted as a solicitor in the United Kingdom and as an advocate and solicitor in Singapore.

For the financial year ended 30 June 2012, Mr. Cheung is entitled to receive a fee of HK\$120,000.

David Norman PRINCE, *Non-Executive Director*

Mr. David Prince (aged 61) was appointed Director of the Company in July 2005. Mr. Prince has over 15 years’ experience of operating at board level in an international environment.

Mr. Prince is a member of the Chartered Institute of Management Accountants (UK) and the Chartered Institute of Purchasing and Supply (UK).

He was Group Finance Director of Cable and Wireless plc. until December 2003 and prior to this, spent some 12 years working in the telecommunications industry in Hong Kong, Mainland China and Asia. From 1994 to 2000 he was Finance Director and latterly Deputy Chief Executive Officer of Hong Kong Telecommunications Limited until it was acquired by PCCW in 2000. He went on to join PCCW plc. as Group Chief Financial Officer primarily focused on the integration of the companies following the acquisition. In 2002, he left PCCW to join Cable and Wireless as Group Finance Director. Prior to his time in Hong Kong he held senior management roles for Cable and Wireless in the USA and Europe. His early career was spent in the Gas, Oil and Electronic industries within Europe and the USA.

Mr. Prince is currently a non-executive director and chairman of the audit committee for Ark Therapeutics plc. – a UK based specialist healthcare group and a non-executive director and member of the audit committee of Adecco SA which is the global leader in human resources services.

Mr. Prince is a Consultant of Sun Hung Kai Real Estate Agency Ltd. (a company within the Sun Hung Kai Properties Group).

Mr. Prince is also a member of the Nomination Committee of the Company.

For the financial year ended 30 June 2012, Mr. Prince is entitled to receive a fee of HK\$120,000.

SIU Hon-wah, Thomas, *Non-Executive Director*

Mr. Thomas Siu (aged 59) was appointed Director of the Company in July 2008. Mr. Siu is the Managing Director of Wilson Group which is a major transport infrastructure services provider in Hong Kong. Wilson Group is a wholly-owned subsidiary of Sun Hung Kai Properties Limited (“SHKP”). Prior to joining Wilson Group, Mr. Siu had more than 25 years experience in telecommunications and IT sectors. His experience covers finance, business operations and development. On 7 May 2010, Mr. Siu was appointed a Non-Executive Director of SUNeVision Holdings Ltd. (a subsidiary of SHKP).

Mr. Siu holds a MPhil degree from University of Cambridge and a PhD degree in Information Systems. He is a Certified Public Accountant and is a member of the British Computer Society.

For the financial year ended 30 June 2012, Mr. Siu is entitled to receive a fee of HK\$120,000.

TSIM Wing-kit, Alfred, *Non-Executive Director*

Mr. Alfred Tsim (aged 49) was appointed Director of the Company in November 2009. Mr. Tsim is an Executive Director and the Chief Executive Officer of SUNeVision Holdings Ltd. (“SUNeVision”), a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. SUNeVision is a subsidiary of Sun Hung Kai Properties Limited, the controlling shareholder of the Company. Prior to joining SUNeVision in February 2000, Mr. Tsim worked for international accounting firms, financial institution and major telecommunication operators in Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, United Kingdom, CPA Australia, CMA Canada and The Institute of Chartered Accountants in England and Wales. Mr. Tsim holds a Bachelor of Arts degree from the City University of Hong Kong, a Master of Business Administration degree from The University of Sydney, a Master of Laws degree from the University of Wolverhampton, United Kingdom, and a Diploma in Management Accounting from The Chinese University of Hong Kong.

Mr. Tsim is also a member of the Audit Committee of the Company.

For the financial year ended 30 June 2012, Mr. Tsim is entitled to receive a fee of HK\$240,000 including the fee for acting as a member of the Audit Committee of the Company.

GAN Fock-kin, Eric, *Independent Non-Executive Director*

Mr. Eric Gan (aged 49) was appointed Director of the Company in December 2005. Mr. Gan is the President of eAccess Limited, the fourth 3G mobile operator (EMOBILE brand) in Japan. During the start-up stage of eAccess (former EMOBILE), Mr. Gan was the Representative Director and Chief Financial Officer of EMOBILE when he was responsible for the equity and debt financing of 390 billion yen for EMOBILE after the fourth 3G license was granted in November 2005. Following the completion of the financing project, EMOBILE has successfully launched the 3G mobile data services on March 2007.

Mr. Gan is also a co-founder of eAccess Limited with Dr. Sachio Semmoto (Chairman of eAccess Limited, Founder, Chairman and CEO of EMOBILE Limited). During the first 3 years after the establishment of eAccess, Mr. Gan served as the Representative Director and Chief Operating Officer from 1999 to 2003. Prior to the IPO of eAccess, Mr. Gan took up the position of Representative Director and Chief Financial Officer from 2003 to 2007. eAccess has achieved the listing of the Tokyo Stock Exchange First Section (TSE1) in 2004, the fastest listing on the TSE1 ever in history. Mr. Gan was also involved in several successful M&A transactions including the acquisitions of Japan Telecom's ADSL (JDSDL) business and the American On-line (AOL) business in Japan. Today, Mr. Gan still serves as a Director of the Board of eAccess.

Prior to the establishment of eAccess, Mr. Gan worked as a telecom analyst and Managing Director for Goldman Sachs Japan when he was involved in many telecommunication financing deals in Japan/Asia, including the listing of SmarTone, NTT DoCoMo (one of the world's largest IPOs), NTT equity tranches and many other telecom related IPO and advisory projects.

Mr. Gan was born in Hong Kong and graduated from Imperial College, University of London. Mr. Gan now lives in Japan (since 1990).

Mr. Gan is also the chairman of the Nomination Committee and a member of the Audit Committee of the Company.

For the financial year ended 30 June 2012, Mr. Gan is entitled to receive a fee of HK\$240,000 including the fee for acting as a member of the Audit Committee of the Company.

Mr. Gan has confirmed in writing his independence in accordance with the Listing Rules. Based on such confirmation and Mr. Gan's past performance, the Board believes that Mr. Gan continues to be independent. Given the qualifications and business experience of Mr. Gan, and in light of his past contributions to the Group, the Board is of the view that the continuing service of Mr. Gan in the Group is beneficial to the Group and thus considers that Mr. Gan should be re-elected at the Annual General Meeting.

Notes:

Saved as disclosed in the Retiring Directors' respective biographical details under this section, the Retiring Directors (1) have not held any directorships in other public listed companies, whether in Hong Kong or overseas, during the last three years; (2) do not hold any other positions in the Company and its subsidiaries; and (3) do not have any other relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

No service contracts have been signed between the Company and the Retiring Directors and there is no fixed term of their service with the Company. Their appointments are subject to retirement by rotation and re-election at annual general meetings in accordance with the Bye-laws of the Company and the Listing Rules. They are entitled to directors' fees which are determined by the Board under the authority granted by shareholders at annual general meetings. The fees are subject to annual assessment based on prevailing market rate of directors' fees for companies listed in Hong Kong.

As at the latest practicable Date, the Retiring Directors have no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed, there is no other matter that needs to be brought to the attention of the shareholders of the Company and there is no further information to be disclosed pursuant to the requirements of rule 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

SMARTONE TELECOMMUNICATIONS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00315)

NOTICE IS HEREBY GIVEN that the annual general meeting of the shareholders of SmarTone Telecommunications Holdings Limited (the “Company”) will be held at World Trade Centre Club, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 6 November 2012 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of directors and auditor for the year ended 30 June 2012.
2. To approve the final dividend of HK\$0.53 per share, with a scrip dividend alternative, in respect of the year ended 30 June 2012.
3. To re-elect:
 - (a) Mr. CHEUNG Wing-yui;
 - (b) Mr. David Norman PRINCE;
 - (c) Mr. SIU Hon-wah, Thomas;
 - (d) Mr. TSIM Wing-kit, Alfred; and
 - (e) Mr. GAN Fock-kin, Eric

as directors of the Company and to authorise the board of directors to fix the fees of the directors.

4. To re-appoint Messrs. PricewaterhouseCoopers as auditor of the Company and authorise the board of directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“THAT

- A. subject to paragraph (C) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (D) below) of all the powers of the Company to allot and issue additional shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- B. the approval in paragraph (A) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- C. the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (A), otherwise than pursuant to:
- i. a Rights Issue (as defined in paragraph (D) below);
 - ii. the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;
 - iii. any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company; or
 - iv. the share option schemes of the Company,

shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and the said approval shall be limited accordingly; and

- D. for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by applicable law of Bermuda and the Company’s Bye-laws to be held; and
- iii. the revocation or variation of this Resolution by an ordinary resolution of shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares, or any class of shares, on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

6. As special business, to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“THAT

- A. subject to paragraph (C) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (D) below) of all the powers of the Company to repurchase issued shares in the capital of the Company, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- B. the approval in paragraph (A) shall be in addition to any other authorisation given to the directors of the Company;
- C. the aggregate nominal amount of share capital to be repurchased by the Company on The Stock Exchange of Hong Kong Limited or on any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (A) during the Relevant Period, shall be no more than 10 per cent. of the aggregate nominal amount of the existing issued share capital of the Company at the date of passing this Resolution, and the authority pursuant to paragraph (A) shall be limited accordingly; and
- D. for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by applicable law of Bermuda and the Company’s Bye-laws to be held; and
- iii. the revocation or variation of this Resolution by an ordinary resolution of shareholders of the Company in general meeting.”

7. As special business, to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“THAT conditional upon Resolutions 5 and 6 set out above being duly passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with shares pursuant to Resolution 5 be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted and issued by the directors of

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the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 6, provided that such an amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution.”

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

Hong Kong, 4 October 2012

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, subject to the provisions of the Bye-laws of the Company, vote on his behalf. A proxy need not be a member of the Company. In order to be valid, a form of proxy, and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or other authority, must be deposited with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion.
2. The register of members of the Company will be closed from Friday, 2 November 2012 to Tuesday, 6 November 2012, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong not later than 4:30 p.m. on Thursday, 1 November 2012.
3. With regard to Resolution 5, the present general mandate given by members pursuant to the provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) expires at the forthcoming annual general meeting and, accordingly, a renewal of that general mandate is now being sought.
4. With regard to Resolution 6, the present general mandate given by members pursuant to the provisions of the Listing Rules and the Hong Kong Code on Share Repurchases expires at the forthcoming annual general meeting and, accordingly, a renewal of that general mandate is now being sought.