



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 REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2008**

* *For identification purpose only*

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

The Exchange takes no responsibility for the contents of this report, 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 report.

This report, 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 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 report 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 report misleading; and (3) all opinions expressed in this report 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 nine months ended 30 September 2008 increased by 57.12% to RMB52,846,000 (2007: RMB 33,634,000)
- Profit attributable to shareholders of the Company for the nine months ended 30 September 2008 increased by 108.73% to RMB 11,094,000 (2007: RMB 5,315,000)
- Basic earnings per share was RMB 5.27 cents.

THE THIRD 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 nine months and three months ended 30 September 2008 together with the comparative unaudited figures for the corresponding periods in 2007 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

		Nine months ended 30 September		Three months ended 30 September	
		2008	2007	2008	2007
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Turnover	3	52,846	33,634	17,788	12,321
Cost of sales		(15,481)	(10,898)	(4,279)	(4,396)
Gross profit		37,365	22,736	13,509	7,925
Other revenue	5	4,698	3,925	1,742	1,418
Other gains	6	595	4,289	239	4,362
Distribution costs		(12,720)	(10,172)	(3,819)	(3,754)
Administrative expenses		(15,985)	(13,829)	(5,101)	(4,585)
Other operating expenses		(126)	(21)	(54)	—
Operating profit		13,827	6,928	6,516	5,366
Share of results of associate		(201)	87	(43)	(2)
Profit before taxation	7	13,626	7,015	6,473	5,364
Income tax	8	(2,550)	(1,700)	(835)	(1,434)
Profit for the period		<u>11,076</u>	<u>5,315</u>	<u>5,638</u>	<u>3,930</u>
Attributable to:					
Equity holders of the Company		11,094	5,315	5,656	3,930
Minority interests		(18)	—	(18)	—
		<u>11,076</u>	<u>5,315</u>	<u>5,638</u>	<u>3,930</u>
Basic earnings per share (RMB cents)	9	<u>5.27</u>	<u>2.52</u>	<u>2.69</u>	<u>1.86</u>

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited At 30 September 2008 <i>RMB'000</i>	Audited At 31 December 2007 <i>RMB'000</i>
Non-current assets		
Property, plant and equipment	37,064	38,686
Interest in associate	58	278
	37,122	38,964
Current assets		
Inventories	8	15
Trade and other receivables	7,199	5,167
Investments held for trading	12,001	—
Cash and cash equivalents	73,925	76,625
	93,133	81,807
Current liabilities		
Trade and other payables	29,162	31,469
Taxation	3,900	1,714
	33,062	33,183
Net current assets	60,071	48,624
Non-current liabilities		
Deferred revenue	1,487	2,385
Net assets	95,706	85,203
Equity		
Share capital	22,420	22,420
Reserves	73,286	62,759
Equity attributable to equity holders of the Company	95,706	85,179
Minority interests	—	24
Total equity	95,706	85,203

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDTED)

Nine months ended 30 September 2008

	Share capital	Share premium	Exchange reserve	General reserve	Accu- mulated losses	Merger reserve	Attributable to equity holders of the Company	Minority interest	Total equity
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2007	22,420	33,124	(216)	7,491	(12,586)	23,765	73,998	26	74,024
Exchange difference on translation of financial statements of foreign entities recognised directly in equity	—	—	(206)	—	—	—	(206)	(2)	(208)
Net profit for the period	—	—	—	—	5,315	—	5,315	—	5,315
At 30 September 2007	<u>22,420</u>	<u>33,124</u>	<u>(422)</u>	<u>7,491</u>	<u>(7,271)</u>	<u>23,765</u>	<u>79,107</u>	<u>24</u>	<u>79,131</u>
At 1 January 2008	22,420	33,124	(590)	8,172	(1,712)	23,765	85,179	24	85,203
Exchange difference on translation of financial statements of foreign entities recognised directly in equity	—	—	(567)	—	—	—	(567)	—	(567)
Dividend paid to a minority shareholder	—	—	—	—	—	—	—	(6)	(6)
Net profit for the period	—	—	—	—	11,094	—	11,094	(18)	11,076
At 30 September 2008	<u>22,420</u>	<u>33,124</u>	<u>(1,157)</u>	<u>8,172</u>	<u>9,382</u>	<u>23,765</u>	<u>95,706</u>	<u>—</u>	<u>95,706</u>

1. BASIS OF PREPARATION

The Group's unaudited condensed third 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 ("HKFRS"), which also include all Hong Kong Accounting Standards ("HKAS") and Interpretations ("HK(SIC)-Int") (collectively "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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 2007.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective:

		Effective for annual periods beginning on or after
HKAS 1 (Revised)	Presentation of financial statements	1 January 2009
HKAS 23 (Revised)	Borrowing Costs	1 January 2009
HKFRS 8	Operating Segments	1 January 2009
HKAS 27 (Revised)	Consolidated and separate financial statements	1 July 2009
HKFRS 2 Amendment	Share-based payment-Vesting conditions and cancellation	1 January 2009
HKFRS 3 (Revised)	Business combinations	1 July 2009
HK(IFRIC) - Int 13	Customer loyalty programmes	1 July 2008

The Group has not early adopted any of these new or revised standards and interpretations, and is in the process of making an assessment of what the impact of these new or revised standards or interpretations is expected to be.

3. TURNOVER

Turnover represents the sales value of goods supplied to customers, maintenance and consulting 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 ("PRC"). The amount of each significant category of revenue recognised in turnover during the respective periods is as follows:

	Unaudited			
	Nine months ended		Three months ended	
	30 September		30 September	
	2008	2007	2008	2007
	RMB'000	RMB'000	RMB'000	RMB'000
		<i>Restated</i>		<i>Restated</i>
Information service fees	25,508	8,209	7,655	4,204
Maintenance service fees	23,081	21,257	8,695	6,445
Sale of computer software	3,349	3,083	1,040	1,258
Others	908	1,085	398	414
	<u>52,846</u>	<u>33,634</u>	<u>17,788</u>	<u>12,321</u>

4. SEGMENT INFORMATION

(a) Business segment

No separate business segment information is presented as the Group has only one business segment, which is the distribution and maintenance of computer software.

(b) Geographical segment

All operating assets and operations of the Group during the nine months ended 30 September 2008 and 2007 were located in the PRC. Accordingly, no geographical segment information is presented.

5. OTHER REVENUE

	Unaudited			
	Nine months ended		Three months ended	
	30 September		30 September	
	2008	2007	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Value added tax ("VAT") refund (Note)	3,546	3,201	1,299	922
Interest income	1,123	568	432	338
Subsidy income	—	146	—	146
Sundries	29	10	11	12
	<u>4,698</u>	<u>3,925</u>	<u>1,742</u>	<u>1,418</u>

Note: 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 VAT paid in excess of an effective rate of 3%. The amount of VAT refund is recognized as other revenue on an accrual basis.

6. OTHER GAINS

	Unaudited			
	Nine months ended		Three months ended	
	30 September		30 September	
	2008	2007	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Gain on deregistration of subsidiaries	553	—	238	—
Gain on disposal of property, plant and equipment	41	—	—	—
Gain on disposal of investments held for trading	1	—	1	—
Gain of disposal of assets classified as held for sale	—	4,289	—	4,362
	<u>595</u>	<u>4,289</u>	<u>239</u>	<u>4,362</u>

7. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging:

	Unaudited			
	Nine months ended		Three months ended	
	30 September		30 September	
	2008	2007	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation	<u>2,324</u>	<u>1,928</u>	<u>784</u>	<u>723</u>

8. INCOME TAX

	Unaudited			
	Nine months ended		Three months ended	
	30 September		30 September	
	2008	2007	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Foreign enterprise income tax	<u>2,550</u>	<u>1,700</u>	<u>835</u>	<u>1,434</u>

No provision for Hong Kong profits tax has been made for the periods as the Group had no assessable profit subject to Hong Kong profits tax. The provision for PRC taxation is based on the estimated taxable income for PRC taxation purposes at the appropriate rate applicable to each period.

9. BASIC EARNINGS PER SHARE

	Unaudited			
	Nine months ended		Three months ended	
	30 September		30 September	
	2008	2007	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Earnings per share (RMB cents)	<u>5.27</u>	<u>2.52</u>	<u>2.69</u>	<u>1.86</u>

The calculation of basic earnings per share for the nine months and three months ended 30 September 2008 is based on the profit attributable to equity holders of the Company of RMB11,094,000 (2007: RMB5,315,000) and RMB5,638,000 (2007: RMB3,930,000) respectively divided by the weighted average number of 210,500,000 (2007: 210,500,000) ordinary shares in issue during the period.

10. DIVIDENDS

The Board does not recommend the payment of any dividends attributable to the nine months ended 30 September 2008 and 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the nine months ended 30 September 2008:

The total income has reached RMB52,846,000, representing an increase of 57.12% as compared with the nine months ended 30 September 2007.

RMB25,508,000 has been recorded as information service fees, representing an increase of 210.73% as compared with the nine months ended 30 September 2007. Information service fees represent 48.27% of the turnover in the period.

RMB23,081,000 has been recorded as maintenance service fees, representing an increase of 8.50% as compared with the nine months ended 30 September 2007. Maintenance service fees represent 43.68% of the turnover in the period.

RMB3,349,000 has been recorded as sale of computer software, representing an increase of 8.60% as compared with the nine months ended 30 September 2007. Sale of computer software represents 6.34% of the turnover in the period.

The Group recorded a net profit attributable to shareholders of RMB11,094,000 (2007: RMB5,315,000), representing an increase of 108.73% mainly because of the increase of turnover.

Basic earnings per share was RMB 5.27 cents.

At 30 September 2008, the Group's cash and cash equivalents is RMB73,925,000.

BUSINESS REVIEW

For the nine months ended 30 September 2008, the Group has recorded RMB25,508,000 information service fee, representing an increase of 210.73% to the same period of last year. The information service fee represents 48.27% of the total turnover for the period. In this part, the income from Qianlong Gang Gu Tong is very obvious. For the nine months ended 30 September 2008, the income for Qianlong Gang Gu Tong has recorded RMB19,533,000, representing an increase of 192.60% as compared to the same period of last year. The main reason is that Chinese investors started to invest in Hong Kong market since last second quarter. The number of people purchased this product has increased greatly and most of them prepaid one year's fee which has extended to the current period.

The turnover increased but the cost has also increased. For nine months ended 30 September 2008, the cost of sales was RMB15,481,000 (2007: RMB10,898,000), representing an increase of 42.05% to the same period of last year. In these amount, the cost for Qianlong Gang Gu Tong was RMB8,781,000 (2007: RMB5,026,000), representing an increase of 74.70% to the same period of last year.

For the nine months ended 30 September 2008, the distribution cost and administration expenses was RMB28,705,000 (2007: RMB24,001,000), representing an increase of 19.50% to the same period of last year. In these amount, the cost for staff was RMB16,650,000 (2007: RMB12,986,000), representing an increase of 28.20% to the same period of last year.

WORKING CAPITAL AND FINANCIAL RESOURCES

The Group's capital used in operating and investment activities are generated from operation activities.

At 30 September 2008, the Group's cash and cash equivalents was RMB73,925,000, the total current asset was RMB93,133,000 and the total current liabilities was RMB33,062,000.

PRODUCT DEVELOPMENT

The Group has completed the development of network version combined by market information and trading consignment in the third quarter of 2008. Shenyin Wanguo, Hualin Securities and other customers are using this product and this product has been the main operation model accepted by the shareholders. Besides this, the application of securities analysis system based on new age of Linux platform in securities houses has also achieved the obvious development.

On Individual product, the decision software "Gold Eyes" has been launched formally and achieved welcome from the shareholders and good performance even under this bear market. The new age of intellectual decision analysis system is in the process of improving and will lead Qianlong brand's influence on the new step in this area after the recovery of market.

On financial product, the development and market of Longxun F10, financial database product LONDB and other related derivatives are in a successful development including Hong Kong shares F10 based on WEB and high frequency data application, etc.

The successful launch of new products is building Qianlong a famous financial information product and service brand.

DEPLOYMENT OF HUMAN RESOURCES

The total number of staff of the Group as at 30 September 2008 was 251 (30 September 2007: 234). 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. The total cost for staff for the nine months ended 30 September 2008 is approximately RMB16,650,000 (nine months ended 30 September 2007: RMB12,986,000), representing an increase of 28.20% as compared with the same period of the previous year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the nine months ended 30 September 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

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

As at 30 September 2008, 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	2.375%
Chen Shen Tien	Corporate (<i>note (i) and (ii)</i>)	40,250,000	19.121%
Fan Ping Yi	Corporate (<i>note (i) and (ii)</i>)	24,500,000	11.639%
Yang Ching Shou, Peter	Corporate (<i>note (i) and (ii)</i>)	24,500,000	11.639%
Chen Ming Chuan	Corporate (<i>note (i) and (ii)</i>)	18,375,000	8.729%
Yu Shih Pi	Corporate (<i>note (i) and (ii)</i>)	14,875,000	7.067%

Note: (i) As at 30 September 2008, Mr. Chen Shen Tien is the absolute shareholder of Red Coral Financial Limited which holds 40,250,000 shares, representing a 19.121% 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 11.639% interest in the Company. Mr. Yang Ching Shou, Peter and his spouse, Ms. Lai Ying Ming, are the absolute shareholders of Legend Isle Technology Limited which holds 24,500,000 shares, representing a 11.639% 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 8.729% 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 7.067% 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, as at 30 September 2008, 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 Rule 5.46 of the GEM Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES

Pursuant to a written resolution passed on 2 December 1999 ("Adoption Date"), a share option scheme for employees was approved and the Directors may, at their discretion, invite any employee or executive director of the Group, to take up options to subscribe for shares of the Company. Unless terminated by the Company in general meetings, the share option scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date.

The maximum number of shares in respect of which options may be granted under the share option scheme of the Company may not (when aggregated with shares subject to any other employees share option scheme) exceed 10% of the issued share capital of the Company from time to time, excluding for this purpose (i) any share which have been duly allotted and issued on the exercise of the options granted under the share option scheme and any other schemes; and (ii) any pro rata entitlements to further shares issued in respect of those shares referred to in (i) during a specific period of 10 consecutive years.

No option may be granted to any employee which, if exercised in full, would result in the total number of shares already issued and issuable to him under the share option scheme exceeding 25% of the aggregate number of shares for the time being issued and issuable under the share option scheme.

The subscription price for shares under the scheme will be at price determined by the Board and notified to each grantee and will be the higher of (i) the closing price of the shares on the date of grant; (ii) average closing prices of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share.

Up to 30 September 2008, no option has been granted to any Director or employee of the Company or any of its subsidiaries under this share option scheme.

Apart from the forgoing, at no time during the nine months ended 30 September 2008 was the Company, or any of its subsidiaries a party to any arrangement to enable the directors or chief executive of the Company or their associates to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL INTERESTS IN THE SHARES AND UNDERLYING SHARES

As at 30 September 2008, 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	19.121%
Sapphire World Investment Limited	24,500,000	11.639%
Legend Isle Technology Limited	24,500,000	11.639%
Star Channel Technology Limited	18,375,000	8.729%
Star Orient Global Limited	14,875,000	7.067%

Note: As at 30 September 2008, Mr. Chen Shen Tien is the absolute shareholder of Red Coral Financial Limited which holds 40,250,000 shares, representing a 19.121% 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 11.639% interest in the Company. Mr. Yang Ching Shou, Peter and his spouse, Ms. Lai Ying Ming, are the absolute shareholders of Legend Isle Technology Limited which holds 24,500,000 shares, representing a 11.639% 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 8.729% 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 7.067% 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 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 and suggestions to the Board.

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 nine months ended 30 September 2008.

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 duties of the audit committee are to review and supervise the financial reporting process and internal control system 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 already reviewed the Group's unaudited consolidated results for the nine months ended 30 September 2008, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements.

INTERNAL CONTROL

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

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

For the nine months ended 30 September 2008, 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 nine months ended 30 September 2008, 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 nine months ended 30 September 2008, 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 nine months ended 30 September 2008.

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

12 November 2008

As at the date of this report, the Board comprises six executive Directors, being Mr. Liao Chao Ping, Mr. Fan Ping Yi, Mr. Yang Ching Shou, Peter, 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.