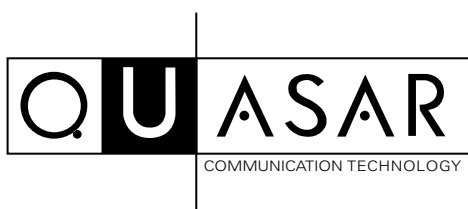


The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents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

TERMINATION OF MAJOR TRANSACTION

INVOLVING ACQUISITION OF APPROXIMATELY 38.29% OF THE ENTIRE ISSUED SHARE CAPITAL OF KBT MOBILE CO., LIMITED, DISCLOSEABLE TRANSACTION INVOLVING DISPOSAL OF THE CDMA SOLUTION AND THE FTA LICENCE AND RESUMPTION OF TRADING

As the conditions precedent to the New Agreements had not been fulfilled on or before 4:00 p.m. on 30 June 2007, the New Agreements was terminated in accordance with its terms specified in the New Agreements. The parties to the New Agreements entered into the Termination Agreements on 3 July 2007 to terminate the New Agreements with immediate effect.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 3 July 2007 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 4 July 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 discloseable transaction involving disposal of the CDMA solution and the FTA dated 9 January 2007 and the announcement (together with the First Announcement, the “**Announcements**”) issued by the Company in relation to the major transaction involving acquisition of approximately 38.29% of the entire issued share capital of KBT Mobile Co., Limited and discloseable transaction involving disposal of the CDMA solution and the FTA dated 11 April 2007. Definitions and terms used in this announcement, unless the context required otherwise, shall bear the same meaning as defined in the Announcements.

As set out in the Announcements, the New Completion is conditional upon the passing by the Shareholders at a general meeting of the Company to be convened and held of an ordinary resolution to approve the New Agreements and the transactions contemplated thereunder. If the conditions of the New Agreements are not fulfilled on or before 4:00 p.m. on 30 June 2007 (or such later date as the parties (the “**Parties**”) to the New Agreements may agree), the New Agreements shall cease and determine and the Parties shall not have any obligations and liabilities towards other Parties save for any antecedent breaches. As at the date of this announcement, the Directors are not aware of any antecedent breaches by the Company in relation to the New Agreements.

As the conditions precedent to the New Agreements had not been fulfilled on or before 4:00 p.m. on 30 June 2007, the New Agreements was terminated in accordance with its terms specified in the New Agreements. The parties to the New Agreements entered into the termination agreements (the “**Termination Agreements**”) on 3 July 2007 to terminate the New Agreements with immediate effect. Pursuant to the New Agreements, no deposit was paid to KTIC and Korea Technology.

It has been nearly six months since the date of the Agreements and further extra financial resources, including fees payable for the preparation of a revised accountant’s report, will be required if the long stop date is to be extended. As such, after arm’s length negotiations, the relevant Parties agreed to terminate the New Agreements. The Directors consider that the terms and conditions of the Termination Agreements are fair and reasonable and in the interests of the Company and Shareholders as a whole.

As the Revised Proposed Acquisitions and the Revised Proposed Disposal have not been completed and KBT would only be an associate company of the Group if the deal were completed, the Board considers that the termination of the New Agreements has no material adverse impact on the existing business, financial position and prospects of the Group.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 3 July 2007 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 4 July 2007.

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

Hong Kong, 3 July 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*