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Qianlong Technology International Holdings Limited

(乾隆科技國際控股有限公司)*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8015)

CLARIFICATION ANNOUNCEMENT

Reference is made to the Quarterly Results Announcement (“the Quarterly Results Announcement”) for the period ended 31 March 2010 of Qianlong Technology International Holdings Limited (“the Company”) published on 13 May 2010.

Due to inadvertent typographical error, the amount of interim dividend declared by the Board of the Company under Paragraph 9 (DIVIDENDS) at Page 8 and the heading “INTERIM DIVIDEND” at Page 15 of the Quarterly Results Announcement should be changed and read respectively as follows:-

“HK\$0.05 (equivalent to RMB0.044)”, and “HK\$0.05 per share”.

A revised Quarterly Results Announcement is attached to this Clarification Announcement.

Save for the above mentioned clarification, the Company is not aware of any other errors in the Quarterly Results Announcement.

By Order of the Board
Liao Chao Ping
Chairman

Hong Kong, 14th May 2010

Executive directors:

Liao Chao Ping
Fan Ping Yi
Yang Ching Shou
Chen Shen Tien
Chen Ming Chuan
Yu Shih Pi

Independent non-executive directors:

Chiu Kam Hing, Kathy
Cheong Chan Kei, Ernest
Chang Long Teng

** For identification purposes only*



QIANLONG TECHNOLOGY INTERNATIONAL HOLDINGS LIMITED
(乾 隆 科 技 國 際 控 股 有 限 公 司) *

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8015)

QUARTERLY RESULTS ANNOUNCEMENT FOR
THE PERIOD ENDED 31 MARCH 2010

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET
(“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE
“STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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This announcement, for which the directors of Qianlong Technology International Holdings Limited (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to Qianlong Technology International Holdings Limited. 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.

HIGHLIGHTS

- Turnover for the three months ended 31 March 2010 increased by 53.42% to RMB 26,994,000 (2009: RMB 17,595,000)
- Profit attributable to owners of the Company for the three months ended 31 March 2010 increased by 13.37% to RMB4,112,000 (2009: RMB3,627,000)
- Basic and diluted earnings per share was RMB 1.63 cents (2009: RMB1.44 cents).

THE FIRST QUARTERLY RESULTS (UNAUDITED)

The board of Directors (the “Board”) of Qianlong Technology International Holdings Limited (the “Company”) would like to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2010 together with the comparative unaudited figures for the corresponding period in 2009 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

		Three months ended 31 March	
		2010	2009
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Turnover	3	26,994	17,595
Cost of sales		(7,023)	(4,447)
Gross Profit		19,971	13,148
Other income	5	3,305	2,432
Other gains and losses	6	124	37
Selling and distribution costs		(11,215)	(4,642)
Administrative expenses		(7,653)	(6,824)
Profit before income tax		4,532	4,151
Income tax	7	(420)	(524)
Profit for the period attributable to owners of the Company		4,112	3,627
Other comprehensive income:			
Exchange differences on translating foreign operations		(61)	2
Total comprehensive income for the period attributable to owners of the Company		4,051	3,629
Earnings per share			
– Basic and diluted (RMB cents)	8	1.63	1.44

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	At 31 March	At 31 December
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets		
Property, plant and equipment	34,908	35,086
	<hr/>	<hr/>
Current assets		
Inventories	58	77
Trade and other receivables	7,791	4,363
Deposits and prepayments	3,659	5,277
Investments held for trading	4,000	8,000
Cash and cash equivalents	143,032	132,362
	<hr/>	<hr/>
Total current assets	158,540	150,079
	<hr/>	<hr/>
Total assets	193,448	185,165
	<hr/>	<hr/>
Current liabilities		
Trade and other payables	49,164	44,897
Tax payable	2,332	1,851
	<hr/>	<hr/>
Total current liabilities	51,496	46,748
	<hr/>	<hr/>
Net current assets	107,044	103,331
	<hr/>	<hr/>
Total assets less current liabilities	141,952	138,417
	<hr/>	<hr/>
Non-current liabilities		
Deferred revenue	4,275	3,541
Deferred tax liabilities	41	1,291
	<hr/>	<hr/>
Total non-current liabilities	4,316	4,832
	<hr/>	<hr/>
Total liabilities	55,812	51,580
	<hr/>	<hr/>
TOTAL NET ASSETS	137,636	133,585
	<hr/> <hr/>	<hr/> <hr/>
Equity attributable to owners		
of the Company		
Share capital	26,128	26,128
Reserves	111,508	107,457
	<hr/>	<hr/>
TOTAL EQUITY	137,636	133,585
	<hr/> <hr/>	<hr/> <hr/>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UNAUDTED)**

Three months ended 31 March 2010

	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Exchange reserve <i>RMB'000</i>	General reserve <i>RMB'000</i>	Merger reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total equity <i>RMB'000</i>
At 1 January 2009	26,128	44,939	(791)	10,644	22,036	12,522	115,478
Total comprehensive income for the period	<u>—</u>	<u>—</u>	<u>2</u>	<u>—</u>	<u>—</u>	<u>3,627</u>	<u>3,629</u>
At 31 March 2009	<u>26,128</u>	<u>44,939</u>	<u>(789)</u>	<u>10,644</u>	<u>22,036</u>	<u>16,149</u>	<u>119,107</u>
At 1 January 2010	26,128	44,939	(3,683)	14,107	24,598	27,586	133,585
Total comprehensive income for the period	<u>—</u>	<u>—</u>	<u>(61)</u>	<u>—</u>	<u>—</u>	<u>4,112</u>	<u>4,051</u>
At 31 March 2010	<u>26,128</u>	<u>44,939</u>	<u>(3,744)</u>	<u>14,017</u>	<u>24,598</u>	<u>31,698</u>	<u>137,636</u>

NOTES:

1. BASIS OF PREPARATION

The Group's unaudited first quarterly financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Exchange (the "GEM Listing Rules") and the Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and basis of preparation adopted in these quarterly financial statements are consistent with those adopted by the Group in its annual financial statements for the year ended 31 December 2009.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

(a) In the current period, the Group has adopted all the new or revised HKFRSs that are relevant to its operations and effective for the current accounting period of the Group. The adoption of these new or revised HKFRSs had no material effect on the reported results or financial position of the Group for both the current and prior reporting periods.

(b) Potential impact arising on HKFRSs not yet effective

The following new or revised HKFRSs, potentially relevant to the Group, have been issued but are not yet effective and have not been early adopted by the Group.

HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments ¹
HKAS 24 (Revised)	Related Party Disclosures ²
HKFRS 9	Financial Instruments ³

¹ Effective for annual periods beginning on or after 1 July 2010

² Effective for annual periods beginning on or after 1 January 2011

³ Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the potential impact of these new or revised HKFRSs in the period of their initial application.

3. TURNOVER

Turnover represents the sales value of goods supplied to customers and service fees receivable, net of goods returned, trade discounts, value added tax and business tax. The Group's products and services are mainly sold and provided to customers in the People's Republic of China (the "PRC"). The amount of each significant category of revenue recognised in turnover during the respective periods is as follows:

	Unaudited	
	Three months ended	
	31 March	
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
Maintenance service and usage fees	11,360	8,129
Information service fees	10,923	6,768
Sale of computer software	4,529	2,500
Others	182	198
	<hr/>	<hr/>
	26,994	17,595
	<hr/> <hr/>	<hr/> <hr/>

4. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

(a) Reportable segment

No separate business segment information is presented as the Group has only one business segment used by the chief operation decision-maker to make strategic decision, which is the distribution and usage of software and provision of related maintenance and information services.

(b) Geographical information

All operating assets and operations of the Group during the three months ended 31 March 2010 and 2009 were located in the PRC.

(c) Information about major customer

Revenue from the Group's largest customer amounted to less than 10% of the Group's total revenue for the three months ended 31 March 2010 and 2009.

5. OTHER INCOME

	Unaudited	
	Three months ended	
	31 March	
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
Value added tax refund (<i>Note (i)</i>)	2,513	1,355
Interest income	759	802
Subsidy income (<i>Note (ii)</i>)	—	279
Sundries	33	(4)
	<hr/>	<hr/>
	3,305	2,432
	<hr/> <hr/>	<hr/> <hr/>

Note:

- (i) A tax concession has been granted by the PRC tax authority to the Company's PRC subsidiaries which are engaged in the development and trading of computer software. Under this concession, the PRC subsidiaries are entitled to a refund of value added tax paid in excess of an effective rate of 3%. The amount of value added tax refund is recognised as other income on an accrual basis.
- (ii) Subsidy income for the three months ended 31 March 2009 represented subsidies received from Shanghai Finance Bureau to finance the development of advanced technology and was calculated based on 50% of the business tax, value added tax and enterprise income tax paid to the local government last year.

6. OTHER GAINS AND LOSSES

	Unaudited	
	Three months ended	
	31 March	
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
Gain on disposal of investments held for trading	124	27
Fair value gain on investments held for trading	—	10
	<hr/>	<hr/>
	124	37
	<hr/> <hr/>	<hr/> <hr/>

7. INCOME TAX

	Unaudited	
	Three months ended	
	31 March	
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
PRC foreign enterprise income tax	420	524

No provision for Hong Kong profits tax has been made as the Group had no assessable profit subject to Hong Kong profits tax for the current and prior periods.

On 16 March 2007, the National People's Congress approved the PRC Enterprise Income Tax Law ("New Tax Law"), which became effective from 1 January 2008. In accordance with the New Tax Law, the unified enterprise income tax rate of 25% will be applied to both domestic-invested enterprises and foreign-invested enterprises. Enterprises established prior to 16 March 2007 eligible for preferential tax treatment in accordance with the currently prevailing tax laws and administrative regulations shall, under the regulations of the State Council, gradually be subject to the new tax rate over a five-year transitional period until 2012.

Shanghai Qianlong Network Technology Company Limited, a PRC operating subsidiary of the Company set up in February 2007 in Pudong Shanghai, is entitled to a preferential enterprise income tax rate of 22% for the current period (2009: 20%).

Shanghai Qianlong Advanced Technology Company Limited, a PRC operating subsidiary of the Company, which is engaging in advanced technology operation continued to enjoy the preferential enterprise income tax rate of 15% according to Session 111 of the National Enterprise Income Tax Law in 2008.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of RMB4,112,000 (2009: RMB 3,627,000) and 252,600,000 (2009: 252,600,000) ordinary shares in issue during the period.

During the three months ended 31 March 2010 and 2009, the diluted earnings per share is the same as basic earnings per share as there were no dilutive potential ordinary shares in issue during these two periods.

9. DIVIDENDS

The Board declared an interim dividend of HK\$0.05 (equivalent to RMB0.044) (2009: HK\$ Nil) per share for the three months ended 31 March 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the three months ended 31 March 2010, the Group made great achievements and reported a turnover of RMB26,994,000 (2009: RMB17,595,000), representing an increase of 53.42% as compared with that for the same period of the previous year.

For the three months ended 31 March 2010, the Group has recorded revenue of RMB11,360,000 from maintenance service and usage fees (2009: RMB8,129,000), representing an increase of 39.75% as compared to the same period of last year. Income from information service fee was RMB10,923,000 (2009: RMB6,768,000), representing an increase of 61.39% to the same period of last year. The income from sale of computer software was RMB4,529,000 (2009: RMB2,500,000), representing an increase of 81.16% to the same period of last year. The other income was RMB182,000 (2009: RMB198,000);

For the three months ended 31 March 2010, the cost of sales was RMB7,023,000 (2009: RMB4,447,000), representing an increase of 57.93% as compared to the same period of last year. Among this, the cost for Qianlong Gang Gu Tong was RMB2,522,000 (2009: RMB2,045,000), representing an increase of 23.33% as compared to the same period of last year. The cost for Level 2 was RMB2,868,000 (2009: RMB1,559,000), representing an increase of 83.96% as compared to the same period of last year.

The increase of revenue resulted in greater profit for the period. The Group recorded a net profit attributable to owners of the Company of RMB4,112,000 for the three months ended 31 March 2010, representing an increase of 13.37% as compared with RMB3,627,000 for the same period of the previous year.

The basic and diluted earnings per share was RMB 1.63 cents (2009: RMB1.44 cents).

PRODUCT DEVELOPMENT

After the reorganization, Shanghai Qianlong High Technology Co., Ltd with its wholly owned subsidiary Shanghai Qianlong Network Technology Co., Ltd and Shanghai Xinlong Information Technology Co., Ltd has upheld the new development structure for Qianlong series products and the business has begun to attain new achievements.

In these ten years, the securities market has undergone staggering adjustments, but Qianlong products had still achieved anticipated results.

On organizational users' market, the Company accepted and completed the Index Disclosure platform for Shenyin Wanguo, consignment transaction platform for A shares for Pacific Securities, Huatai Securities, Minsheng Securities and the Hong Kong stock consignment transaction platforms for Guoxin Hong Kong, Commercial Hong Kong, etc., which have achieved further application.

On individual user products, the Company launched the decision analysis software for Stock Index Futures, named "Futures Index Winners". After the formal launch of stock index futures, the product will bring new profits. The decision analysis model of Futures Index Winners has absorbed the wisdom of professional experts with long years of actual experience in foreign stock index futures, allowing the software to not only disclose live information of stock index futures, but also become a stock index futures decision analysis tool rarely seen in China. The product will be welcomed by investors at the launch of stock index futures. The traditional software Qianlong Golden Eye and Qianlong Gang Gu Tong has also achieved stable development for users. The Golden Eye series have launched an exceptional version in the market, including 10 grades of deep information of L2 for Shanghai and shenzheng markets, becoming the upgraded product of original L2 flash version for Shanghai Securities. Qianlong has also become one of the first brands to obtain the whole market information operation approval from Shanghai and Shenzheng markets.

Qianlong's new generation of system has achieved significant advances and attained opportunities to show and test the system to securities agencies with large market influence. The new system will cover all securities end applications, including information, marketing and consignment to support and help securities agencies to build and develop their individual competitive edge. Once widely launched, this will bring the securities information industry onto a completely new stage.

BUSINESS REVIEW

During the year, the economy of Mainland China continues to be in the recovery process; the progress of the economy brings the improvement of securities markets. Securities market transaction products are improving continuously. Other than stock, debts, funds, futures and these main financial products, financial instruments and stock index futures have launched or will be launching, pushing the securities market to further expand. For the three months ended 31 March 2010, the Group's growth appears very good with increase of sales income and continuous expansion of market scale. To accommodate the changing market, the Group's management team is launching new products, accelerating adjustments to product structure; increasing investment in research, developing new product actively and enhancing the quality of current products; expanding human resource team by method of combining outside recruitment and inside training to establish good human resource and technical reserve; improving current business, encouraging business innovation; strengthening sales team organization, building services structure and improving service standard.

With hardware updates in securities houses and the variance of investors' requirements, the current Novell platform cannot meet the requirements of the fast changes made by securities houses. Therefore, the Company researched and developed a complete solution based on Linux platform. The complete system has been transferred from Novell platform to Linux platform with consideration to practicability and safety. The layout and function on the customers' end retain Qianlong's traditional features and usage, allowing a seamless transfer without users noting a system change at all. This was greatly welcomed by the securities houses, resulting in good sales trend.

For the three months ended 31 March 2010, the Group has recorded RMB 6,862,000 on Internet version market, representing 25.42% of the total turnover. The Group has recorded RMB 6,203,000 on Gang Gu Tong used for Hong Kong securities information, representing 22.98% of the total turnover.

MAJOR INVESTMENT

As at 31 March 2010, the Group's subsidiary Shanghai Qianlong Network Technology held unlisted investment fund of RMB 4,000,000. The term of the investment fund is 3 months and matures on 16 June 2010.

SELLING AND DISTRIBUTION COST

For the three months ended 31 March 2010, selling and distribution cost amounted to RMB11,215,000 (2009: RMB4,642,000), representing an increase of 141.60%. The increase was mainly due to increase in advertising and promotion fees and increase in sales staff costs as a result of the business expansion.

WORKING CAPITAL AND FINANCIAL RESOURCES

At 31 March 2010, the Group's working capital and financial resources improved as compared to that at 31 December 2009. At 31 March 2010, the Group's cash and cash equivalents was RMB143,032,000 (31 December 2009: RMB132,362,000). Therefore, the Group's finance position is very stable.

DEPLOYMENT OF HUMAN RESOURCES

The total number of staff of the Group as at 31 March 2010 was 370 (31 March 2009: 271). The Group offers a remuneration package by reference to prevailing market conditions and performance, qualifications and experience of individual employees. Other benefits for employees include a retirement benefit, a provident fund and a medical plan. For the three months ended 31 March 2010, the total cost for staff (including salary, bonus and other benefits) is approximately RMB10,190,000 (2009: RMB6,737,000).

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 March 2010 and 31 March 2009.

GEARING RATIO

Since its establishment, the Group has neither made any loan arrangements with nor obtained any credit facilities from any financial institutions. Therefore, the gearing ratio of the Group, which is net borrowings over shareholders' funds, has remained zero. At the same time, the Group's assets have never been subject to any securities or mortgages.

EXPOSURE ON EXCHANGE RATE FLUCTUATION

Most of the income and expenditure of the Group were denominated in RMB and only a little is denominated in Hong Kong dollars. Therefore the Group considered the exchange rate fluctuation exposure is small and thus no financial instruments have been adopted for hedging purposes.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the three months ended 31 March 2010, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2010, the interests of the Directors and chief executives in the share capital of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules, were as follows:

Name of Directors	Type of Interests	Number of shares held	Percentage of the Company's issued share capital
Liao Chao Ping	Personal	5,000,000	1.979%
Chen Shen Tien	Corporate (<i>Notes (i) and (ii)</i>)	40,250,000	15.934%
Fan Ping Yi	Corporate (<i>Notes (i) and (ii)</i>)	24,500,000	9.699%
Yang Ching Shou	Corporate (<i>Notes (i) and (ii)</i>)	24,500,000	9.699%
Chen Ming Chuan	Corporate (<i>Notes (i) and (ii)</i>)	18,375,000	7.274%
Yu Shih Pi	Corporate (<i>Notes (i) and (ii)</i>)	14,875,000	5.889%

Note:

- (i) As at 31 March 2010, Mr. Chen Shen Tien is the absolute shareholder of Red Coral Financial Limited which holds 40,250,000 shares, representing a 15.934% interest in the Company. Mr. Fan Ping Yi and his spouse, Ms. Ko Hsiu Fen, are the absolute shareholders of Sapphire World Investment Limited which holds 24,500,000 shares, representing a 9.699% interest in the Company. Mr. Yang Ching Shou and his spouse, Ms. Lai Ying Ming, are the absolute shareholders of Legend Isle Technology Limited which holds 24,500,000 shares, representing a 9.699% interest in the Company. Mr. Chen Ming Chuan is the absolute shareholder of Star Channel Technology Limited which holds 18,375,000 shares, representing a 7.274% interest in the Company. Mr. Yu Shih Pi is the absolute shareholder of Star Orient Global Limited which holds 14,875,000 shares, representing a 5.889% interest in the Company.
- (ii) According to the register of substantial shareholders required to be maintained under section 336 of the SFO, the Company has been notified of these interests, being 5% or more of the issued share capital of the Company.

Save as disclosed above, none of the Directors or chief executives of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules.

SUBSTANTIAL INTERESTS IN THE SHARES AND UNDERLYING SHARES

As at 31 March 2010, in addition to those interests as disclosed above in respect of the Directors, according to the register of substantial shareholders required to be maintained under section 336 of the SFO, the Company had been notified of the following interests, being 5% or more in the issued share capital of the Company.

Name	Number of the shares held	Percentage of the Company's issued share capital
Red Coral Financial Limited	40,250,000	15.934%
Sapphire World Investment Limited	24,500,000	9.699%
Legend Isle Technology Limited	24,500,000	9.699%
Star Channel Technology Limited	18,375,000	7.274%
Star Orient Global Limited	14,875,000	5.889%

Note: As at 31 March 2010, Mr. Chen Shen Tien is the absolute shareholder of Red Coral Financial Limited which holds 40,250,000 shares, representing a 15.934% interest in the Company. Mr. Fan Ping Yi and his spouse, Ms. Ko Hsiu Fen, are the absolute shareholders of Sapphire World Investment Limited which holds 24,500,000 shares, representing a 9.699% interest in the Company. Mr. Yang Ching Shou and his spouse, Ms. Lai Ying Ming, are the absolute shareholders of Legend Isle Technology Limited which holds 24,500,000 shares, representing a 9.699% interest in the Company. Mr. Chen Ming Chuan is the absolute shareholder of Star Channel Technology Limited which holds 18,375,000 shares, representing a 7.274% interest in the Company. Mr. Yu Shih Pi is the absolute shareholder of Star Orient Global Limited which holds 14,875,000 shares, representing a 5.889% interest in the Company.

Save as disclosed above, the Directors were not aware of any other person (other than Directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares or debentures of the Company as recorded in the register required to be kept under section 336 of the SFO.

REMUNERATION OF DIRECTORS

The remuneration committee was established in November 2005. The chairman of the committee is Ms. Chiu Kam Hing, Kathy, an independent non-executive Director, and other members include Mr. Chang Long Teng and Mr. Cheong Chan Kei, Ernest, both being independent non-executive Directors.

The function of the remuneration committee includes the determination of the specific remuneration packages of all executive Directors, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

NOMINATION OF DIRECTORS

The Board is responsible for considering the suitability of a candidate to act as a director, and approving and terminating the appointment of a director. The Company has not set up any nomination committee for the three months ended 31 March 2010.

The Chairman is mainly responsible for identifying suitable candidates for members of the Board when there is a vacancy or an additional director is considered necessary. The Chairman will propose the appointment of such candidates to each member of the Board for consideration and each member of the Board will review the qualifications of the relevant candidates for determining the suitability to the Group on the basis of his qualifications, experience and background. The decision of appointing a director must be approved unanimously by the members of the Board and make recommendation to the shareholders' meeting for approval.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules in 1999.

The primary duty of the audit committee is to review and supervise the financial reporting process and internal control systems of the Group. The audit committee comprises three members, Ms. Chiu Kam Hing, Kathy, Mr. Chang Long Teng and Mr. Cheong Chan Kei, Ernest, all of them are independent non-executive Directors. Ms. Chiu Kam Hing, Kathy is the chairman of the audit committee.

The audit committee has reviewed the Group's unaudited consolidated results for the three months ended 31 March 2010 and opinions and suggestions have been provided before the approval of the Board Meeting.

INTERNAL CONTROL

The Company has conducted a review of its system of internal control periodically to ensure it is effective and adequate. The Company convened meeting periodically to discuss financial, operational and risk management control.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.05 per share for the three months ended 31 March 2010 to shareholders whose names appear on the Register of Members of the Company at the close of business on 7 June 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 8 June 2010 to 11 June 2010, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not later than 4:30 p.m. on 7 June 2010.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

For the three months ended 31 March 2010, the Company has complied with all the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the three months ended 31 March 2010, the Directors are not aware of any business or interest of the Directors, the management shareholders and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interests which any such person has or may have with the Group.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

For the three months ended 31 March 2010, the Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the three months ended 31 March 2010.

By order of the Board
Qianlong Technology International Holdings Limited
Liao Chao Ping
Chairman

13 May 2010

As at the date of this announcement, the Board comprises six executive Directors, being Mr. Liao Chao Ping, Mr. Fan Ping Yi, Mr. Yang Ching Shou, Mr. Chen Shen Tien, Mr. Chen Ming Chuan and Mr. Yu Shi Pi, and three independent non-executive Directors, being Ms. Chiu Kam Hing, Kathy, Mr. Chang Long Teng and Mr. Cheong Chan Kei, Ernest.

This announcement will remain on the "Latest Company Announcement" page of the GEM website for at least 7 days from the date of its posting.

* *For identification purpose only*