



SmarTone Telecommunications Holdings Limited

(Incorporated in Bermuda with limited liability)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Shareholders of SmarTone Telecommunications Holdings Limited will be held at World Trade Centre Club, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Friday, 15 November 2002 at 10:00 a.m. for the following purposes:

1. To receive and consider the Reports of the Directors and the Auditors and the Statement of Accounts for the year ended 30 June 2002.
2. To approve the payment of final dividend with a scrip dividend alternative recommended by the Directors in respect of the year ended 30 June 2002.
3. To elect Directors and to authorise the Directors to fix their fees.
4. To appoint Auditors for the ensuing year and to authorise the 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 5(C) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph 5(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;
- B. the approval in paragraph 5(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 5(A), otherwise than pursuant to:
 - i. Rights Issue (as defined in paragraph 5(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 20 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;

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).”

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

“THAT

- A. subject to paragraph 6(C) below, the exercise by the Directors of the Company during the Relevant Period (as defined herein after) 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 6(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 another stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under Hong Kong Code on Share Repurchases pursuant to the approval in paragraph 6(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 6(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 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.”

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

“**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, any new ordinary shares of HK\$0.10 each (the “Shares”) in the capital of the Company which may fall to be issued

pursuant to the exercise of the subscription rights under the options that may be granted under the share option scheme (the “Share Option Scheme”) to the extent of 10 per cent. of the shares in issue on the date of adoption of the Share Option Scheme in general meeting:

- A. the Share Option Scheme be and is hereby approved and adopted;
- B. the Directors of the Company be authorised to make or grant options, warrants or similar rights to subscribe for Shares under the Share Option Scheme and to allot, issue and deal with Shares pursuant to the exercise of options that may be granted under the Share Option Scheme provided that the total number of Shares which may be issued upon exercise of the options to be granted under the Share Option Scheme and any other share option schemes of the Company and/or its subsidiary shall not exceed 10 per cent. of the aggregate nominal value of the share capital of the Company in issue at the date of passing this Resolution, and to do all such acts and things as they consider necessary or expedient to give effect to the Share Option Scheme; and
- C. the existing share option scheme of the Company adopted on 17 October 1996 be and is hereby terminated in accordance with its terms.”

By the order of the Board
Li Sau Ping, Maria
Company Secretary

Hong Kong, 24 September 2002

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not also be a member of the Company. In order to be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority must be returned to the Company’s Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the Meeting or any adjournment thereof.
2. The Register of Members of the Company will be closed from Tuesday, 15 October 2002 to Thursday, 17 October 2002, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend with a scrip dividend alternative which is going to be approved at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar in Hong Kong not later than 4:00 p.m. on Friday, 11 October 2002.
3. With regard to Resolution 5, the Directors wish to state that, currently, they have no plans to issue any additional new shares of the Company other than shares to be issued upon exercise of the subscription rights pursuant to the employee share option scheme of the Company. 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.

Please also refer to the published version of this announcement in South China Morning Post.