

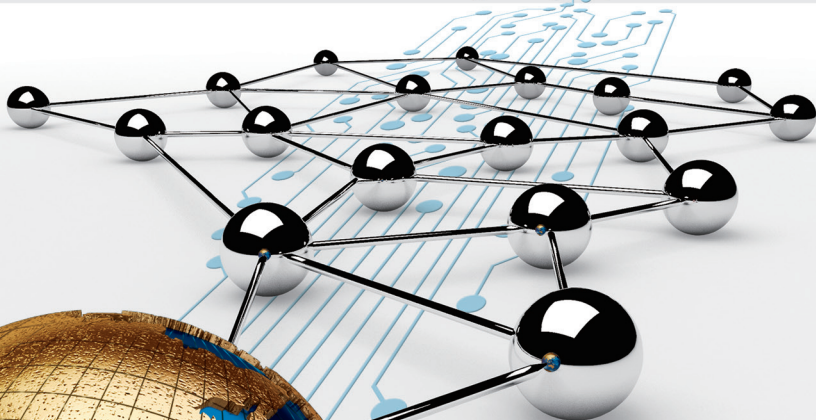


Jian ePayment Systems Limited

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



2017

First Quarterly Report
第一季度業績報告

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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (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 three months ended 31 March 2017 was approximately RMB776,000 (2016: RMB85,000) which represented a increase of approximately 813% as compared to the corresponding period in 2016.
- Loss and total comprehensive income for the period attributable to owners of the Company amounted to approximately RMB(1,852,000) for the three months ended 31 March 2017 (2016: RMB(2,584,000)).
- Loss per share amounted to RMB(0.0009) for the three months ended 31 March 2017 (2016: RMB(0.0013)).

Unaudited Consolidated Results

The Board of Directors (the “Board”) of Jian ePayment Systems Limited, together with its subsidiaries (the “Group”), announces the unaudited consolidated results of the Group for the three months ended 31 March 2017 with the comparative figures for the corresponding period in 2016.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE THREE MONTHS ENDED 31 MARCH 2017

	Note	For the three months ended 31 March	
		2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Turnover	3	776	85
Cost of goods sold and services rendered		(1)	(17)
Gross profit		775	68
Other income	4	6	109
Distribution costs		(97)	(114)
Administrative expenses		(2,227)	(2,647)
Loss from operations		(1,543)	(2,584)
Finance costs		(302)	–
Loss before tax		(1,845)	(2,584)
Income tax expense	6	(7)	–
Loss and total comprehensive income for the period attributable to owners of the Company		(1,852)	(2,584)
			(Restated)
Loss per share			
Basic	8	RMB(0.0009)	RMB(0.0013)
Diluted	8	N/A	N/A

Condensed Consolidated Statement of Changes in Equity

FOR THE THREE MONTHS ENDED 31 MARCH 2017

	(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	Property revalue reserve RMB'000		Accumulated losses RMB'000
At 1 January 2016	86,973	57,073	6,976	2,870	1,435	5,251	-	(156,789)	3,789
Placing of shares	3,155	3,583	-	-	-	-	-	-	6,738
Total comprehensive income for the period	-	-	-	-	-	-	-	(2,584)	(2,584)
Changes in equity for the period	3,155	3,583	-	-	-	-	-	(2,584)	4,154
At 31 March 2016	90,128	60,656	6,976	2,870	1,435	5,251	-	(159,373)	7,943
At 1 January 2017	92,441	64,540	6,976	2,870	1,435	11,688	4,260	(183,562)	648
Rights issue of shares	11,439	7,034	-	-	-	-	-	-	18,473
Total comprehensive income for the period	-	-	-	-	-	-	-	(1,852)	(1,852)
Changes in equity for the period	11,439	7,034	-	-	-	11,688	-	(1,852)	16,621
At 31 March 2017	103,880	71,574	6,976	2,870	1,435	11,688	4,260	(185,414)	17,269

Notes to the Financial Statements

FOR THE THREE MONTHS ENDED 31 MARCH 2017

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 Suite 1104, Hantang Plaza, Overseas Chinese Town, Nanshan District, Shenzhen, 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 (i) development and operation of integrated circuit and smart cards, back end electronic receipt/payment and data recording and processing software system; and manufacturing and marketing of the associated commercial applications; and trading of electric vehicle charging facilities; and (ii) licensing of patents and provision of consultancy service in intellectual property management.

2. BASIS OF PREPARATION AND GOING CONCERN BASIS

These condensed consolidated results have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These condensed consolidated results also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

These unaudited condensed consolidated results have been prepared under the historical cost convention, except for investment properties that are measured at fair value. These unaudited condensed consolidated results of the Group are presented in thousands of units of Renminbi ("RMB'000"), unless otherwise stated. Renminbi ("RMB") is the Company's functional and the Group's presentation currency.

The principal accounting policies used in the preparation of these unaudited condensed results are consistent with those used in the Group's annual consolidated financial statements for the year ended 31 December 2016 except for the adoption of certain new and revised HKFRSs issued by the HKICPA that are relevant to its operation and effective for its accounting year beginning on 1 January 2017. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of these unaudited condensed consolidated results and amounts reported for the current period and prior years.

2. BASIS OF PREPARATION AND GOING CONCERN BASIS *(Continued)*

The HKICPA has issued a number of new and revised HKFRSs that are first effective for annual periods beginning on or after 1 January 2017. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2017. 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.

3. TURNOVER

	Three months ended 31 March	
	2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Sales of car parking systems and provision of repair and maintenance services	–	85
Intellectual property services	776	–
	776	85

4. OTHER INCOME

	2017 RMB'000	2016 RMB'000
Subsidy income		
— Value-added tax ("VAT") refund	–	43
Interest income	6	2
Other payables written back	–	58
Sundry income	–	6
	6	109

5. SEGMENT INFORMATION

The Group has two operating segments as follows:

1. Car parking systems — activities relating to development and operation of integrated circuit and smart cards, back end electronic receipt/payment and data recording and processing software system; manufacturing and distribution of the associated commercial application; and trading of electric vehicle charging facilities.
2. Intellectual property services — activities relating to licensing of patents and provision of consultancy service on intellectual property management.

The Group's operating segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profit or loss does not include the following items:

- unallocated other income
- unallocated corporate expenses
- finance costs

Information about operating segment profit or loss is set out below:

	Car parking systems RMB'000	Intellectual property services RMB'000	Total RMB'000
Period ended 31 March 2017			
Turnover from external customers	—	776	776
Segment (loss)/profit	(416)	71	(345)
Interest revenue	—	5	5
Depreciation and amortisation	4	2	6
Income tax expense	—	7	7

5. SEGMENT INFORMATION *(Continued)*

Reconciliations of operating segment profit or loss:

	2017 RMB'000
Profit or loss	
Total loss of operating segments	(345)
Unallocated amounts:	
Other income	1
Corporate expenses	(1,206)
Finance costs	(302)
Consolidated loss for the year	(1,852)

The Group is engaged in a single type of business that is car parking systems for the three months ended 31 March 2016. It mainly include activities 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 for the three months ended 31 March 2016.

Geographical information

The Group's turnover from external customers by location of operations is detailed below:

	Turnover	
	2017 RMB'000	2016 RMB'000
Hong Kong	–	–
PRC except Hong Kong	776	85
Consolidated total	776	85

6. INCOME TAX EXPENSE

	2017 RMB'000	2016 RMB'000
Current tax — PRC Enterprise Income Tax Provision for the year	7	–

The companies comprising the Group are subject to income taxes on an entity basis on income arising in or derived from the tax jurisdictions in which they operate.

6. INCOME TAX EXPENSE *(Continued)*

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 three months ended 31 March 2017 and 2016.

The tax rate applicable to the PRC subsidiaries in the Group were 25% (2016: 25%) during the period. However, no provision for PRC enterprise income tax has been made in the financial statements for the three months ended 31 March 2016 as the PRC subsidiaries did not generate any assessable profit for the comparative period.

7. DIVIDENDS

No dividend had been paid or declared by the Company during the period (2016: Nil).

8. LOSS PER SHARE

(a) Basic loss per share

	Three months ended 31 March	
	2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Earnings		
Loss for the purpose of calculating the basic loss per share	(1,852)	(2,584)
Number of shares		(Restated)
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	2,166,478,220	1,966,489,842

For the three months ended 31 March 2016, the weighted average number of ordinary shares for the purpose of calculating the basic loss per share has been adjusted to reflect the effect of the rights issue of shares completed on 27 February 2017.

(b) Diluted loss per share

No diluted loss per share is presented as the effects of all potential ordinary shares would be anti-dilutive for the three months ended 31 March 2017 and 2016, respectively.

Review of Financial Performance and Operation

During the period under review, the Group recorded an overall revenue of approximately RMB776,000 (corresponding period of 2016: RMB85,000), representing an increase of approximately 813% over the corresponding period of last year. Loss and total comprehensive income for the period attributable to owners of the Company amounted to approximately RMB1,852,000 (corresponding period of 2016: RMB2,584,000), representing a significant reduction of loss for the period which was mainly attributable to the Group's vigorous cost control measures by tightening expenditure in its operations while proactively expanding revenue stream from operation.

Review of Operation

During the period under review, the Group actively developed its business in the area of intellectual property rights, aiming at achieving fruitful outcome in terms of both operation and profitability for the whole year. At the same time, the Group also explored opportunities for investment in and development of the electronic car-parking segment, striving for increase in revenue.

With over 10 years' development, Zhengzhou Jian-O' Yuan ITS Systems Co. Ltd. ("Zhengzhou Jian-O' Yuan") has accumulated solid experience and customer base for its electronic car-parking business. It has been proactively exploring new ways of technical enhancement and direction for deepening market development. In June 2016, Zhengzhou Jian-O' Yuan invested RMB10,000,000 in its wholly-owned subsidiary incorporated in Shenzhen, namely Shenzhen Zhitong Tianxia Technical Services Company Limited (深圳市智通天下科技服務有限公司) ("Shenzhen Zhitong Tianxia"), which is dedicated to materialise business transformation and generate growth in revenue by combining its competitive edge, strategic location at one of the most developed regions noted for the operation of market economy in Mainland China as well as extensive network and resources.

Shenzhen Zhitong Tianxia is a PRC-incorporated domestic enterprise with a registered capital of RMB10,000,000 wholly owned by Zhengzhou Jian-O' Yuan. Leveraging on the Group's own technological expertise, experiences and resources, Shenzhen Zhitong Tianxia has many incentive measures in place to recruit renowned experts in Intellectual Property Rights services, and has been actively identifying ways to increase revenue and enhance the core competitiveness of the Group's electronic car-parking intellectual property rights business.

Since Shenzhen Zhitong Tianxia set up its management team in July 2016, it has rapidly commenced business planning and expanded its customer base through the intellectual property rights business derived from electronic car-parking software and management business. Shenzhen Zhitong Tianxia has established itself as a principal operating entity and the main revenue source of the Group.

During the period under review, Shenzhen Zhitong Tianxia, having conducted an in-depth research, signed an investment and cooperation agreement in connection with the acquisition of 1.7% equity interest in Shenzhen Xiao Miao Car-Parking (深圳小貓停車) at a consideration of RMB 5,000,000. In addition to the investment return as the result of mutual growth, Shenzhen Zhitong Tianxia has also developed a strategic cooperation relation with Shenzhen Xiao Miao Car-Parking which may bring vitality and opportunities to its subsidiaries in Shenzhen and Zhengzhou as well as Wuhan Zhanchi New Energy Technology Company Limited (“Wuhan Zhanchi”).

Wuhan Zhanchi is a technology service company principally engaged in the research and development, production and sale of electronic charging facilities and management system for charging network and providing customized solutions for companies whose business is related to new energy vehicles. In line with the Group’s development of intellectual property rights business, Wuhan Zhanchi will strive to explore new opportunities arising from the Group’s cooperation with Shenzhen Xiao Miao Car-Parking.

Looking forward, the Group will continue to develop its existing businesses and enhance its research and development activities to reinforce operational and management capabilities, as well as the functionality and reliability of its products to cope with the keen market competition. The Group would leverage on Shenzhen Zhitong Tianxia as a foothold to commit more of its resources to new businesses, and focus its efforts in boosting the Group’s revenue growth. The Group will also grasp every opportunity to promote the Group’s corporate profile and to increase its financial flexibility by gaining access to the capital markets. The Group will also continue to identify and evaluate other potential investment opportunities which may benefit the Group and its shareholders in the long run.

Rights Issue of Shares

On 21 December 2016, the Company announced that it entered into an underwriting agreement with the underwriter, pursuant to which the Company proposed to issue not less than 258,255,681 rights shares at the subscription price of HK\$0.086 per rights share on the basis of one rights share for every eight shares held by the qualifying shareholders on 26 January 2017. Details are set out in the Company’s announcement dated 21 December 2016.

A total of 8 valid applications and acceptances had been received under the provisional allotment letters of a total of 106,117,030 rights shares at 4:00 p.m. on Tuesday, 14 February 2017, being the latest time for acceptance of, and the payment for, the rights shares, representing approximately 41.09% of the total number of 258,255,681 rights shares available for subscription under the rights issue.

As a result of the under-subscription of the rights shares and in accordance with the underwriting agreement, the underwriter had performed its underwriting obligations and had procured certain subscribers to subscribe for 152,138,651 untaken rights shares, representing approximately 58.91% of the total number of 258,255,681 rights shares available for subscription under the rights issue. To the best of the Director's knowledge, information and belief after having made reasonable enquiries, the subscribers are independent third parties. None of the subscribers has become a substantial shareholder of the Company upon taking up the 152,138,651 untaken rights shares. Details are set out in the Company's announcement dated 24 February 2017.

Upon completion, the net proceeds (after deducting expenses) were approximately HK\$20,826,000 (equivalent to approximately RMB18,472,000). Such net proceeds has been applied for repayment of a director's loan in the sum of RMB10,000,000 owed by the Company to Mr. Wang Jiang Wei in April 2017, and the balance will be used as general working capital of the Group.

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.

The offer of a grant of options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee.

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.

Details of specific categories of Share 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	0.134	78,705,070
Directors and others	1 June 2010 (A)	N/A	1 June 2010 to 31 May 2020	0.127	22,454,094
Directors and others	1 June 2010 (B)	1 June 2010 to 31 May 2011	1 June 2011 to 31 May 2020	0.127	22,454,094
Directors, employees and others	10 May 2016	N/A	16 May 2016 to 14 May 2026	0.148	111,738,149

Details of the Share Options outstanding during the period are as follows:

	2017		2016	
	Number of Share Options	Weighted average exercise price HK\$	Number of Share Options	Weighted average exercise price HK\$
Outstanding at 1 January	231,690,305	0.141	121,690,385	0.133
Adjustment for Rights Issue	3,661,022	0.139	–	–
Outstanding at 31 March	235,351,407	0.139	121,690,385	0.133
Exercisable at 31 March	235,351,407	0.139	121,690,385	0.133

Name or category of participant	Number of Share Options					
	At 1 January 2017	Granted during the period	Exercised during the period	Lapsed during the period	Adjusted during the year	At 31 March 2017
	'000	'000	'000	'000	'000	'000
Directors						
Li Sui Yang	14,585	–	–	–	230	14,815
Hu Hai Yuan	11,115	–	–	–	176	11,291
Wang Jiang Wei	20,000	–	–	–	316	20,316
Huang Zhang Hui	20,000	–	–	–	316	20,316
Guo Shi Zhan	20,000	–	–	–	316	20,316
Employees other than directors						
In aggregate	29,115	–	–	–	460	29,575
Other participants						
In aggregate	116,875	–	–	–	1,847	118,722
	231,690	–	–	–	3,661	235,351

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 three months ended 31 March 2017.

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

As at 31 March 2017, the interest of the Directors and the chief executives 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 required to be 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 Rule 5.46 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 31 March 2017	Approximate percentage of the underlying shares to the share capital of the Company as at 31 March 2017
Li Sui Yang	Personal	14,815,072	0.64%
Hu Hai Yuan	Personal	11,291,023	0.49%
Wang Jiang Wei	Personal	20,316,027	0.87%
Huang Zhang Hui	Personal	20,316,027	0.87%
Guo Shi Zhan	Personal	20,316,027	0.87%

Save as disclosed above, as at 31 March 2017, none of the Directors or chief executives 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 any person 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 31 March 2017, the following persons, other than the Directors or chief executives 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

*Notes: (L) – Long positions, (S) – Short positions

Name	Number of Shares (see *notes above)	Nature of Interest	Number of Share Options	Percentage of holding (see *notes above)
Oriental Patron Financial Group Limited (Note 1)	364,218,750 (L) 286,800,000 (S)	Interest of controlled corporation		15.67% 12.34%
Oriental Patron Financial Services Group Limited (Note 1)	364,218,750 (L) 286,800,000 (S)	Interest of controlled corporation		15.67% 12.34%
Pacific Top Holding Limited (Note 1)	41,568,750 (L)	Beneficial owner		1.79%
Oriental Patron Derivatives Limited (Note 1)	322,650,000 (L) 286,800,000 (S)	Beneficial owner		13.88% 12.34%
Zhang Zhi Ping (Note 1)	364,218,750 (L) 286,800,000 (S)	Interest of controlled corporation		15.67% 12.34%
Zhang Gaobo (Note 1)	364,218,750 (L) 286,800,000 (S)	Interest of controlled corporation		15.67% 12.34%
World Radiance Limited (Note 2)	294,900,000 (L)	Beneficial owner		12.69%
Mr. Chin Ying Hoi (Note 2&3)	294,900,000 (L)	Interest of controlled corporation	18,287,355	12.69%
Link Chance Investment Limited (Note 4)	128,470,000 (L)	Beneficial owner		5.53%

Notes:

1. Oriental Patron Derivatives Limited and Pacific Top Holding Limited are wholly owned by Oriental Patron Financial Services Group Limited, which is in turn 95% beneficially owned by Oriental Patron Financial Group Limited. Oriental Patron Financial Group Limited is 51% and 49% beneficially owned by Mr. Zhang Zhi Ping and Mr. Zhang Gaobo respectively.
2. World Radiance Limited is wholly owned by Chang Yao Investments Limited, which is in turn 100% beneficially owned by Mr. Chin Ying Ho. 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. Mr. Chin Ying Hoi had 18,287,355 Share Options for subscription of the Shares.
4. 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 31 March 2017, the Directors were not aware of any other person who had interests or short positions 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 31 March 2017.

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

Save as disclosed in (1) below, the Company had complied, throughout the three months ended 31 March 2017, 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) Non-compliance with Code A.2.1

Code Provision A.2.1 provides that the role of chairman and chief executive officer (“CEO”) should be separate and should not be performed by the same individual. After the resignation of our former CEO Mr. Tan Wen on 1 November 2016, the position of CEO is currently assumed by the chairman as a temporary arrangement, which deviate from the Code A.2.1. The Group is endeavouring to identify suitable candidate to fill the vacancy of CEO, and will separate the role of chairman and CEO.

(2) 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. As at the date of publishing the Company’s First Quarterly report, the Board consists of a total of seven Directors, comprising one executive Director, three non-executive Directors and three independent non-executive Directors.

(3) 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 currently comprises three independent non-executive Directors, namely Mr. Luo Ze Min, Mr. Guo Shi Zhan and Dr. Xia Ting Kang. The Group’s unaudited consolidated results for the three months ended 31 March 2017 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 have 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 three months ended 31 March 2017.

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
12 May 2017

As at the date of this report, the executive director of the Group is Mr. Li Sui Yang; the non-executive directors of the Group are Mr. Wang Jiang Wei, Mr. Hu Hai Yuan and Mr. Huang Zhang Hui; and the independent non-executive directors of the Group are Mr. Guo Shi Zhan, Mr. Luo Ze Min, Dr. Xia Ting Kang.

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

Suite 1501A, 15/F, Tower 1, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong
香港九龍尖沙咀廣東道33號中港城第1期15樓1501A室

www.jianepayment.com