



# Jian ePayment Systems Limited

華普智通系統有限公司

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 8165

**2015**

Interim Report

中期報告

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

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock exchange. 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.**

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*This report, for which the directors (the “Directors”) of Jian ePayment Systems Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. 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 six months ended 30 June 2015 was approximately RMB0.91 million (2014: RMB0.49 million), representing an increase of approximately 85% as compared to the corresponding period in 2014.
- Loss and total comprehensive income for the period attributable to owners of the Company amounted to approximately RMB5.19 million for the six months ended 30 June 2015.
- Loss per share amounted to RMB0.003 for the six months ended 30 June 2015.

## Results

The Board of Directors (the “Board”) of Jian ePayment Systems Limited, together with its subsidiaries (the “Group”), is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2015 with the comparative figures for the corresponding period in 2014.

### Condensed Consolidated Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Note	Six months ended 30 June		Three months ended 30 June	
		2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
<b>Turnover</b>	5	<b>909</b>	491	<b>242</b>	227
Cost of goods sold and services rendered		<b>(635)</b>	(265)	<b>(209)</b>	(136)
<b>Gross profit</b>		<b>274</b>	226	<b>33</b>	91
Other income		<b>32</b>	13	<b>8</b>	12
Distribution costs		<b>(254)</b>	(233)	<b>(89)</b>	(127)
Administrative expenses		<b>(5,241)</b>	(4,505)	<b>(2,805)</b>	(1,673)
<b>Loss before tax</b>		<b>(5,189)</b>	(4,499)	<b>(2,853)</b>	(1,697)
Income tax expense	6	–	–	–	–
<b>Loss and total comprehensive income for the period attributable to owners of the Company</b>	7	<b>(5,189)</b>	(4,499)	<b>(2,853)</b>	(1,697)
<b>Loss per share</b>			(Restated)		(Restated)
Basic	9	<b>(RMB0.003)</b>	(RMB0.003)	<b>(RMB0.001)</b>	(RMB0.001)
Diluted	9	<b>N/A</b>	N/A	<b>N/A</b>	N/A

# Condensed Consolidated Statement of Financial Position

AT 30 JUNE 2015

	<i>Note</i>	<b>30 June 2015 RMB'000 (unaudited)</b>	31 December 2014 RMB'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	10	<b>5,216</b>	5,436
<b>Current assets</b>			
Inventories		<b>303</b>	362
Trade and other receivables	11	<b>2,042</b>	788
Due from a director	14	<b>100</b>	–
Bank and cash balances		<b>8,961</b>	15,940
		<b>11,406</b>	17,090
<b>Current liabilities</b>			
Trade and other payables	12	<b>7,161</b>	7,876
Due to a related company	14	<b>10</b>	10
		<b>7,171</b>	7,886
<b>Net current assets</b>		<b>4,235</b>	9,204
<b>Total assets less current liabilities</b>		<b>9,451</b>	14,640
<b>NET ASSETS</b>		<b>9,451</b>	14,640
<b>Capital and reserves</b>			
Share capital	13	<b>86,973</b>	86,973
Reserves		<b>(77,522)</b>	(72,333)
<b>TOTAL EQUITY</b>		<b>9,451</b>	14,640

# Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	(Unaudited)							Total equity/ (Capital deficiency) RMB'000
	Share capital RMB'000	Share premium account RMB'000	Capital reserves RMB'000	General reserve fund RMB'000	Enterprise expansion fund RMB'000	Option reserve RMB'000	Accumulated losses RMB'000	
At 1 January 2014	61,766	58,308	6,304	2,870	1,435	5,251	(135,259)	675
Total comprehensive income for the period	-	-	-	-	-	-	(4,499)	(4,499)
Changes in equity for the period	-	-	-	-	-	-	(4,499)	(4,499)
At 30 June 2014	61,766	58,308	6,304	2,870	1,435	5,251	(139,758)	(3,824)
At 1 January 2015	<b>86,973</b>	<b>57,073</b>	<b>6,304</b>	<b>2,870</b>	<b>1,435</b>	<b>5,251</b>	<b>(145,266)</b>	<b>(14,640)</b>
Total comprehensive income for the period	-	-	-	-	-	-	(5,189)	(5,189)
Changes in equity for the period	-	-	-	-	-	-	(5,189)	(5,189)
At 30 June 2015	<b>86,973</b>	<b>57,073</b>	<b>6,304</b>	<b>2,870</b>	<b>1,435</b>	<b>5,251</b>	<b>(150,455)</b>	<b>9,451</b>

# Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Six months ended 30 June	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(6,974)</b>	(3,636)
Purchases of property, plant and equipment	<b>(37)</b>	(12)
Other investment cash flows (net)	<b>32</b>	1
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(5)</b>	(11)
<b>ADVANCE FROM A SUBSTANTIAL SHAREHOLDER AND NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>–</b>	5,000
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(6,979)</b>	1,353
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>15,940</b>	3,713
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>8,961</b>	5,066
<b>REPRESENTED BY:</b>		
Bank and cash balances	<b>8,961</b>	5,066

# Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2015

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Century Yard, Cricket Square, Hutchins Drive, P. O. Box 2681 GT, George Town, Grand Cayman, British West Indies. The address of its principal place of business is 84 Jing Bei Yi Lu, Economic and Technological Development District, Zhengzhou, Henan, the People's Republic of China (the "PRC"). The Company's shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are engaged in development and operation of integrated circuit and smart cards, back end electronic receipt/payment and data recording and processing software system; and manufacturing and distribution of the associated commercial application.

## 2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

These condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2014. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2014 except as stated below.

## 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS AND REQUIREMENTS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2015. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations.

The following standards have been adopted by the Group for the first time for the financial period beginning on 1 January 2015:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle

The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's condensed consolidated financial statements and amounts reported for the current period and prior years.



### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS AND REQUIREMENTS (Continued)

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial period beginning on 1 January 2015. The directors anticipate that the new and revised HKFRSs will be adopted in the Group's consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

The Stock Exchange in April 2015 released revised Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange in relation to disclosure of financial information in interim reports that are applicable for accounting periods ending on or after 31 December 2015, with earlier application permitted. The Company has early adopted the amendments resulting in changes to the presentation and disclosures of certain information in the condensed consolidated financial statements.

### 4. SEGMENT INFORMATION

The Group engaged in the single type business of development and operation of integrated circuit and smart cards, back end electronic receipt/payment and data recording and processing software system; and manufacturing and distribution of the associated commercial application. Accordingly, no operating segment information is presented.

### 5. TURNOVER

	Six months ended		Three months ended	
	30 June	2014	30 June	2014
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales of hardware, software and smart cards	853	431	203	193
Repair and maintenance services	56	60	39	34
	909	491	242	227

## 6. INCOME TAX EXPENSE

	Six months ended 30 June		Three months ended 30 June	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Current tax — PRC				
Provision for the period	—	—	—	—

No provision for profits tax in the Cayman Islands, the British Virgin Islands or Hong Kong are required as the Group has no assessable profit arising in or derived from those jurisdictions for the six months and three months ended 30 June 2015 and 2014.

The tax rate applicable to the Group were 25% (2014: 25%) during the period. However, no provision for PRC enterprise income tax has been made in the condensed consolidated financial statements for the six months and three months ended 30 June 2015 and 2014 as the Group did not generate any assessable profit for the period.

## 7. LOSS FOR THE PERIOD

The Group's loss for the period is arrived at after charging/(crediting) the following:

	Six months ended 30 June		Three months ended 30 June	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Depreciation of property, plant and equipment	257	276	121	138
Directors' remuneration	1,468	1,250	734	625
Research and development costs	651	479	273	265
Interest income	(32)	(1)	(7)	—
Operating lease charges	441	309	247	158
Foreign exchange (gain)/loss, net	(28)	124	(28)	124

## 8. DIVIDENDS

No dividend had been paid or declared by the Company during the period (2014: Nil).

## 9. LOSS PER SHARE

### (a) Basic loss per share

	Six months ended 30 June		Three months ended 30 June	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
<b>Earnings</b>				
Loss for the purpose of calculating the basis loss per share	5,189	4,499	2,853	1,697
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purpose of calculating basis loss per share	1,935,900,000	1,470,539,000	1,935,900,000	1,470,539,000

For the six months and three months ended 30 June 2014, the weighted average number of ordinary shares for the purpose of calculating the basis loss per share has been adjusted to reflect the effect of the open offer of shares of the Company in October 2014, details of which are described in note 13 to the condensed consolidated financial statements.

### (b) Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the six months ended 30 June 2015 and 2014, and the three months ended 30 June 2015 and 2014.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group acquired property, plant and equipment of approximately RMB37,000 (2014: RMB12,000).

## 11. TRADE AND OTHER RECEIVABLES

	<b>30 June 2015 RMB'000 (unaudited)</b>	31 December 2014 RMB'000 (audited)
Trade receivables	<b>339</b>	339
Prepayments and other deposits	<b>1,635</b>	379
Other receivables	<b>68</b>	70
	<b>2,042</b>	788

The Group's trading terms with customers are mainly on credit. The Group normally allows credit terms to customers ranging from 60 to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The aging analysis of trade receivables, based on the invoice date, is as follows:

	<b>30 June 2015 RMB'000 (unaudited)</b>	31 December 2014 RMB'000 (audited)
0-90 days	-	339
91-180 days	-	-
181-365 days	<b>339</b>	-
Over 365 days	<b>4,027</b>	4,027
	<b>4,366</b>	4,366
Allowance for impairment losses	<b>(4,027)</b>	(4,027)
	<b>339</b>	339

## 12. TRADE AND OTHER PAYABLES

	<i>Note</i>	<b>30 June 2015 RMB'000 (unaudited)</b>	31 December 2014 RMB'000 (audited)
Trade payables	<i>(a)</i>	<b>717</b>	2,039
Other payables	<i>(b)</i>	<b>6,444</b>	5,837
		<b>7,161</b>	7,876

### (a) Trade payables

The aging analysis of the trade payables, based on the invoice date, is as follows:

	<b>30 June 2015 RMB'000 (unaudited)</b>	31 December 2014 RMB'000 (audited)
0–90 days	–	1,383
91–180 days	<b>76</b>	15
181–365 days	–	–
Over 365 days	<b>641</b>	641
	<b>717</b>	2,039

### (b) Other payables

	<b>30 June 2015 RMB'000 (unaudited)</b>	31 December 2014 RMB'000 (audited)
Business tax payable	<b>32</b>	32
VAT payable	–	192
Provision for staff and workers' bonus and welfare fund	<b>576</b>	624
Accruals for operating expenses	<b>2,512</b>	2,504
Salary and welfare payables	<b>184</b>	191
Receipt in advance	<b>1,254</b>	370
Others	<b>1,886</b>	1,924
	<b>6,444</b>	5,837

### 13. SHARE CAPITAL

	30 June 2015		31 December 2014	
	HK\$'000 (unaudited)	RMB'000 (unaudited)	HK\$'000 (audited)	RMB'000 (audited)
Authorised: 30,000,000,000 ordinary shares of HK\$0.05 each	1,500,000	1,264,706	1,500,000	1,264,706
Issued and fully paid: 1,935,900,000 ordinary shares of HK\$0.05 each	96,795	86,973	96,795	86,973

A summary of the movements in the issued share capital of the Company is as follows:

	Number of shares issued '000	Nominal value of shares issued	
		HK\$'000	RMB'000
At 1 January 2014	1,290,600	64,530	61,766
Shares issued upon open offer ( <i>Note</i> )	645,300	32,265	25,207
At 31 December 2014, 1 January 2014 and 30 June 2015	1,935,900	96,795	86,973

*Note:* Pursuant to a resolution passed at a meeting of the board of directors of the Company on 6 October 2014, an issue of shares by the Company at a price of HK\$0.05 per share on the basis of one share for every two shares then held by the qualifying shareholders on the record date and payable in full on the acceptance (the "Open Offer") was approved. The Open Offer was completed and a total of 645,300,000 new shares were issued on 29 October 2014, resulting in proceeds of approximately RMB25,207,000 (equivalent to HK\$32,265,000), before expenses, to the Company.

## 14. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transaction with its related party during the period:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Sales of hardware:		
Shanghai Bai Yu Lan Intelligent Transportation System Management Co., Ltd. <i>(Note)</i>	164	–

*Note:* The related company is significantly influenced by the substantial shareholder of the Company, Mr. Chin Ying Hoi.

The amounts due from/to a director/a related company are unsecured, non-interest bearing and repayable on demand.

## 15. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 June 2015 (At 31 December 2014: RMB Nil).

## 16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 11 August 2015.

# Independent Review Report



## **TO THE BOARD OF DIRECTORS OF JIAN ePAYMENT SYSTEMS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

## **Introduction**

We have reviewed the interim financial information set out on pages 3 to 14 which comprises the condensed consolidated statement of financial position of the Company as at 30 June 2015 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## **Scope of Review**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Without qualifying our review conclusion, we draw to your attention that the condensed consolidated statement of comprehensive income for each of the three months ended 30 June 2015 and 2014, and the relevant explanatory notes disclosed in the interim financial information have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

**RSM Nelson Wheeler**  
*Certified Public Accountants*  
Hong Kong  
11 August 2015

## Review of Financial Performance and Operation

During the period under review, turnover for the sales of electronic car-parking hardware and software and systems upgrade services was approximately RMB909,000 (2014: RMB491,000), representing an increase of approximately 85% over the last corresponding period. Loss and total comprehensive income for the period attributable to owners of the Company amounted to approximately RMB5,189,000 (2014: RMB4,499,000), representing a slight increase of 15% as compared to the corresponding period in 2014. The Group had continued to exercise prudent cost control measures by implementing tight expenses measures in its operations.

Nanning, Guangzhou, Panyu, and Haikou continue to be the main markets of the Group's business. On the basis of the existing business, Zhengzhou Jian-O' Yuan ITS Systems Co. Ltd. will leverage its existing long-term and sound relationship with the parking operators and the solid relationship with the local governments, and capitalize on its core technology and historical background to seek growth opportunities.

## Open Offer and Use of Proceeds

The Company announced on 12 September 2014 of a proposed open offer on the basis of one offer share for every two existing shares at HK\$0.05 per offer share. A total of 645,300,000 offer shares were allotted and issued upon completion of the open offer on 29 October 2014. Gross proceeds from the open offer was HK\$32,265,000 and net proceeds (after deduction relevant expense) was approximately HK\$30,684,000. Details of the open offer were set out in the Company's announcement and prospectus dated 12 September 2014 and 7 October 2014 respectively. As at 30 June 2015, the Group had cash and bank balances of approximately RMB8.96 million. Details of the utilization of the net proceeds in comparison to that envisaged in the prospectus were as follows:

	<b>Proposed use of the net proceeds as stated in the prospectus</b> RMB' million	<b>Actual use of the net proceeds up to 30 June 2015</b> RMB' million
Repayment of shareholder's loan, amounts due to directors and other payables	8.6	8.6
General working capital	15.4	6.4
<b>Total</b>	<b>24.0</b>	<b>15.0</b>

## Liquidity and Financial Resources

As at 30 June 2015, the Group had total assets of approximately RMB16.62 million and net current assets of approximately RMB4.24 million. The Group's current ratio, being a ratio of current assets to current liabilities, was 1.59.

The Group generally finances its operations with internally generated cash flows. As at 30 June 2015, the Group had cash and bank balances of approximately RMB8.96 million. The substantial shareholder has expressed intention in continuing to provide all necessary financial support to the Group. Cost control measures have already been in place to monitor the day-to-day operational and administrative expenses. The management will continue to closely review the Group's financial resources in a cautious manner and explore opportunities in potential financial institutions financing and equity funding. Taking into consideration the Group's current financial resources, the directors believe that the Group shall have adequate fund for its continual operation and development.

## Charge on Group's Assets

The Group did not have any charge on its assets as at 30 June 2015.

## Exchange Rate Exposure

All the Group's assets, liabilities and transactions are denominated either in Hong Kong dollar or Renminbi. As the exchange rates of Hong Kong dollar and Renminbi were relatively stable during the period, the Group was not exposed to material foreign exchange risk.

## Income Tax

Details of the treatment of the Group's income tax expense for the period ended 30 June 2015 are set out in note 6 to the condensed consolidated financial statements.

## Human Resources

As at 30 June 2015, the Group had approximately 24 employees (2014: 24 employees) in the PRC and Hong Kong. The Group continues to remunerate its employees with reference to their performance, experience and the prevailing industry practice. The Group also provides provident fund benefits for its employees in Hong Kong and statutory retirement scheme for its employees in the PRC. The Group recognizes the importance of staff training and thus regularly provides internal and external training for its staff to enhance their skills and knowledge. The management will continue to monitor the human resources requirements of the Group.

## Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 June 2015.

## Significant Investments

The Group had no significant investment for the period ended 30 June 2015.

## Share Options

On 13 March 2008, the share option scheme adopted by the Company on 19 November 2001 (the "Old Scheme") was terminated and a new share option scheme (the "New Scheme") was adopted by the shareholders of the Company. As a result, the Company can no longer grant any further options under the Old Scheme. On 30 May 2007 and 15 August 2007, all the outstanding options granted under the Old Scheme were lapsed and cancelled automatically according to the Old Scheme.

Pursuant to the New Scheme, the Company may grant options to the participants of the New Scheme to subscribe for shares of the Company. The participants include any employees (whether full-time or part-time and including directors) and certain consultants, suppliers or customers of the Group who, in the sole discretion of the Board or a duly authorised committee thereof, have contributed to the Group. Unless otherwise terminated or amended, the New Scheme will remain valid and effective for a period of 10 years commencing on 13 March 2008.

The overall limit on the number of shares which may be issued upon exercise of all options to be granted and yet to be exercised under the New Scheme and other share option schemes must not, in aggregate, exceed 30% of the shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of all options granted and to be granted to each participant or grantee (as the case may be) including both exercised and outstanding options in any 12-month period up to the date of grant must not exceed 1% of the shares in issue at the date of grant.

Any option granted under the New Scheme may be exercised at any time during a period which shall not be more than ten years after the date on which the option is granted, but the board of directors of the Company may impose restrictions on the exercise of options including a minimum period for which all or part of an option may be exercised and/or a minimum period of which all or part of an option shall be held before it can be exercised.

The subscription price will be determined by the Board and will not be less than the highest of the closing price of the shares quoted on the GEM on the date on which the option is granted, the average closing price of the shares quoted on the GEM for the five business days immediately preceding the date on which the option is granted, and the nominal value of the shares on grant date.

As a result of the completion of the Open Offer and pursuant to (i) the New Scheme; and (ii) the supplementary guidance issued by Stock Exchange on 5 September 2005 regarding adjustment of share options under Rule 23.03(13) of the GEM Listing Rules, the exercise price of the outstanding share options granted by the Company (the "Share Options") and the total number of shares of the Company comprised in the outstanding Share Options which may be allotted and issued upon exercise of all such Share Options thereunder were adjusted.

Details of specific categories of options are as follows:

Grantee	Date of grant	Vesting period	Exercise period	Adjusted Exercise price HK\$	No. of share options outstanding
Directors, employees and others	18 May 2009	N/A	18 May 2009 to 17 May 2019	0.136	77,480,769
Directors	1 June 2010 (A)	N/A	1 June 2010 to 31 May 2020	0.129	22,104,808
Directors	1 June 2010 (B)	1 June 2010 to 31 May 2011	1 June 2011 to 31 May 2020	0.129	22,104,808

Details of the share options outstanding during the period are as follows:

	2015		2014	
	Number of options	Weighted average exercise price HK\$	Number of options	Weighted average exercise price HK\$
Outstanding at the beginning of the period	121,690,385	0.133	106,800,000	0.152
Lapsed during the period	–	–	–	–
Outstanding at the end of the period	121,690,385	0.133	106,800,000	0.152
Exercisable at the end of the period	121,690,385	0.133	106,800,000	0.152

Name or category of participant	Number of share options				
	At 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period	At 30 June 2015
	'000	'000	'000	'000	'000
<b>Directors</b>					
Li Sui Yang	14,585	–	–	–	14,585
Fok Ho Yin Thomas	14,585	–	–	–	14,585
Hu Hai Yuan	9,115	–	–	–	9,115
Tung Fong	912	–	–	–	912
Zhang Xiao Jing	912	–	–	–	912
Qu Xiao Guo	912	–	–	–	912
<b>Employees other than directors</b>					
In aggregate	9,115	–	–	–	9,115
<b>Other participants</b>					
In aggregate	71,554	–	–	–	71,554
	121,690	–	–	–	121,690

## Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 30 June 2015.

## Directors' and Chief Executive's Interests or Short Positions in the Shares, Underlying Shares or Debentures of the Company or Any Associated Corporations

As at 30 June 2015, the interest of the Directors and the chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.40 of the GEM Listing Rules relating to securities transactions by Directors, were as follows:

### Interests and short positions of the Directors or chief executives in the shares, underlying shares and debentures of the Company and its associated corporations

#### (a) Interests in share options

Name	Type of interests	Outstanding shares option as at 30 June 2015	Approximate percentage of the underlying shares to the share capital of the Company as at 30 June 2015
Li Sui Yang	Personal	14,584,616	0.75%
Fok Ho Yin Thomas	Personal	14,584,616	0.75%
Hu Hai Yuan	Personal	9,115,385	0.47%
Tung Fong	Personal	911,538	0.05%
Zhang Xiao Jing	Personal	911,538	0.05%
Qu Xiao Guo	Personal	911,538	0.05%

Save as disclosed above, as at 30 June 2015, none of the Directors or chief executive of the Company had any interests 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) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## Directors' Rights to Acquire Shares

Save as disclosed herein, at no time during the period was the Company, its subsidiaries or a party to any arrangements to enable any of the Company's directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company.

## Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2015, the following persons, other than the Directors or Chief Executive of the Company, had interests and short positions in the shares and underlying shares of the Company as recorded in the register which was required to be kept by the Company under Section 336 of the SFO:

### Interests in shares and underlying shares

#### Long positions

Name of Shareholder	Capacity	Number of Shares	Number of Share options	Percentage of issued share capital of the Company
Union Perfect International Limited (Note 1)	Beneficiary owner	286,800,000		14.81%
World Radiance Limited (Note 2)	Beneficiary owner	294,900,000		15.23%
Mr. Chin Ying Hoi			18,002,885	0.93%
Link Chance Investment Limited (Note 3)	Beneficiary owner	128,470,000		6.64%



#### Notes:

1. Union Perfect International Limited is 100% beneficially owned by Mr. Chin Ying Hoi.
2. World Radiance Limited is owned as to 100% by Chang Yao Investments Limited, which is in turn 100% beneficially owned by Mr. Chin Ying Hoi. Mr. Wang Jiang Wei, the non-executive director of the Company, is the sole director of Chang Yao Investments Limited and World Radiance Limited.
3. Link Chance Investment Limited is a wholly-owned subsidiary of Link Chance Investment (Hong Kong) Limited, which is in turn 100% owned by Searainbow Holding Corporation. Based on the information available, Searainbow Holding Corporation is a company listed on Shenzhen Stock Exchange (Stock Code: 000503).

Save as disclosed above, as at 30 June 2015, the Directors were not aware of any other person who had an interests or short position in the shares or underlying shares or debentures of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

## Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the period ended 30 June 2015.

## Competing Interests

None of the Directors or management shareholders (as defined in the GEM Listing Rules) of the Company has any interest in a business, which competes or may compete with the business of the Group, or has any other conflicts of interests with the Group.

# The Code of Corporate Governance Practices

The Company had complied, throughout the six months ended 30 June 2015, with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 15 to the GEM Listing Rules.

## (1) Board composition and Board Practices

The Board is collectively responsible for the oversight of the management of the business and affairs of the Group with the objective of enhancing shareholders value. The Board consists of a total of nine Directors, comprising three executive Directors, three non-executive Directors and three independent non-executive Directors. One-third of the Board are independent non-executive Directors and at least one of them has appropriate professional qualifications, or accounting or related financial management expertise as required by the GEM Listing Rules.

## (2) Audit committee

An Audit Committee was established with written terms of reference in compliance with the requirements of the GEM Listing Rules. The primary duties of the audit committee are to review and provide supervision over the financial reporting process and internal control system of the Group. The audit committee comprises three independent non-executive Directors, Mr. Qu Xiao Guo, Mr. Zhang Xiao Jing and Ms. Tung Fong. The Group's unaudited consolidated results for the six months ended 30 June 2015 have been reviewed by the audit committee.

## Directors' Securities Transaction

The Company has adopted a code of conduct regarding securities transaction by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.46 to 5.68 of the GEM Listing Rules. The Company had also made specific enquiry to all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the period under review. Specific employees who are likely to be possession of unpublished price-sensitive information of the Group are also subject to compliance with the same Code of Conduct. No incident of non-compliance was noted by the Company for the six months ended 30 June 2015.

## Appreciation

On behalf of the Board, I would like to take this opportunity to thank the management and staff for their dedication and commitment throughout the period. Besides, I would like to thank all shareholders, business partners, customers and vendors for their support and encouragement given to the Group in the past period. My thanks are also extended to the lawyers, auditors, consultants and relevant enterprises who always give us help and support.

By Order of the Board  
**Jian ePayment Systems Limited**  
**Li Sui Yang**  
*Chairman*

Hong Kong  
11 August 2015

*As at the date of this report, the executive directors of the Group are Mr. Li Sui Yang, Mr. Tan Wen and Mr. Fok Ho Yin Thomas; the non-executive directors of the Group are Mr. Wang Jiang Wei, Mr. Hu Hai Yuan and Mr. Tang Hao; and the independent non-executive directors of the Group are Mr. Qu Xiao Guo, Mr. Zhang Xiao Jing and Ms. Tung Fong.*

**Jian ePayment Systems Limited**  
**華 普 智 通 系 統 有 限 公 司**

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