
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, 1 November 2016 at 10:00 a.m. is set out on pages 14 to 17 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.

30 September 2016

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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, 1 November 2016 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 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 2016, 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
- * TSIM Wing-kit, Alfred
- * John Anthony MILLER
- # LI Ka-cheung, Eric, *JP*
- # NG Leung-sing, *JP*
- # YANG Xiang-dong
- # GAN Fock-kin, Eric
- # IP YEUNG See-ming, Christine

* *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

30 September 2016

**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 4 November 2015, 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 14 to 17 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\$0.33 per share for the year ended 30 June 2016. 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, 17 November 2016.

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, 16 December 2016 to Shareholders whose names appear on the Register of Members of the Company as at the close of business on Wednesday, 9 November 2016.

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. Kwok Ping-luen, Raymond, Ms. Anna Yip, Mr. Siu Hon-wah, Thomas, Mr. Tsim Wing-kit, Alfred, Dr. Li Ka-cheung, Eric and Mrs. Ip Yeung See-ming, Christine will retire at the Annual General Meeting pursuant to the Bye-laws and the requirements of the Listing Rules. Other than Mr. Tsim Wing-kit, Alfred who will not offer himself for re-election at the Annual General Meeting, the remaining retiring Directors, 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 14 to 17 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.

LETTER FROM THE BOARD

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, 28 October 2016 to Tuesday, 1 November 2016, 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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 27 October 2016.

For determining the entitlement to the proposed final dividend, the Register of Members of the Company will be closed for one day on Wednesday, 9 November 2016 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, 8 November 2016.

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.

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 1,079,292,540 Shares in issue as at the Latest Practicable Date) would result in up to 107,929,254 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 2016) 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 1,885,000 Shares on the Stock Exchange. These repurchased shares were cancelled. 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\$	
30 August 2016	434,000	12.42	12.20	5,375,620
31 August 2016	960,000	12.88	12.38	12,050,400
1 September 2016	98,000	12.68	12.58	1,237,000
2 September 2016	393,000	12.66	12.64	4,971,700
	<u>1,885,000</u>			<u>23,634,720</u>

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 HK\$	Lowest HK\$
2015		
September	15.16	13.68
October	14.88	13.58
November	13.76	11.50
December	12.40	11.18
2016		
January	12.08	10.20
February	12.94	11.06
March	13.08	12.28
April	13.32	12.60
May	12.82	11.56
June	14.10	12.54
July	14.46	12.92
August	14.00	12.12
September (up to the Latest Practicable Date)	13.04	12.50

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, together with its associates held approximately 66.46% 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 73.84% 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.

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.

KWOK Ping-uen, Raymond, Chairman & Non-Executive Director

Mr. Raymond Kwok (aged 63) has been with the Group since April 1992 and was appointed Director of the Company in October 1996. He holds a Master of Arts degree in Law from Cambridge University, a Master’s degree in Business Administration from Harvard University, an Honorary Doctorate degree in Business Administration from The Open University of Hong Kong and an Honorary Doctorate degree in Laws from The Chinese University of Hong Kong.

Mr. Kwok is the chairman and managing director of Sun Hung Kai Properties Limited (“SHKP”). He is also a director of Cellular 8 Holdings Limited (“Cellular 8”) and TFS Development Company Limited (“TFS”). SHKP, Cellular 8 and TFS are the substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Kwok is also the chairman and an executive director of SUNeVision Holdings Ltd., and a non-executive director of Transport International Holdings Limited and Wing Tai Properties Limited.

In civic activities, Mr. Kwok is a director of The Real Estate Developers Association of Hong Kong and a member of the Council of The Chinese University of Hong Kong.

Mr. Kwok is also a director of certain subsidiaries of the Company.

For the financial year ended 30 June 2016, Mr. Kwok is entitled to receive a fee of HK\$180,000.

As at the Latest Practicable Date, Mr. Kwok has other interests in 4,639,434 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Anna YIP, Executive Director & Chief Executive Officer

Ms. Anna Yip (aged 46) 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 2016, Ms. Yip is entitled to receive salaries (including allowances and retirement scheme contributions) and director's fee of HK\$280,000 and HK\$6,000 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.

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

Mr. Thomas Siu (aged 63) was appointed Director of the Company in July 2008. Mr. Siu is 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. 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. Mr. Siu is also a non-executive director of SUNeVision Holdings Ltd.

Mr. Siu holds a MPhil degree from the 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 2016, Mr. Siu is entitled to receive a fee of HK\$144,000.

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

LI Ka-cheung, Eric, JP, Independent Non-Executive Director

Dr. Eric Li (aged 63), GBS, OBE, JP, LLD, DSocSc., B.A., FCPA (Practising), FCA, FCPA (Aust.), FCIS, was appointed Director of the Company in October 1996. Dr. Li is the senior partner of Li, Tang, Chen & Co., Certified Public Accountants and an independent non-executive director of Sun Hung Kai Properties Limited, Transport International Holdings Limited, Wong's International (Holdings) Limited, Hang Seng Bank Limited, China Resources Beer (Holdings) Company Limited (formerly known as China Resources Enterprise Limited) and Roadshow Holdings Limited. Dr. Li was previously an independent non-executive director of Bank of Communications Co., Ltd.

Dr. Li is a member of the 12th National Committee of Chinese People's Political Consultative Conference. He was previously a convenor-cum-member of the Financial Reporting Review Panel, a member of the Legislative Council of Hong Kong and chairman of its Public Accounts Committee, president of the Hong Kong Institute of Certified Public Accountants, an advisor to the Ministry of Finance on international accounting standards and a member of the Commission on Strategic Development.

Dr. Li is also chairman of the Remuneration Committee and the Audit Committee of the Company.

For the financial year ended 30 June 2016, Dr. Li is entitled to receive a fee of HK\$288,000 including the fee for acting as the chairman of the Audit Committee of the Company.

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

Dr. Li has served the Company as Independent Non-Executive Director for more than nine years.

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

IP YEUNG See-ming, Christine, Independent Non-Executive Director

Mrs. Christine Ip (aged 52) was appointed Director of the Company in November 2012. Mrs. Ip is currently managing director of United Overseas Bank Limited ("UOB") and is responsible for developing Greater China strategy for the Bank. Mrs. Ip has been appointed as United Overseas Bank Hong Kong Office CEO with effect from January 2012.

Mrs. Ip is a seasoned banker with more than 27 years of experience in both consumer and corporate banking, and she has significant experience in China. Prior to joining UOB, Mrs. Ip has held a range of senior management positions in product and sales management, customer segment management and risk management in Hong Kong, the United States, Canada, Singapore and China with Australia and New Zealand Bank, Standard Chartered Bank and HSBC.

Mrs. Ip's achievements have brought her the Asia Retail Congress award for "Best International Retail Banker" in 2008.

Mrs. Ip holds a Bachelor's degree in Arts from The University of Hong Kong and a MBA degree from The Hong Kong University of Science and Technology. Mrs. Ip is also an associate of The Institute of Bankers.

For the financial year ended 30 June 2016, Mrs. Ip is entitled to receive a fee of HK\$144,000.

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

Mrs. Ip has confirmed in writing her independence in accordance with the Listing Rules. Based on such confirmation and Mrs. Ip's past performance, the Board believes that Mrs. Ip continues to be independent. Given the qualifications and business experience of Mrs. Ip, and in light of her past contributions to the Group, the Board is of the view that the continuing service of Mrs. Ip in the Group is beneficial to the Group and thus considers that Mrs. Ip 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 of the Company 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 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, 1 November 2016 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements, the reports of the Directors and the independent auditor’s report for the year ended 30 June 2016.
2. To approve the final dividend of HK\$0.33 per share, with a scrip dividend alternative, in respect of the year ended 30 June 2016.
3. To re-elect:
 - (a) Mr. KWOK Ping-luen, Raymond;
 - (b) Ms. Anna YIP;
 - (c) Mr. SIU Hon-wah, Thomas;
 - (d) Dr. LI Ka-cheung, Eric; and
 - (e) Mrs. IP YEUNG See-ming, Christine

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 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.

NOTICE OF ANNUAL 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 (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.”

NOTICE OF ANNUAL 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 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, 30 September 2016

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, 28 October 2016 to Tuesday, 1 November 2016, 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, 27 October 2016.
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.