

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

FURTHER DELAY IN DESPATCH OF CIRCULAR

As additional time is required i) to prepare the accountants' report on KBT and the pro forma financial statements of the Enlarged Group; and ii) for the parties to the Agreements to finalise the amendments of the terms to the Agreements, the despatch of the Circular will be further delayed from 16 March 2007 to on or before 16 April 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 further postponed to on or before 16 April 2007.

Reference is made to the announcement (the "**First 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 and the announcement (the "**Second Announcement**") issued by the Company in relation to the delay in despatch of the circular (the "**Circular**") containing, among other things, details of the Proposed Acquisitions and the Proposed Disposal, information regarding the Group and a notice of the EGM dated 31 January 2007. Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the First Announcement.

Pursuant to Rule 19.38 of the GEM Listing Rules, the Company is required to despatch the Circular to the Shareholders within 21 days after the publication of the First Announcement, which shall be on or before 31 January 2007. As disclosed in the Second Announcement, the Company had applied to the Stock Exchange for a waiver from strict compliance with Rules 19.38 of the GEM Listing Rules such that the despatch of the Circular was delayed to on or before 16 March 2007. During the period from 31 January 2007 to 12 March 2007, the auditors of KBT has been preparing the audited financial statements of KBT for the year ended 31 December 2006. As such, the Company and the reporting accountants are still waiting for KBT

to provide its audited financial statements for the year ended 31 December 2006 for the preparation of the accountants' report on KBT and the pro forma financial statements of the Enlarged Group.

In early January 2007, KBT notified the Company that there were certain adjustments to be made in the financial statements of KBT for the year ended 31 December 2006 and the profit of KBT for the year ended 31 December 2006 might be affected significantly. As such, the Company, and Korea Technology and KTIC have been in negotiation to amend certain terms of the Korea Technology Agreement and the KTIC Agreement respectively based on the financial statements of KBT for the year ended 31 December 2006 to accommodate for these adjustments, which may lead to changes to the structure and terms of the Proposed Acquisitions and the Proposed Disposal as announced in the First Announcement. As additional time is required i) to prepare the accountants' report on KBT and the pro forma financial statements of the Enlarged Group; and ii) for the parties to the Agreements to finalise the amendments of the terms to the Agreements, the despatch of the Circular will be further delayed from 16 March 2007 to on or before 16 April 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 further postponed to on or before 16 April 2007.

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

Hong Kong, 12 March 2007

The executive Directors as at the date of this announcement are Mr. Chan Ka Wo, Mr. Ra Chang Ju, Mr. Ong Se Mon and Mr. Cho Hui Jae 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.

* *For identification purposes only*