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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)

COMPLETION OF SUBSCRIPTION OF NEW SHARES AND NON-LISTED WARRANTS; RESIGNATION OF DIRECTORS; PLACING OF EXISTING SHARES AND

UNUSUAL PRICE AND TURNOVER MOVEMENTS

Financial adviser

COMMERZBANK 

Commerzbank AG Hong Kong Branch

The Board has noted today's decrease in price and increase in trading volume of the Shares and wishes to state that, save as disclosed below, the Board is not aware of any reasons for such movements.

The Board announces that completion of the Share Subscription and the Warrant Subscription has taken place on 12 December 2007. Accordingly, an aggregate of 60,000,000 Subscription Shares have been allotted and issued to the Subscriber pursuant to the Share Subscription Agreement and 45,000,000 Warrants have been created and issued to the Subscriber pursuant to the Warrant Subscription Agreement.

The Board announces that, with effect from 12 December 2007, (i) Mr. Ra has resigned as the chief executive officer of the Company and an executive Director; (ii) Mr. Ong has resigned as an executive Director; and (iii) Mr. Choy has resigned as an independent non-executive Director and a member of the remuneration committee and the audit committee of the Company. The Board also announces that Ms. Yu, an executive Director, has been appointed as the chief executive officer of the Company with effect from 12 December 2007.

The Company has been informed by the Vendors that each of them has entered into the Placing Agreement with the Placing Agent on 12 December 2007, for the placing of an aggregate of 130,495,421 Shares to independent places. The Placing Shares represent approximately 22.25% of the entire issued share capital of the Company as enlarged by the Share Subscription.

COMPLETION OF SUBSCRIPTION OF NEW SHARES AND NON-LISTED WARRANTS

Reference is made to the announcements (the “**Announcements**”) of the Company dated 22 and 23 November 2007 in relation to the subscription of the Subscription Shares and the Warrants. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

On 22 November 2007, the Company announced that it had entered into the Share Subscription Agreement and the Warrant Subscription Agreement in relation to the subscription of the Subscription Shares and the Warrants respectively. With all the conditions under the Share Subscription Agreement and the Warrant Subscription Agreement being fulfilled, completion of the Share Subscription and the Warrant Subscription has taken place on 12 December 2007. Accordingly, an aggregate of 60,000,000 Subscription Shares have been allotted and issued to the Subscriber pursuant to the Share Subscription Agreement and 45,000,000 Warrants have been created and issued to the Subscriber pursuant to the Warrant Subscription Agreement.

Set out below is the shareholding structure of the Company (i) immediately after completion of the Share Subscription and the Warrant Subscription but before exercise of any of the subscription rights attaching to the Warrants and the Outstanding Warrants and before completion of the Placing; (ii) immediately after completion of the Share Subscription and full exercise of the subscription rights attaching to the Warrants and the Outstanding Warrants but before completion of the Placing; and (iii) immediately after completion of the Share Subscription and full exercise of the subscription rights attaching to the Warrants and the Outstanding Warrants and completion of the Placing:

	Immediately after completion of the Share Subscription and the Warrant Subscription but before exercise of any of the subscription rights attaching to the Warrants and the Outstanding Warrants and before completion of the Placing		Immediately after completion of the Share Subscription and full exercise of the subscription rights attaching to the Warrants and the Outstanding Warrants but before completion of the Placing		Immediately after completion of the Share Subscription and full exercise of the subscription rights attaching to the Warrants and the Outstanding Warrants and completion of the Placing	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
Mr. Shin Dong Hoon	81,200,000	13.85	81,200,000	11.78	81,200,000	11.78
Choice Media (Note 1)	74,621,186	12.72	74,621,186	10.82	14,000,000	2.03
Pilot Choice (Note 2)	55,536,000	9.47	55,536,000	8.06	-	-
i.Concept Inc. (Note 3)	31,288,196	5.34	31,288,196	4.54	31,288,196	4.54
Ms. Yu	-	-	58,000,000	8.41	58,000,000	8.41
Digit Success	14,338,235	2.44	14,338,235	2.08	-	-
Subscriber	60,000,000	10.23	105,000,000	15.23	105,000,000	15.23
	316,983,617	54.05	419,983,617	60.92	289,488,196	41.99
Public Shareholders:						
Mr. Kwon Ikjoo	39,000,000	6.65	39,000,000	5.66	39,000,000	5.66
Other public Shareholders	230,467,883	39.30	230,467,883	33.42	360,963,304	52.35
	<u>586,451,500</u>	<u>100.00</u>	<u>689,451,500</u>	<u>100.00</u>	<u>689,451,500</u>	<u>100.00</u>

Note 1: The Shares are registered in the name of Choice Media. Mr. Chan, an executive Director, legally and beneficially owns the entire issued share capital of Choice Media. Accordingly, Mr. Chan is deemed to be interested in all the Shares registered in the name of Choice Media.

Note 2: The entire issued share capital of Pilot Choice is legally and beneficially owned by Mr. Ong. The Shares referred herein relate to the same parcel of Shares held by Pilot Choice. Mr. Ong is also beneficially interested in an approximately 0.14% of the issued share capital of PINE Technology Holdings Limited, (“PINE Technology”) the issued shares of which are listed on GEM, which in turn has indirect interests in the Company through i.Concept Inc..

Note 3: The entire issued share capital of i.Concept Inc. is legally and beneficially owned by Pan Eagle Limited and the entire issued share capital of which is legally and beneficially owned by Pine Technology (BVI) Limited. The entire issued share capital of Pine Technology (BVI) Limited is, in turn, legally and beneficially owned by PINE Technology. Accordingly, each of Pan Eagle Limited, Pine Technology (BVI) Limited and PINE Technology is deemed to be interested in the Shares registered in the name of i.Concept Inc.

The net proceeds from the Share Subscription amounted to approximately HK\$16.9 million and the net proceeds from the Warrant Subscription amounted to approximately HK\$0.9 million. The Company intended to apply the aggregate net proceeds from the Share Subscription and the Warrant Subscription of approximately HK\$17.8 million, together with the proceeds from the issue of New Shares upon any exercise of the subscription rights attaching to the Warrants and the Outstanding Warrants in future towards the general working capital of the Group and as funds for future development of the Group when investment opportunities arise. As at the date of this announcement, the Company has not identified any specific investment plan.

RESIGNATION OF DIRECTORS

The Board announces that, with effect from 12 December 2007, (i) Mr. Ra has resigned as the chief executive officer of the Company and an executive Director; (ii) Mr. Ong has resigned as an executive Director; and (iii) Mr. Choy has resigned as an independent non-executive Director and a member of the remuneration committee and the audit committee of the Company due to the involvement of their personal businesses and other commitments which require more of their time.

The Board, Mr. Ra, Mr. Ong and Mr. Choy have confirmed that there is no disagreement between the Company and each of Mr. Ra, Mr. Ong and Mr. Choy. Each of Mr. Ra, Mr. Ong and Mr. Choy has also confirmed that he is not aware of any matters which should be brought to the attention of the Stock Exchange, the Shareholders and the Board in connection with his resignation. The Board would like to take this opportunity to express its appreciation of their valuable advice and contributions to the Company during their servicing periods.

The Board also announces that Ms. Yu, an executive Director, has been appointed as the chief executive officer of the Company with effect from 12 December 2007.

PLACING OF EXISTING SHARES

The Company has been informed by the Vendors that each of them has entered into the Placing Agreement with the Placing Agent on 12 December 2007 for the placing of an aggregate of 130,495,421 Shares to independent placees. The Vendors will receive, before expenses, a placing price of HK\$0.225 per Share. The Placing Shares represent approximately 22.25% of the entire issued share capital of the Company as enlarged by the Share Subscription. Choice Media, Pilot Choice and Digit Success, being the Vendors, has placed 60,621,186 Shares, 55,536,000 Shares and 14,338,235 Shares respectively, representing approximately 10.34%, 9.47% and 2.44% of the entire issued share capital of the Company as enlarged by the Share Subscription, respectively.

The Placing Agent confirms that no placees will become a substantial Shareholder within the meanings of the GEM Listing Rules immediate after the Placing.

The Board has noted today's decrease in price and increase in trading volume of the Shares and wishes to state that, save as disclosed above, the Board is not aware of any reasons for such movements.

The Board confirms that save as disclosed above, 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 and 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.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise

“Choice Media”	Choice Media Investments Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is legally and beneficially owned by Mr. Chan
“Digit Success”	Digit Success Investments Limited, a company incorporated in the British Virgin Islands, the entire share capital of which is legally and beneficially owned by Mr. Ra
“Mr. Chan”	Mr. Chan Ka Wo
“Mr. Choy”	Mr. Choy Mun Kei
“Mr. Ong”	Mr. Ong Se Mon
“Mr. Ra”	Mr. Ra Chang Ju
“Ms. Yu”	Ms. Yu Xiao Min

“Pilot Choice”	Pilot Choice Investments Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is legally and beneficially owned by Mr. Ong
“Placing”	the placing of the Placing Shares by the Vendors, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	China Everbright Securities (HK) Limited
“Placing Agreement”	placing agreement dated 12 December 2007 entered into between each of the Vendors and the Placing Agent in respect of the placing of the Placing Shares
“Placing Shares”	130,495,421 Shares legally and beneficially owned by the Vendors
“Vendors”	Choice Media, Pilot Choice and Digit Success

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

Hong Kong, 12 December 2007

As at the date of this announcement, the executive Directors are Mr. Chan Ka Wo, Mr. Cho Hui Jae, Ms. Yu Xiao Min and Mr. Li Tan Yeung Richard and the independent non-executive Directors are Mr. Li Meng Long, Mr. Sze Lin Tang and Mr. Leung Wing Kin.

This announcement, for which the Directors collectively and individually accept full responsibilities, include 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: (i) the information contained in this announcement is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumption 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