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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: 1236)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE AND RULE 13.09 OF THE LISTING RULES AND THE INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SFO

UPDATE ON THE POSSIBLE TRANSACTION AND SUSPENSION OF TRADING

Reference is made to the Company's announcements dated 22 May 2013 (the "**Initial Announcement**") and 24 June 2013 (the "**Update Announcement**") respectively in relation to a possible transaction (the "**Possible Transaction**") which, if materialised, may lead to a change in control of the Company and a mandatory conditional general offer under the Takeovers Code for all of the issued Shares (other than those already owned by or agreed to be acquired by the Offeror (as defined below) and parties acting in concert with it). Unless otherwise stated, terms used herein shall have the same meanings as ascribed to them in the Update Announcement.

This announcement is made pursuant to Rule 3.7 of the Takeovers Code and Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

UPDATE ON THE POSSIBLE TRANSACTION

The Board wishes to update the shareholders and potential investors of the Company that on 15 July 2013, Mr. Yang Ching Shou, Mr. Fan Ping Yi, Mr. Chen Ming Chuan, Mr. Yu Shih Pi and Mr. Liao Chao Ping (collectively, the "**Controlling Shareholders**"), all being executive Directors and shareholders of the Company, have entered into a conditional share purchase agreement (the "**Share Purchase Agreement**") with Parko (Hong Kong) Limited (the "**Purchaser**", or in the context of the Offer, the "**Offeror**"), pursuant to which the Controlling

* For identification purposes only

Shareholders agreed to sell in aggregate 87,250,000 Shares, representing approximately 34.54% of the entire issued share capital of the Company as at the date of this announcement, beneficially owned and controlled by them to the Purchaser (the “**Sale**”). On the same day, the Company entered into a conditional subscription agreement with the Purchaser (the “**Subscription Agreement**”) in relation to the possible subscription of convertible bonds of the Company by the Purchaser.

The Sale is conditional upon, among others, shareholders’ approval for the Subscription Agreement being obtained.

The Sale, if completed, would trigger an obligation on the part of the Offeror to make a mandatory general offer under Rule 26 of the Takeovers Code for all of the issued Shares (other than those already owned by or agreed to be acquired by the Offeror and parties acting in concert with it) (the “**Offer**”). The Offer, if made by or on behalf of the Offeror, will be solely in cash.

As at the date of this announcement, the Company is in the process of preparing the announcement in relation to, among others, the Share Purchase Agreement, the Subscription Agreement and the Offer pursuant to the Takeovers Code and the Listing Rules (the “**Announcement**”). The Announcement will be published as soon as possible.

SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 21 June 2013 and will remain suspended pending the publication of the Announcement.

DISCLOSURE OF DEALINGS

In compliance with Rule 3.8 of the Takeovers Code, the relevant securities of the Company comprise 252,600,000 Shares in issue as at the date of this announcement. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

As required under Rule 3.8 of the Takeovers Code, the associates of the Company and the Offeror (including shareholders of the Company or the Offeror having interests of 5% or more in the relevant securities of the Company or the Offeror) are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them.

Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

As the Sale is subject to a number of conditions precedent, there is no assurance that the completion of the Sale may or may not proceed. Further, as the Offer will only be made after the completion of the Sale, accordingly the Offer may or may not proceed and is therefore a possibility only. Shareholders and potential investors of the Company are urged to exercise extreme caution when dealing in securities of the Company.

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

Hong Kong, 18 July 2013

As at the date hereof, the Board of the Company comprises six executive Directors, being Mr. Liao Chao-Ping, Mr. Fan Ping-Yi, Mr. Yang Ching Shou, Mr. Chen Ming-Chuan, Mr. Yu Shih-Pi and Ms. Liao Angela Min-Yin, and three independent non-executive Directors, being Ms. Chiu Kam Hing Kathy, Mr. Tsai Jeng-Yang and Mr. Hsieh Shao-Ven Billy.

All the Directors jointly and severally accept fully responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.