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QUASAR COMMUNICATION TECHNOLOGY HOLDINGS LIMITED

思拓通訊科技控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8171)

DELAY IN DESPATCH OF CIRCULAR

Pursuant to Rule 19.68 of the GEM Listing Rules, a Circular in relation to a major transaction must contain an accountants' report on the target company which relates to a financial period ended six months or less before the date of the Circular and pro forma statement of the assets and liabilities of the Enlarged Group on the same accounting basis. In view of the tight schedule for the reporting accountants and the Company to prepare the accountants' report on KBT and the pro forma financial statements of the Enlarged Group, the despatch of the Circular will be delayed from 31 January 2007 to on or before 16 March 2007.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 19.38 of the GEM Listing Rules such that the despatch of the Circular is to be postponed to on or before 16 March 2007.

Reference is made to the announcement (the "**Announcement**") issued by the Company in relation to the major transaction involving acquisition of approximately 22.49% of the entire issued share capital of KBT Mobile Co., Limited and the discloseable transaction involving disposal of the CDMA solution and the FTA licence dated 9 January 2007. Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Announcement.

Pursuant to Rule 19.38 of the GEM Listing Rules, the Company is required to despatch the circular (the "**Circular**") containing, among other things, details of the Proposed Acquisition and the Proposed Disposal, information regarding the Group and a notice of the EGM to the Shareholders within 21 days after the publication of the Announcement, which shall be on or before 31 January 2007.

Pursuant to Rule 19.68 of the GEM Listing Rules, a Circular in relation to a major transaction must contain an accountants' report on the target company which relates to a financial period ended six months or less before the date of the Circular and pro forma financial statement of the assets and liabilities of the Group as enlarged by the Proposed Acquisition and the Proposed Disposal (the "**Enlarged Group**") on the same

accounting basis. In view of the tight schedule for the reporting accountants and the Company to prepare the accountants' report on KBT and the pro forma financial statements of the Enlarged Group, the despatch of the Circular will be delayed from 31 January 2007 to on or before 16 March 2007.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 19.38 of the GEM Listing Rules such that the despatch of the Circular is to be postponed to on or before 16 March 2007.

By order of the Board
QUASAR Communication Technology Holdings Limited
Chan Ka Wo
Chairman

Hong Kong, 31 January 2007

The executive Directors as at the date of this announcement are Mr. Chan Ka Wo, Mr. Ra Chang Ju and Mr. Ong Se Mon and the independent non-executive Directors as at the date of this announcement are Mr. Lo Hang Fong, Mr. Li Meng Long and Mr. Choy Mun Kei.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its posting.