

**QUASAR COMMUNICATION TECHNOLOGY HOLDINGS LTD:
IT IS TOO GOOD TO BELIEVE !**

Quasar Communication Technology Holdings Ltd (Stock Code Number 8171, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) is another one of those companies, operating exclusively in the People's Republic of China (PRC), whose profits have gone from a negative value, just 4 years ago, to a forecast Net Profit Attributable to Shareholders of about \$HK25 million for the Current Financial Year, ending December 31, 2002.

Quasar Communication is in the business of being a solutions provider for mobile telecommunication devices *'by creating innovative idea and applying 2.5G* and 3G* technologies,'* according to Page 69 of the Placing Prospectus, dated July 25, 2002.

** 2.5 G and 3G refer to 2.5 Generation and Third Generation Mobile Telecommunication Software for wireless transmission*

This Company was founded in May 1998 by a Mr Chan Ka Wo, a Chinese businessman (68.25 percent), Mr Jo Wong Seob, a Korean businessman (12.75 percent), Mr Park Seung Rae, a Korean businessman (12.75 percent), and Mr Kim Kwang Hoe, a Korean business (6.25 percent).

At the time of the initial commencement of business, Quasar Communication was known as Gold Glory Development Ltd, a company, incorporated in the British Virgin Islands, which is, today, a wholly owned subsidiary of Quasar Communication.

In January 2000, Gold Glory came into an agreement with PNS Technology Ltd, a company, which is incorporated in Western Samoa and which is, today, a wholly owned subsidiary of Pine Technology Holdings Ltd (Code: 8013, The GEM).

The agreement between PNS Technology and Gold Glory was that Gold Glory would act as *'a development program manager and supplied PNS with the requisite technical knowledge for the development of software for cellular phones for use in telecommunications networks in the PRC.'* (Page 61 of the Prospectus)

From those beginnings, Quasar Communication saw its Turnover rise from \$HK195,000 in the 1999 Financial Year to \$HK308.27 million in the 2000 Year.

The following table is lifted from Page 135 of the Prospectus:

	Financial Year ended December 31	
	1999	2000
	All Figures are Denominated in \$HK'000	
Turnover	195	308,270
Contract Costs	Nil	(299,265)
Other Revenues	Nil	11
Research and Development Costs	(7,775)	(1,085)
Depreciation of Fixed Assets	Nil	(44)
Other Operating Expenses	(1,534)	(5,901)

Operating Profit/(Loss)	(9,114)	1,986
Taxation	Nil	Nil
Profit/(Loss) Attributable to Shareholders	(9,114)	1,986

Page 124 of the Prospectus puts the forecast Net Profit Attributable to Shareholders for the Current Financial Year at ‘*not less than HK\$25 million.*’

For the first 5 months of the Current Financial Year, to May 31, Quasar Communication was sitting on a Net Profit (Unaudited) of about \$HK8.79 million, according to Page 119 of the Prospectus.

This is shown in the calculation of the Adjusted ... [CLICK TO ORDER FULL ARTICLE](#)

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