
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, 30 October 2018 at 10:00 a.m. is set out on pages 16 to 19 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.

26 September 2018

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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, 30 October 2018 at 10:00 a.m.
“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Bye-law(s)”	the bye-laws of the Company (as amended from time to time)
“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 its 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”	19 September 2018, 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
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“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*
- * CHEUNG Wing-yui, *Deputy Chairman*
- * FUNG Yuk-lun, Allen, *Deputy Chairman*
Anna YIP, *Chief Executive Officer*
CHAN Kai-lung, Patrick
CHAU Kam-kun, Stephen
- * David Norman PRINCE
- * SIU Hon-wah, Thomas
- * John Anthony MILLER
- # LI Ka-cheung, Eric, *JP*
- # NG Leung-sing, *JP*
- # GAN Fock-kin, Eric
- # IP YEUNG See-ming, Christine
- # LAM Kwok-fung, Kenny

* *Non-Executive Director*

Independent Non-Executive Director

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

26 September 2018

To: the Shareholders

Dear Sir or Madam,

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

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 2017, ordinary resolutions were passed granting general mandates to the Directors to repurchase Shares; and to allot, issue and deal with additional Shares and those Shares 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, ordinary resolutions will be proposed at the Annual General Meeting to grant new general mandates to the Directors (i) to allot, issue and deal with Shares not exceeding 10 per cent. of the total number of issued Shares as at the date of passing the resolution; (ii) to repurchase Shares not exceeding 10 per cent. of the total number of issued Shares as at the date of passing the resolution; and (iii) extending the general mandate to issue Shares by the number of Shares repurchased.

Details of the new general mandates proposed are set out in Ordinary Resolutions nos. 5, 6 and 7 as referred to in the notice of the Annual General Meeting set out in pages 16 to 19 of this circular.

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\$0.23 per share for the year ended 30 June 2018. 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, 15 November 2018.

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 Friday, 14 December 2018 to Shareholders whose names appear on the Register of Members of the Company as at the close of business on Wednesday, 7 November 2018.

RE-ELECTION OF DIRECTORS

According to the Bye-laws 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 of the Company, 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.

Mr. Cheung Wing-yui, Ms. Anna Yip, Mr. David Norman Prince, Mr. John Anthony Miller and Mr. Gan Fock-kin, Eric will retire at the Annual General Meeting pursuant to the Bye-laws 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.

ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting is set out on pages 16 to 19 of this circular.

Pursuant to Bye-law 66 of the Bye-laws, at any general meeting, a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

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 Thursday, 25 October 2018 to Tuesday, 30 October 2018, 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

LETTER FROM THE BOARD

registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 24 October 2018.

For determining the entitlement to the proposed final dividend, the Register of Members of the Company will be closed for one day on Wednesday, 7 November 2018 during which 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 at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 6 November 2018.

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 who offer themselves for re-election 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.

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 total number of Shares 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 1,121,317,277 Shares in issue as at the Latest Practicable Date) would result in up to 112,131,727 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 Company’s net asset value per Share and/or 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 2018) 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

In the six months preceding the Latest Practicable Date, the Company purchased 8,973,500 Shares on the Stock Exchange. Of these repurchased Shares, 8,154,000 Shares have been cancelled prior to the Latest Practicable Date. The remaining 819,500 Shares will be cancelled as soon as reasonably practicable. Details of the repurchase were as follows:

Date of repurchase	Number of Shares repurchased	Price per Share		Aggregate price paid HK\$
		Highest HK\$	Lowest HK\$	
16 April 2018	235,000	8.16	8.14	1,915,185
17 April 2018	341,000	8.18	8.17	2,789,200
18 April 2018	757,500	8.20	8.18	6,206,575
19 April 2018	605,000	8.22	8.19	4,966,465
20 April 2018	69,500	8.20	8.19	569,560
23 April 2018	40,500	8.18	8.16	330,855
24 April 2018	7,500	8.27	8.27	62,025
25 April 2018	100,000	8.26	8.24	825,100
26 April 2018	660,500	8.23	8.18	5,431,560
3 May 2018	118,500	8.24	8.22	975,825
4 May 2018	347,500	8.22	8.20	2,856,140
7 May 2018	312,000	8.23	8.21	2,564,130
8 May 2018	627,500	8.23	8.22	5,163,930
11 May 2018	463,500	8.24	8.21	3,813,305
16 May 2018	148,000	8.25	8.21	1,218,400
17 May 2018	184,500	8.27	8.24	1,523,050
18 May 2018	170,500	8.27	8.24	1,408,725
21 May 2018	8,000	8.30	8.30	66,400
25 May 2018	5,500	8.29	8.29	45,595
21 June 2018	147,000	8.25	8.24	1,211,980
22 June 2018	1,145,500	8.25	8.22	9,442,430
25 June 2018	839,000	8.23	8.22	6,899,280
26 June 2018	76,500	8.16	8.16	624,240
3 July 2018	260,500	7.97	7.93	2,071,545
18 July 2018	280,000	8.00	7.98	2,239,755
19 July 2018	25,500	8.00	7.99	203,820
20 July 2018	178,000	8.00	7.97	1,423,020
6 September 2018	792,500	7.99	7.83	6,287,325
11 September 2018	27,000	8.14	8.06	218,435
	8,973,500			73,353,855

5. SHARE PRICES

The highest and lowest prices at which Shares 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>
2017		
September	9.79	9.18
October	9.73	9.37
November	9.82	9.01
December	9.55	9.21
2018		
January	9.50	9.05
February	9.16	8.21
March	8.70	8.20
April	8.33	8.03
May	8.80	8.13
June	8.75	8.05
July	8.30	7.91
August	8.15	7.70
September (up to the Latest Practicable Date)	9.54	7.83

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 Rules 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 held approximately 71.17% of the issued share capital of the Company. In the event that the Repurchase Mandate is exercised in full, the interests of SHKP would be increased to approximately 79.08% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. In addition, in view of the public float requirement under the Listing Rules which requires at least 25% of the issued share capital of the Company to be held by the public, the Directors will use their best endeavors to ensure that the Repurchase Mandate will not be exercised to the extent that the Company will infringe such minimum public float requirement.

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 *Deputy Chairman & Non-Executive Director*

Mr. Cheung Wing-yui (aged 68) was appointed Director of the Company in March 2003. Mr. Cheung is a director of a number of other publicly listed companies, namely being a non-executive director of Tai Sang Land Development Limited, SUNeVision Holdings Ltd., Tianjin Development Holdings Limited and Transport International Holdings Limited (with effect from 1 January 2018).

Mr. Cheung is a non-executive director of Hung Kai Finance Company, Limited and Sun Hung Kai Properties Insurance Limited, both of which are wholly-owned subsidiaries of Sun Hung Kai Properties Limited.

Mr. Cheung is currently a director of The Community Chest of Hong Kong, co-deputy chairman of Sponsorship & Development Fund Committee and court member of The Open University of Hong Kong, and Honorary Council Member of The Hong Kong Institute of Directors Limited. Mr. Cheung was a non-executive director of SRE Group Limited, an independent non-executive director of Hop Hing Group Holdings Limited (resigned on August 2017), an independent non-executive director of Agile Property Holdings Limited (resigned on February 2018), the deputy chairman of The Open University of Hong Kong, a member of the Appeal Board established under the Accreditation of Academic and Vocational Qualifications Ordinance, a member of the Board of Review (Inland Revenue Ordinance), the deputy chairman of the Hong Kong Institute of Directors Limited, a director of Po Leung Kuk and the vice chairman of the Mainland Legal Affairs Committee of the Law Society of Hong Kong. Mr. Cheung was awarded the Bronze Bauhinia Star (BBS) in 2013. Mr. Cheung was awarded an honorary degree of Doctor of Business Administration from The Open University of Hong Kong in 2016. Mr. Cheung received a Bachelor of Commerce degree in accountancy from the University of New South Wales, Australia and is a member of CPA Australia. 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 2018, Mr. Cheung is entitled to receive a fee of HK\$162,000.

As at the Latest Practicable Date, Mr. Cheung has no interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Anna YIP *Executive Director and Chief Executive Officer*

Ms. Anna Yip (aged 48) was appointed Executive Director and Chief Executive Officer of the Company in June 2016.

Ms. Yip holds a Bachelor degree in Business Administration from The Chinese University of Hong Kong and both MPhil and DPhil degrees in Management Studies from the University of Oxford.

Ms. Yip was Head of Hong Kong and Macau, MasterCard Asia/Pacific, taking responsibility for the overall performance of MasterCard across the two markets. Prior to joining MasterCard, Ms. Yip was the Managing Director for Corporate Planning and International Strategy at United Overseas Bank in Singapore. Previously, she was a Partner with McKinsey & Company in Greater China where she led the Asia Payments practice and co-led the Asia Financial Institutional Group. Ms. Yip has rich experience in leading organisations to build a strong service culture and drive superior customer engagement across multiple channels.

Ms. Yip is a Council member of The Open University of Hong Kong, and the chairperson and a member of its Audit Committee and Tender Board Committee respectively. She has also been appointed as a member of the Joint Committee on Student Finance.

Ms. Yip is also a director of certain subsidiaries of the Company.

For the financial year ended 30 June 2018, Ms. Yip is entitled to receive salaries (including allowances, retirement scheme contributions and estimated money value of other benefits), bonus, shared-based payment and director's fee of HK\$7,317,000, HK\$5,961,000, HK\$2,263,000 and HK\$144,000 respectively.

As at the Latest Practicable Date, Ms. Yip has no interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance except that she is interested in share options with the right to subscribe for 3,000,000 Shares and 109,000 unvested awarded Shares granted under the share award scheme of the Company.

David Norman PRINCE *Non-Executive Director*

Mr. David Prince (aged 67) was appointed Director of the Company in July 2005. Mr. Prince has over 20 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 is a non-executive director of SUNeVision Holdings Ltd. He is also a director of Wilson Group Limited and a consultant of Sun Hung Kai Real Estate Agency Limited, both are wholly-owned subsidiaries of Sun Hung Kai Properties Limited.

Mr. Prince is currently a non-executive director and chair of the audit committee of Adecco SA which is the global leader in human resources services.

Mr. Prince 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. 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. His early career was spent in the gas, oil and electronic industries within Europe and the USA.

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

For the financial year ended 30 June 2018, Mr. Prince is entitled to receive a fee of HK\$144,000.

As at the Latest Practicable Date, Mr. Prince has no interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

John Anthony MILLER *Non-Executive Director*

Mr. John Anthony Miller (aged 68), *SBS, OBE*, was appointed Director of the Company in November 2010.

Mr. Miller was previously a non-executive director of Transport International Holdings Limited (retired on 18 May 2017), The Kowloon Motor Bus Company (1933) Limited (retired on 18 May 2017) and RoadShow Holdings Limited (resigned on 12 December 2017). He was also chairman of Hong Kong Business Aviation Centre Limited, a partly-owned subsidiary of Sun Hung Kai Properties Limited, until mid-2016.

Mr. Miller retired from the Civil Service in February 2007 as Permanent Representative of the Hong Kong Special Administrative Region of China to the World Trade Organisation in Geneva. Key positions held over a career spanning 35 years prior to Mr. Miller's retirement include Permanent Secretary for Financial Services and the Treasury (2002–2004), Director of Housing and Chief Executive of the Housing Authority (1996–2002), Director-General of Trade (1993–1996), Director of Marine (1991–1993), Information Coordinator in the Chief Secretary's Office (1989–1991) and Private Secretary to the Governor (1979–1982). Mr. Miller holds an MPA degree from Harvard University and a BA degree from London University.

For the financial year ended 30 June 2018, Mr. Miller is entitled to receive a fee of HK\$144,000.

As at the Latest Practicable Date, Mr. Miller has no interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

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

Mr. Eric Gan (aged 55) was appointed Director of the Company in December 2005. Mr. Gan is founder and president of eAccess Ltd., the fourth mobile operator (EMOBILE brand) in Japan which is now a subsidiary of SoftBank Corp. Following the merger of eAccess and Willcom Inc. in June 2014, Mr. Gan was appointed representative director, president and chief executive officer of the combined entity – Ymobile Corporation. Mr. Gan is also an executive vice president of Softbank Mobile Corp.

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 chairman of the Nomination Committee and a member of the Audit Committee of the Company.

For the financial year ended 30 June 2018, Mr. Gan is entitled to receive a fee of HK\$288,000 including the fee for acting as a member of the Audit Committee of the Company.

As at the Latest Practicable Date, Mr. Gan has no interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

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 (except Ms. Anna Yip) 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 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.

Ms. Anna Yip, Executive Director, entered into an employment contract with the Company for her serving as Executive Director and Chief Executive Officer of the Company, with no fixed term of service. She is entitled to a basic salary which is subject to review by the Board from time to time with reference to her responsibility and performance. She is also entitled to a discretionary performance bonus, the computation of which is based on her performance and contributions to the Group. Ms. Yip's appointment as a director of the Company is subject to retirement by rotation and re-election at annual general meetings in accordance with the Bye-laws and the Listing Rules. Ms. Yip is entitled to a director's fee which is determined by the Board under the authority granted by shareholders at annual general meetings. The fee is subject to annual assessment based on prevailing market rate of directors' fees for companies listed in Hong Kong.

Save as disclosed, there is no other matter that needs to be brought to the attention of the Shareholders and there is no further information to be disclosed pursuant to the requirements of rules 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 SmartTone 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, 30 October 2018 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements, the report of the Directors and the independent auditor’s report for the year ended 30 June 2018.
2. To approve the final dividend of HK\$0.23 per share, with a scrip dividend alternative, in respect of the year ended 30 June 2018.
3. To re-elect:
 - (a) Mr. CHEUNG Wing-yui;
 - (b) Ms. Anna YIP;
 - (c) Mr. David Norman PRINCE;
 - (d) Mr. John Anthony MILLER; 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;

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- 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 total number of shares 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 total number of shares 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

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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).”

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 total number of shares 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 total number of shares of the Company in issue 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.”

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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 total number of shares which may be allotted or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to such general mandate of an amount representing the total number of shares 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 total number of shares of the Company in issue 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, 26 September 2018

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 Thursday, 25 October 2018 to Tuesday, 30 October 2018, 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 Wednesday, 24 October 2018.
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.