



中国创新支付集团
CHINA INNOVATIONPAY GROUP

China Innovationpay Group Limited
中國創新支付集團有限公司

Stock code: 8083

2011 Third Quarterly Report

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

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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.

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This report, for which the directors of China Innovationpay Group Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to China Innovationpay Group 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.



CHINA INNOVATIONPAY GROUP

China Innovationpay Group Limited

中國創新支付集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8083)

HIGHLIGHTS

The Group recorded a revenue of approximately HK\$98,209,000 for the three month period ended 30 September 2011, representing an increase of approximately 316% over the same period last year. The gross profit margin for the third quarter of this year was about 38%, as compared to that of 23.98% for the same period last year.

Profit attributable to shareholders for the three-month period ended 30 September 2011 amounted to approximately HK\$13,868,000 which represents an increase of approximately 157% over the same period in 2010, mainly due to gain on disposal of subsidiaries of approximately HK\$4,423,000.

Just after the completion of the acquisition of the Country Praise Enterprises Ltd (“CPE”) and its subsidiaries (the “CPE Group”) on 28 February 2011, CPE Group started to contribute to the Group performance positively.

Furthermore, the completion of disposing a loss-making subsidiary in Wuhan on 5 September 2011, the Company had a gain on disposal approximately HK\$4.4 million.

It is expected that the Company will be a pure profit making entity that will give the shareholders a very good return on investment in future.

FINANCIAL RESULTS

The board of directors (the "Board") of China Innovationpay Group Limited (the "Company") announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the three months and the nine months ended 30 September 2011 together with the comparative unaudited figures for the corresponding periods in 2010 as follows:

Condensed Consolidated Statement of Comprehensive Income

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Revenue	2	98,209	23,598	190,276	62,936
Cost of sales		(61,250)	(17,939)	(142,433)	(49,931)
Gross profit		36,959	5,659	47,843	13,005
Other revenue/(expenses)	3	1,683	(293)	7,805	(149)
Selling and marketing expenses		(2,401)	(1,699)	(7,333)	(4,346)
General & administrative expenses		(18,750)	(8,569)	(36,025)	(42,511)
Research and development expenses		(850)	(3,898)	(6,465)	(10,096)
		(22,001)	(14,166)	(49,823)	(56,953)
Profit/(loss) from operations		16,641	(8,800)	5,825	(44,097)
Gain on disposal of associate		4,423	-	4,423	1,414
Share of loss of associates		(1,579)	(2,275)	(352)	(2,275)
Loss on disposal of subsidiaries		-	(14,248)	-	(14,248)
Finance cost		(523)	-	(3,115)	-
Profit/(loss) before taxation		18,962	(25,323)	6,781	(59,206)
Taxation	4	(3,543)	-	(4,322)	-
Profit/(Loss) for the period		15,419	(25,323)	2,459	(59,206)
Other comprehensive income/ (expenses) for the period, net of tax		(14)	-	(69)	615
Total comprehensive income/ (expenses) for the period, net of tax		(14)	(25,323)	(69)	(58,591)

Notes	For the three months ended 30 September		For the nine months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Attributable to:				
Owners of the Company	13,868	(24,239)	1,783	(58,525)
Minority Interest	1,551	(1,084)	676	(681)
	15,419	(25,323)	2,459	(59,206)
Total comprehensive income/ (expenses) for the period attributed to:				
Owners of the Company	13,854	(24,239)	1,714	(57,910)
Minority Interest	1,551	(1,084)	676	(681)
	15,405	(25,323)	2,390	(58,591)
Earning / (loss) per share				
– basic	HK\$1.06 cents	HK\$(1.01) cents	HK\$0.05 cents	HK\$(2.54) cents
– diluted	HK\$1.06 cents	N/A	HK\$0.05 cents	N/A

Notes:

1. General information and basis of presentation

The Company was incorporated in Bermuda on 17 August 1999 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended). Its shares have been listed on The Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 14 April 2000.

The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda and its principal office in Hong Kong is situated at Unit 2708, 27/F., The Center, 99 Queen's Road Central, Hong Kong.

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which also includes Hong Kong Accounting Standards ("HKAS") and Interpretations approved by the HKICPA, and are prepared under the historical cost convention.

The accounting policies and basis of preparation used in the preparation of the unaudited condensed consolidated financial statements for the three-month period ended 30 September 2011 are consistent with those adopted in preparing the audited financial statements of the Group for the year ended 31 December 2010.

The Group's unaudited consolidated quarterly results has not been audited by the Company's auditors but has been reviewed by the Company's audit committee.

Significant transactions and balances among the companies comprising the Group have been eliminated on consolidation.

2. Revenue

Revenue comprises the net invoiced value of merchandise sold after allowances for returns and discounts and exclusion of value-added tax.

3. Other revenue/(expenses)

Other revenue for the three-month period ended 30 September 2011 consisted of a sundry revenue of approximately HK\$1,683,000 (2010: expense of HK\$293,000).

4. Taxation

No provision for Hong Kong profits tax was made as the Group had no assessable profit in Hong Kong during the three-month period and the nine-month period ended 30 September 2011 (2010: Nil).

The amount of taxation for Mainland China subsidiaries was HK\$3,543,000 and HK\$4,322,000 during the three-month period and the nine-month period ended 30 September 2011 respectively (2010: Nil).

There was no significant unprovided deferred taxation for the three-month period and the nine-month period ended 30 September 2011 (2010: Nil).

5. Earnings/(loss) per share

The calculation of the basic profit/(loss) per share for the three-month period and the nine-month period ended 30 September 2011 respectively were based on the unaudited profit attributable to shareholders of approximately HK\$13,868,000 (2010: loss HK\$24,239,000) for the three-month period ended 30 September 2011 and unaudited profit attributable to shareholders of approximately HK\$1,783,000 (2010: loss HK\$58,525,000) for the nine-month period ended 30 September 2011 and on the weighted average number of approximately 3,724,639,457 shares (2010: 2,304,315,317 shares) in issue during the nine month period ended 30 September 2011 and approximately 3,339,708,138 shares (2010: 2,304,315,317 shares) in issue during the six-month period ended 30 June 2011.

6. Interim dividend

The Board does not recommend the payment of an interim dividend for the three-month period and the nine-month period ended 30 September 2011 (2010: Nil).

7. Share capital

(1) On 22 November 2010, the Company entered into the New Sale and Purchase Agreement with Mighty Advantage Enterprises Ltd. ("MAE") and Country Praise Enterprises Ltd. ("CPE") pursuant to which the parties agreed to acquire the entire equity interest in the CPE, at an initial consideration of HK\$150,000,000 (subject to adjustments), but in any event subject to a maximum consideration of HK\$850,000,000. The consideration shall be satisfied in a combination of cash, the Shares and Convertible Bonds.

All the conditions precedent under the New Sale and Purchase Agreement have been fulfilled and that the Completion took place on 28 February 2011 (the "Completion Date").

The Company has paid cash consideration of HK\$80,000,000 and issued 218,750,000 consideration shares to the Vendor in accordance with the terms of the New Sale and Purchase Agreement on the completion date. The 218,750,000 consideration shares, representing approximately 7.65% of the issued share capital of the Company at 28 February 2011, rank pari passu in all aspects amongst themselves and with the shares in issue on the date of the issue and allotment of the consideration shares.

- (2) On 21 January 2011, the Company and Mighty Advance Enterprises Ltd entered into the CB Subscription Agreement, pursuant to which, the Company will issue the zero coupon redeemable and convertible bonds in a maximum aggregate principal amount of HK\$700,000,000 to Mighty Advance Enterprises Ltd to satisfy in part the consideration following the Adjusted Consideration Scenarios, as such, the Convertible Bonds will be issued in various tranches and the issue of each tranche is subject to the satisfaction by the Target Group of each of the Adjusted Consideration Scenarios set out in the circular dated 24 January 2011 of the Company. Failure by the Target Group to achieve the targets set out in all of the Adjusted Consideration Scenarios set out in the circular dated 24 January 2011 of the Company will result in Mighty Advance Enterprises Ltd not being entitled to any Convertible Bond. The Convertible Bonds will be matured on 31 December 2015 and can be converted at any time before maturity at an initial conversion price of HK\$0.32 per share.

All the targets under Adjusted Consideration Scenario 1 have been satisfied, the Company issued the Convertible Bonds in an aggregate principal amount of HK\$76,800,000 to the Vendor on 22 July 2011. And the Vendor converted the Convertible Bonds into 240,000,000 shares on 26 July 2011.

As at 30 September 2011, the number of issued shares of the company was 3,724,639,457 shares.

8. Reserves movement

At the beginning of 2011, the Group had consolidated reserves, excluding accumulated deficit, of approximately HK\$291,586,000 (2010: HK\$203,692,000). For the nine-month period ended 30 September 2011, the Group's reserves increased by approximately HK\$243,946,000 (2010: HK\$63,945,000), representing the increase in cumulative translation adjustment of approximately HK\$6,346,000 (2010: HK\$63,945,000) for the period. As a result, the consolidated reserves, excluding accumulated deficit, of the Group as at 30 September 2011 were approximately HK\$541,879,000 (2010: HK\$267,637,000).

At the beginning of 2011, the Group had accumulated deficit of approximately HK\$267,158,000 (2010: HK\$149,263,000). During the three-month period ended 30 September 2011, the Group released approximately HK\$28,213,000 (2010: HK\$29,642,000) of accumulated deficit due to the disposal of one subsidiary. For the nine-month period ended 30 September 2011, the Group's accumulated deficit decrease by approximately HK\$1,714,000 (2010: increase of HK\$57,910,000), representing the total comprehensive income attributable to shareholders for the period. As a result, the accumulated deficit of the Group as at 30 September 2011 was approximately HK\$236,231,000 (2010: HK\$177,531,000).

9. Event after balance sheet date

On 20 October 2011, the Company issued Convertible Bonds in an aggregate principal amount of HK\$76,800,000 to the Mighty Advance Enterprises Ltd upon fulfilment of the requirements of "Adjusted Consideration Scenario 2" under The New Sale and Purchase Agreement. (See Page 10 of the circular dated 24 January 2011.) Mighty Advance Enterprises Ltd converted the Bonds into 240,000,000 shares of the Company on 24 October 2011.

As at the date of this report, the number of issued shares of the company was 3,964,639,457 shares.

On 21 October 2011 (after trading hours), the Company entered into the Agreement with the Purchaser, whereby, conditionally, the Company agreed to sell and the Purchaser agreed to purchase the Sale Shares and the Sale Loan at a total consideration of HK\$5,700,000. The Sale Shares represent the entire issued share capital of SYSCAN Holdings Limited, and the Sale Loan represents all amounts due to the Company by SYSCAN Holdings Limited, as at the date of the Agreement. A circular containing, amongst other things, details of the Agreement together with a notice of the SGM will be dispatched to the Shareholders as soon as practicable in accordance with the requirements of the GEM Listing Rules and it is expected that the circular will be dispatched on or before 22 November 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group consists of the Company, SYSCAN Holdings Limited ("SHL") and its subsidiaries (collectively "SHL Group") and the Country Praise Enterprises Ltd. ("CPE") and its subsidiaries (collectively the "CPE Group"). SHL Group is principally engaged in the design, research, development, optical image capturing devices and related components.

Reference is made to the announcement dated 21 October 2011 in which the Company announced that the loss making SHL Group is to be disposed of subject to shareholders' approval. If the proposal should go ahead, the remaining group will concentrate on the business that CPE Group is now working on.

Business Review

As the SHL Group is loss making and likely be disposed of, the Company's future focus will be on the CPE Group. The CPE Group is principally engaged in (i) the development and operation of electronic payment tool; (ii) the trading of computers and communication equipment; and (iii) the issue and operation of a prepaid card business in the PRC. Just after the completion of the acquisition of the CPE Group on 28 February 2011, the CPE Group started to contribute to the Company positively. The overall profitability of the Company continuously improved and it is expected that the Company will be a pure profit making entity that will give the Shareholders a good return on investment in the future.

Financial Review

Revenue

Since from the date of acquisition to period ended 30 September 2011, the CPE Group recorded a revenue of approximately HK\$140,348,000, equal to 73.76% of the Company's consolidated total turnover of approximately HK\$190,277,000. Of this approximately HK\$140,348,000, (i) approximately HK\$92,335,000 from trading of computers and communication equipment, representing approximately 65.79% of the total revenue of the CPE Group; (ii) approximately HK\$47,129,000 from the prepaid card businesses, representing approximately 33.58% of the total revenue of the CPE Group; and (iii) approximately HK\$884,000 from other business, representing approximately 0.63% of the total revenue of the CPE Group.

For the first nine months, the Company recorded an unaudited consolidated profit before tax of approximately HK\$1,785,000. The CPE Group recorded an unaudited net profit of approximately HK\$21,167,000. The SHL Group recorded unaudited net loss of approximately HK\$11,343,000 while the Company itself recorded unaudited loss of approximately HK\$11,609,000 mainly due to general and administrative expenses of the Company during the Period.

Liquidity and Financial Resources

As at 30 September 2011, the Company's cash and cash equivalents amounted to approximately HK\$120,320,000.

As at 30 September 2011, the Company did not have any bank borrowings.

Capital Commitments, Pledge of Assets and Contingent Liabilities

As at 30 September 2011, the Group did not have any capital commitments, substantial pledges on its assets and material contingent liabilities.

Foreign Exchange Exposure

Since the Remaining Group's operations are mainly located in the PRC and its transactions, monetary assets and liabilities are primarily denominated in Renminbi, there is minimal exposure to foreign currency risks.

Significant Investment and Acquisition

- (1) On 22 November 2010 (after trading hours), the Company entered into the new Placing Agreement with the Placing Agent pursuant to which the Company has conditionally agreed to place, through the Placing Agent, up to 625,000,000 Placing Shares at a price of HK\$0.32 per Placing Share on a best effort basis.

The placing was completed on 9 March 2011 in accordance with the terms and conditions of the new placing agreement. An aggregate of 625,000,000 placing shares have been successfully placed by the Placing Agent to 4 investors who are and whose ultimate beneficial owners are third parties independent of, not connected with and not acting in concert with any connected person of the Company. None of the placees has become a substantial shareholder (as defined in the GEM Listing Rules) as a result of the placing. An aggregate of 625,000,000 placing shares represents approximately 17.93% of the issued share capital of 3,484,639,457 shares as at the date of completion of the placing. An amount of approximately HK\$18,750,000, being expenses directly attributable to the said placing exercise, was capitalised and debited to the share premium account.

- (2) On 22 November 2010, the Company entered into the New Sale and Purchase Agreement with Mighty Advantage Enterprises Ltd. (“MAE”) and Country Praise Enterprises Ltd. (“CPE”) pursuant to which the parties agreed to acquire the entire equity interest in the CPE, at an initial consideration of HK\$150,000,000 (subject to adjustments), but in any event subject to a maximum consideration of HK\$850,000,000. The consideration shall be satisfied in a combination of cash, the Shares and Convertible Bonds.

All the conditions precedent under the New Sale and Purchase Agreement have been fulfilled and that the Completion took place on 28 February 2011 (the “Completion Date”).

The Company has paid cash consideration of HK\$80,000,000 and issued 218,750,000 consideration shares to the Vendor in accordance with the terms of the New Sale and Purchase Agreement on the completion date. The 218,750,000 consideration shares, representing approximately 7.65% of the issued share capital of the Company at 28 February 2011, rank pari passu in all aspects amongst themselves and with the shares in issue on the date of the issue and allotment of the consideration shares.

- (3) On 21 January 2011, the Company entered into the Convertible Bonds Subscription Agreement with the Mighty Advantage Enterprises Limited (the “Vendor”, the ultimate holding company of the Target Group) pursuant to which the Company will issue certain convertible bonds to the Vendor upon the satisfaction of certain conditions as adjustment to the consideration of the acquisition of the entire interest of the Target Group.

Future Plans and Prospects

The Group is cautious towards its future business plan and will concentrate on the profitable businesses in order to establishing a stable revenue stream and making the Group result to be profitable.

The Group will simplify its corporate structure and laid off excess staffs in order to maintain stringent cost control.

The Group will also carefully assess and differentiate the performances of its various business lines. For those loss making or less profit making lines, the Group will review the situations and come up with appropriate remedial actions so as to strike for the most benefits to the shareholders.

Upon the completion of the acquisition of Country Praise Enterprises Limited and its subsidiaries, the Company is principally engaged in the development and operation of electronic payment tools, include the distribution and acceptance of the prepaid card, make payment via internet and mobile phone network in the newly electronic payment process for provision of a safe and convenient payment platform for the community of the widely electronic business trading activities. Third party payment business is one of the most rapidly development of emerging industries in the recent years in the PRC. The management considers this is a very profitable business channel and provides tremendous opportunities available in the market of the foreseeable future.

Reference is also made to the Company's announcement dated 21 October 2011 concerning the proposed very substantial disposal of the Company's loss-making PRC subsidiaries. Upon its completion, it is expected that the Company will be a pure profit making entity that will give the shareholders a very good return on investment in future.

DIRECTORS' INTEREST IN SHARES

As at 30 September 2011, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the required standards of dealing by directors of the Company as referred to in Rule 5.46 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules") are as follows:

Long Positions in Shares of the Company

Name	Number of ordinary shares held				Total	Percentage of issued share capital
	Personal interests	Family interests	Corporate interests	Other interests		
Mr Guan Guisen (Note)	-	-	458,750,000	-	458,750,000	12.32%

Note : 458,750,000 shares is held by Mighty Advantage Enterprises Limited which is incorporated in the British Virgin Islands and is beneficially owned by Mr Guan Guisen. And as at the report date, Mighty Advantage Enterprises Limited holds 698,750,000 (17.62%) shares of the Company, are referred to Next Day Disclosure Return dated 24 October 2011 issued by the Company.

Long Positions in Underlying Shares of the Company

On 2 March 2000, the Company adopted Share Option Scheme A and Scheme B under which share options to subscribe for shares of the Company may be granted under the terms and conditions stipulated in Scheme A and Scheme B.

Share Option Scheme A ceased to be effective (save for the options granted) upon the listing of the Company on 14 April 2000. At the annual general meeting of the Company held on 26 April 2002, shareholders of the Company approved the adoption of a new Share Option Scheme C and the termination of Share Option Scheme B.

As at the date of 30 September 2011, no options have been granted to the Directors of the Company under Share Option Schemes.

Save as disclosed above, as at 30 September 2011, none of the directors had any interest or short positions in any 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 under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules.

INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at 30 September 2011, there was no other person (other than a director or chief executive of the Company) who had any interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Long Positions in Shares of the Company

Name	Number of ordinary shares held				Total	Percentage of issued share capital
	Personal interests	Family interests	Corporate interests	Other interests		
Mr Guan Guisen (Note)	-	-	458,750,000	-	458,750,000	12.32%

Note : 458,750,000 shares is held by Mighty Advantage Enterprises Limited which is incorporated in the British Virgin Islands and is beneficially owned by Mr Guan Guisen. And as at the report date, Mighty Advantage Enterprises Limited holds 698,750,000 (17.62%) shares of the Company, are referred to Next Day Disclosure Return dated 24 October 2011 issued by the Company.

Details of the interests of Mr Guan Guisen is duplicated in the section “Directors’ Interest in Shares” disclosed above.

COMPETING INTERESTS

The Directors are not aware of, as at 30 September 2011, any business or interest of each Director, management shareholder and the respective associates of each that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the nine-month period ended 30 September 2011, there were no purchase, sale or redemption by the Company or any of its subsidiaries of the Company’s listed securities.

BOARD PRACTICES AND PROCEDURES

The Company has complied throughout the nine-month period ended 30 September 2011 the board practices and procedures as set out in Rules 5.34 of the GEM Listing Rules.

CORPORATE GOVERNANCE AND COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 15 of the GEM Listing Rules. The Company has applied the principles in the CG Code and complied with the code provisions set out in the CG Code for the nine months ended 30 September 2011 except for the deviation from code provision A.2.1 regarding the separate roles of chairman and chief executive officer of the Company after chief executive officer resignation on 29 July 2011. The Board considered that the non-segregation would not result in considerable concentration of power in one person and has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions quickly and consistently. The Board will review the effectiveness of this arrangement from time to time and will consider appointing an individual as the chief executive officer of the Company when it thinks appropriate.

AUDIT COMMITTEE

The Company has established an audit committee (the “Committee”) in compliance with the GEM Listing Rules. The Committee comprises one non-executive Director, namely Mr Li Yuezhong and three independent non-executive Directors, namely Dr Fong Chi Wah, Mr Wang Zhongmin and Mr Gu Jiawang. The Committee is chaired by Dr Fong Chi Wah. The primary duties of the Committee are to review and supervise the financial reporting process and internal control systems of the Group.

The Committee has reviewed and assessed the composition of the Group’s financial reporting team and was satisfied with the performance of the team.

The Committee who was of the opinion that the preparation of the unaudited results for the nine-month period ended 30 September 2011 has complied with applicable accounting standards, the Stock Exchange and legal requirements and that adequate disclosures had been made. And has reviewed the Company’s unaudited results for the six-month period ended 30 September 2011 and the draft of this report, and has provided advice and comments thereon.

By Order of the Board
China Innovationpay Group Limited
Guan Guisen
Chairman

Hong Kong, 8 November 2011

As at the date of this report, the Board comprises the following members:

Executive Directors

Mr Guan Guisen
Dr Lei Chunxiong

Non-executive Director

Mr Li Yuezhong

Independent Non-executive Directors

Dr Fong Chi Wah
Mr Wang Zhongmin
Mr Gu Jiawang

This report will remain on the “Latest Company Announcements” page on the GEM website at www.hkgem.com for at least 7 days from the day of its posting and on the website of the Company at www.innovationpay.com.hk.