



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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE PERIOD ENDED 30 JUNE 2009**

**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.

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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 announcement, 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 announcement.

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 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.

* For identification purpose only

HIGHLIGHTS

- Turnover for the six months ended 30 June 2009 increased by 8.14% to RMB 37,912,000 (2008: RMB 35,058,000)
- Profit attributable to shareholders of the Company for the six months ended 30 June 2009 increased by 59.12% to RMB 8,653,000 (2008: RMB 5,438,000)
- Basic earnings per share was RMB 3.43 cents (2008: RMB 2.58 cents).

THE INTERIM 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 six months and three months ended 30 June 2009 together with the comparative unaudited figures for the corresponding periods in 2008 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

		Six months ended 30 June		Three months ended 30 June	
	Notes	2009 RMB'000	2008 RMB'000	2009 RMB'000	2008 RMB'000
Turnover	3	37,912	35,058	20,317	16,237
Cost of sales		(9,768)	(11,202)	(5,321)	(5,825)
Gross profit		28,144	23,856	14,996	10,412
Other income	5	4,065	2,956	1,633	1,308
Other gains and losses	6	90	356	53	356
Selling and distribution costs		(9,628)	(8,901)	(4,986)	(3,726)
Administrative expenses		(12,613)	(10,884)	(5,789)	(5,108)
Other operating expenses		(20)	(72)	(20)	(31)
Operating profit		10,038	7,311	5,887	3,211
Share of loss of an associate		—	(158)	—	(158)
Profit before taxation	7	10,038	7,153	5,887	3,053
Income tax	8	(1,385)	(1,715)	(861)	(738)
Profit attributable to equity holders of the Company		8,653	5,438	5,026	2,315
Other comprehensive income:					
Exchange differences on translation of financial statements of foreign entities		(7)	67	(9)	(108)
Total comprehensive income for the period attributable to equity holders of the Company		8,646	5,505	5,017	2,207
Basic earnings per share (RMB cents)	9	3.43	2.58	1.99	1.10

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited At 30 June 2009 RMB'000	Audited At 31 December 2008 RMB'000
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	11	35,274	36,452
Current assets			
Inventories		34	26
Trade and other receivables	12	8,615	3,641
Deposits and prepayments		1,759	1,990
Investments held for trading		6,000	14,073
Cash and cash equivalents		118,073	98,829
		134,481	118,559
Total assets		169,755	155,011
EQUITY AND LIABILITIES			
Share capital		26,128	26,128
Retained profits		21,175	12,522
Other components of equity		76,821	76,828
Total equity attributable to equity holders of the Company		124,124	115,478
Non-current liabilities			
Deferred revenue		7,124	2,801
Current liabilities			
Trade and other payables	13	35,775	33,768
Taxation payable		2,732	2,964
		38,507	36,732
Total liabilities		45,631	39,533
Total equity and liabilities		169,755	155,011
Net current assets		95,974	81,827
Total assets less current liabilities		131,248	118,279

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Six months ended 30 June 2009

	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/ (accu- mulated losses) <i>RMB'000</i>	Attributable to equity holders of the Company <i>RMB'000</i>	Minority interests <i>RMB'000</i>	Total equity <i>RMB'000</i>
At 1 January 2008	22,420	33,124	(590)	8,172	23,765	(1,712)	85,179	24	85,203
Total comprehensive income for the period	—	—	67	—	—	5,438	5,505	—	5,505
At 30 June 2008	<u>22,420</u>	<u>33,124</u>	<u>(523)</u>	<u>8,172</u>	<u>23,765</u>	<u>3,726</u>	<u>90,684</u>	<u>24</u>	<u>90,708</u>
At 1 January 2009	26,128	44,939	(791)	10,644	22,036	12,522	115,478	—	115,478
Total comprehensive income for the period	—	—	(7)	—	—	8,653	8,646	—	8,646
At 30 June 2009	<u>26,128</u>	<u>44,939</u>	<u>(798)</u>	<u>10,644</u>	<u>22,036</u>	<u>21,175</u>	<u>124,124</u>	<u>—</u>	<u>124,124</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	Six months ended 30 June	
	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash inflow from operating activities	10,565	7,034
Net cash inflow/(outflows) from investing activities	8,679	(376)
Increase in cash and cash equivalents	19,244	6,658
Cash and cash equivalents at 1 January	98,829	76,625
Cash and cash equivalents at 30 June	<u>118,073</u>	<u>83,283</u>

1. BASIS OF PREPARATION

The Group's unaudited condensed interim 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 ("HKICPA").

The accounting policies and basis of preparation adopted in these interim financial statements are consistent with those adopted by the Group in its annual financial statements for the year ended 31 December 2008.

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

In the current period, the Group has adopted all of the new and revised HKFRSs that are relevant to its operations and effective for the current accounting period of the Group and the Company. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies.

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

		Effective date
HKFRS 1 (Revised)	First-time adoption of HKFRSs	(ii)
HKFRS 3 (Revised)	Business combinations	(ii)
HKAS 27 (Revised)	Consolidated and separate financial statements	(ii)
HKAS 39 (Amendments)	Financial instruments: Recognition and Measurement – Eligible hedged items	(ii)
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded derivatives	(i)
HK(IFRIC) – Int 13	Customer loyalty programmes	(iii)
HK(IFRIC) – Int 16	Hedges of a net investment in a foreign operation	(iv)
HK(IFRIC) – Int 17	Distributions of non-cash assets to owners	(ii)
HK(IFRIC) – Int 18	Transfers of assets from customers	(v)

		Effective date
2008 Improvements to HKFRSs that may result in accounting changes for presentation, recognition or measurement	- HKFRS 5	(ii)
2009 Improvements to HKFRSs that may result in accounting changes for presentation recognition or measurement	- HKAS 38, HKFRS 2, HK(IFRIC)-Int 9, HK(IFRIC)-Int 16 - HKAS 1, HKAS 7, HKAS 17, HKAS 36, HKAS 39, HKFRS 5, HKFRS 8	(i) (vi)

Effective date

- (i) Annual periods beginning on or after 30 June 2009
- (ii) Annual periods beginning on or after 1 July 2009
- (iii) Annual periods beginning on or after 1 July 2008
- (iv) Annual periods beginning on or after 1 October 2008
- (v) Transfers of assets from customers received on or after 1 July 2009
- (vi) Annual periods beginning on or after 1 January 2010

The Group is in the process of making an assessment of what the impact of these HKFRSs is expected to be in the period of their initial application.

3. TURNOVER

Turnover, which is also revenue, 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 (the "PRC"). The amount of each significant category of revenue recognised in turnover during the respective periods is as follows:

	Unaudited			
	Six months ended		Three months ended	
	30 June		30 June	
	2009	2008	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Information service fees	16,652	17,788	8,523	8,317
Maintenance service fees	14,259	12,169	7,491	5,791
Sale of computer software	6,721	4,521	4,221	1,850
Others	280	580	82	279
	<u>37,912</u>	<u>35,058</u>	<u>20,317</u>	<u>16,237</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 six months ended 30 June 2009 and 2008 were located in the PRC. Accordingly, no geographical segment information is presented.

5. OTHER INCOME

	Unaudited			
	Six months ended		Three months ended	
	30 June		30 June	
	2009	2008	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Value added tax refund (Note i)	2,780	2,247	1,425	921
Interest income	984	691	182	375
Subsidy income (Note ii)	283	—	4	—
Sundries	18	18	22	12
	<u>4,065</u>	<u>2,956</u>	<u>1,633</u>	<u>1,308</u>

Notes:

- (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 ("VAT") paid in excess of an effective rate of 3%. The amount of VAT refund is recognised as other income on an accrual basis.
- (ii) Subsidy income for the six months and three months ended 30 June 2009 represents subsidies received from Shanghai Finance Bureau to finance the development of advanced technology and is calculated based on the income tax, VAT and the business tax paid in the last year.

6. OTHER GAINS AND LOSSES

	Unaudited			
	Six months ended		Three months ended	
	30 June		30 June	
	2009	2008	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Gain on disposal of investments held for trading	80	—	53	—
Fair value gain on investments held for trading	10	—	—	—
Write back of other payables	—	315	—	315
Gain on disposal of property, plant and equipment	—	41	—	41
	<u>90</u>	<u>356</u>	<u>53</u>	<u>356</u>

7. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging:

	Unaudited			
	Six months ended		Three months ended	
	30 June		30 June	
	2009	2008	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation	<u>1,646</u>	<u>1,540</u>	<u>873</u>	<u>775</u>

8. INCOME TAX

	Unaudited			
	Six months ended		Three months ended	
	30 June		30 June	
	2009	2008	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
PRC foreign enterprise income tax	<u>1,385</u>	<u>1,715</u>	<u>861</u>	<u>738</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.

Shanghai Qianlong Network Technology Company Limited is a PRC operating subsidiary of the Company newly set up in February 2007 in Pudong Shanghai. In accordance with the new PRC Enterprise Income Tax Law, a 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. The Company continues to enjoy the preferential enterprise income tax rate of 20% in 2009.

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

9. BASIC EARNINGS PER SHARE

	Unaudited			
	Six months ended		Three months ended	
	30 June		30 June	
	2009	2008	2009	2008
Earnings per share (RMB cents)	3.43	2.58	1.99	1.10

The calculation of basic earnings per share for the six months and three months ended 30 June 2009 is based on the profit attributable to equity holders of the Company of RMB 8,653,000 (2008: RMB 5,438,000) and RMB 5,026,000 (2008: RMB 2,315,000) respectively divided by the weighted average number of 252,600,000 (2008: 210,500,000) ordinary shares in issue during the period.

No diluted earnings per share has been presented as there were no potential dilutive ordinary shares in issue during the six months and three months ended 30 June 2009 and 2008.

10. DIVIDENDS

The Board does not recommend the payment of any dividends attributable to the six months ended 30 June 2009 and 2008.

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improve- ments	Computer equipment	Furniture, fixtures and office equipment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost:					
At 1 January 2009	34,455	3,700	4,602	422	43,179
Additions	—	32	371	65	468
At 30 June 2009	34,455	3,732	4,973	487	43,647
Accumulated depreciation and impairment losses:					
At 1 January 2009	3,488	1,182	1,945	112	6,727
Charge for the period	775	377	448	46	1,646
At 30 June 2009	4,263	1,559	2,393	158	8,373
Carrying amount:					
At 30 June 2009 (unaudited)	30,192	2,173	2,580	329	35,274
At 31 December 2008 (audited)	30,967	2,518	2,657	310	36,452

12. TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2009 <i>RMB'000</i>	Audited 31 December 2008 <i>RMB'000</i>
Trade receivables	7,465	2,458
Other receivables	1,150	1,183
	<u>8,615</u>	<u>3,641</u>

The Group's policy is to allow a credit period of 30 days from the date of billing to its trade customers. All trade receivables are in RMB.

The following is an ageing analysis of trade receivables, based on the invoice date, as of the balance sheet date:

	Unaudited 30 June 2009 <i>RMB'000</i>	Audited 31 December 2008 <i>RMB'000</i>
Within 1 month	5,994	1,192
1 to 3 months	275	623
More than 3 months but less than 12 months	1,067	537
More than 12 months	129	106
	<u>7,465</u>	<u>2,458</u>

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

13. TRADE AND OTHER PAYABLES

	Unaudited 30 June 2009 <i>RMB'000</i>	Audited 31 December 2008 <i>RMB'000</i>
Trade payables	2,659	1,416
Receipts in advance	587	379
Other payables and accruals	4,194	6,278
Deferred revenue	28,335	25,695
	<u>35,775</u>	<u>33,768</u>

The following is an ageing analysis of trade payables, based on the invoice date, as of the balance sheet date:

	Unaudited 30 June 2009 <i>RMB'000</i>	Audited 31 December 2008 <i>RMB'000</i>
Within 1 month	919	707
1 to 3 months	1,603	672
More than 3 months but less than 12 months	137	37
	<u>2,659</u>	<u>1,416</u>

All other payables and accruals are expected to be settled within one year.

Deferred revenue represents maintenance service fees received in advance.

The directors consider that the carrying amount of trade and other payables approximates their fair value.

14. OPERATING LEASE ARRANGEMENTS

At 30 June 2009, the Group had outstanding minimum commitments under non-cancellable operating leases, which fall due as follows:

	Unaudited 30 June 2009 <i>RMB'000</i>	Audited 31 December 2008 <i>RMB'000</i>
Within one year	436	562
In the second to fifth years inclusive	80	278
	<u>516</u>	<u>840</u>

The Group leases a number of properties under operating leases, which typically run for an initial period of 1 to 2 years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

15. RELATED PARTY TRANSACTIONS

The Group does not have any material related party transactions in the six months ended 30 June 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the six months ended 30 June 2009:

The total income has reached RMB37,912,000 (2008: RMB35,058,000), representing an increase of 8.14% as compared with the six months ended 30 June 2008.

RMB16,652,000 (2008: RMB17,788,000) has been recorded as information service fees, representing a decrease of 6.39% as compared with the six months ended 30 June 2008. Information service fees represent 43.92% (2008: 50.74%) of the turnover in the period.

RMB14,259,000 (2008: RMB12,169,000) has been recorded as maintenance service fees, representing an increase of 17.17% as compared with the six months ended 30 June 2008. Maintenance service fees represent 37.61% (2008: 34.71%) of the turnover in the period.

RMB6,721,000 (2008: RMB4,521,000) has been recorded as sale of computer software, representing an increase of 48.66% as compared with the six months ended 30 June 2008. Sale of computer software represents 17.73% (2008: 12.90%) of the turnover in the period.

The Group recorded a profit attributable to shareholders of RMB8,653,000 (2008: RMB5,438,000), representing an increase of 59.12%.

Basic earnings per share was RMB 3.43 cents (2008: RMB2.58 cents).

BUSINESS REVIEW

For the six months ended 30 June 2009, the information service fee decreased RMB1,136,000 as compared to the same period of last year, mainly because of the 33.00% decrease of income from Gang Gu Tong. The income from the maintenance services fee increased RMB2,090,000 as compared to the same period of last year. The sales income of computer software increased RMB2,200,000 as compared to the same period of last year because the income from Qianlong consignment product and Golden Eye increased from last year.

For six months ended 30 June 2009, the cost of sales was RMB9,768,000 (2008: RMB11,202,000), representing a decrease of 12.80% to the same period of last year. In these amount, the cost for Qianlong Gang Gu Tong was RMB4,394,439 (2008: RMB6,387,375), representing a decrease of 31.20% to the same period of last year.

For the six months ended 30 June 2009, the distribution cost and administration expenses was RMB 22,241,000 (2008: RMB19,785,000), representing an increase of 12.40% to the same period of last year. In these amount, the cost for staff was RMB12,171,000 (2008: RMB9,461,000), representing an increase of 28.60% 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.

For six months ended 30 June 2009, the Group's net cash inflow from operating activities was RMB 10,565,000, while RMB7,034,000, was recorded in the same period in previous year. The increase is mainly because the Group's income in the first half year has increased.

At 30 June 2009, the Group's cash and cash equivalents was RMB118,073,000, the total current assets was RMB134,481,000 and the total current liabilities was RMB38,507,000.

PRODUCT DEVELOPMENT

On organizational user's market, the application of securities analysis system based on new age of Linux platform in securities houses has got further development and completed platform to support securities houses information launch.

On individual user products, the new Golden Eyes software has launched a higher version "Actual combat version" and developed a group of loyal users with high level consumption ability. On this basis, the higher level of Golden Eyes organizational product will be completed soon, which will explore market for oganizational and professional users with good prospect. The influence of Qianlong brand has also reached a new level. At the same time, the traditional edge project Qianlong Gang Gu Tong is also keeping its development. The new launched high level data services including Hong Kong stock index futures has strengthened its competition.

With the launch of Hong Kong stock market information, Golden Eyes series products, organizational information, stock index futures and other new information, Qianlong is keeping exploiting new horizon.

DEPLOYMENT OF HUMAN RESOURCES

The total number of staff of the Group as at 30 June 2009 was 290 (30 June 2008: 235). 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 six months ended 30 June 2009 is approximately RMB12,171,000 (2008: RMB9,461,000), representing an increase of 28.60% as compared with the same period of the previous year.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2009 and 30 June 2008.

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 and United States 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 six months ended 30 June 2009, 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 June 2009, 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 (note (i) and (ii))	40,250,000	15.934%
Fan Ping Yi	Corporate (note (i) and (ii))	24,500,000	9.699%
Yang Ching Shou	Corporate (note (i) and (ii))	24,500,000	9.699%
Chen Ming Chuan	Corporate (note (i) and (ii))	18,375,000	7.274%
Yu Shih Pi	Corporate (note (i) and (ii))	14,875,000	5.889%

Note:

- (i) As at 30 June 2009, Mr. Chen Shen Tien is the sole 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, own the entire issued share capital 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, own the entire issued share capital 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 sole 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 sole 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, as at 30 June 2009, 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.

SUBSTANTIAL INTERESTS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2009, 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:

- (i) As at 30 June 2009, Mr. Chen Shen Tien is the sole 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, own the entire issued share capital 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, own the entire issued share capital 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 sole 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 sole 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 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 six months ended 30 June 2009.

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 the year of 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 six months ended 30 June 2009, 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 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 six months ended 30 June 2009, 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 six months ended 30 June 2009, 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 six months ended 30 June 2009, 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 six months ended 30 June 2009.

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

13 August 2009

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.