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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)

ANNOUNCEMENT AND RESUMPTION OF TRADING

The board (the “Board”) of directors (the “Directors”) of QUASAR Communication Technology Holdings Limited (the “Company”) has noted today’s increase in price and trading volume of the shares of the Company and wishes to state that the Board is not aware of any reasons for such increase save as a negotiation with an independent third party in relation to a possible cooperation opportunity for a WiFi project in Beijing as disclosed below.

The Company is in negotiation with an independent third party in relation to a possible cooperation opportunity for a WiFi project in Beijing. Such negotiation is at the preliminary stage only and no draft legal binding agreement has yet been prepared. Should any legal binding agreement be entered into, there will be an impact on the existing business, financial position and prospects of the Company and its subsidiaries from this new business segment. As at the date of this announcement, no legal binding agreement in relation to such possible cooperation has been entered into. **As the possible cooperation may or may not be entered into, investors and shareholders of the Company are urged to exercise caution when dealing in the shares of the Company. Further announcement in respect of the possible cooperation will be made by the Company in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) should any legal binding agreement be entered into.**

Saved as disclosed above, the Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Chapters 19 to 20 of the GEM Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

At the request of the Company, trading in the shares was suspended with effect from 2:30 p.m. on 5 October 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 8 October 2007.

Made by the order of the Board, the Directors of which collectively and individually accept responsibility for the accuracy of this announcement.

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

Hong Kong, 5 October 2007

* *For identification purpose only*

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.