



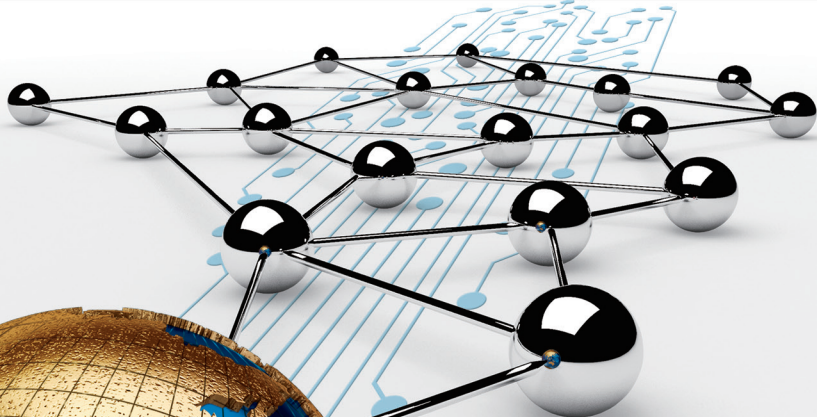
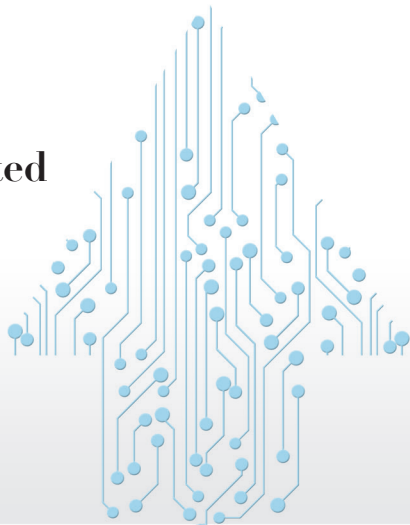
# Jian ePayment Systems Limited

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

Third Quarterly Report  
第三季度業績報告

## **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.**

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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

### For the nine months ended 30 September 2017

Turnover was approximately RMB7,848,000 (2016: RMB1,819,000) which represented an increase of approximately 331% 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 RMB324,000 (2016: RMB19,207,000) which represented a decrease of 98% as compared to the corresponding period on 2016.

Loss per share amounted to RMB0.0001 (2016: RMB0.0094 (restated)), which represented a decrease of 99% as compared to the corresponding period in 2016.

### For the three months ended 30 September 2017

Turnover was approximately RMB5,108,000 (2016: RMB259,000) which represented an increase of approximately 1,865% as compared to the corresponding period in 2016.

Profit and total comprehensive income for the period attributable to owners of the Company amounted to approximately RMB2,436,000 (2016: loss of RMB4,205,000).

Earnings per share amounted to RMB0.0010 (2016: loss per share of RMB0.0020 (restated)).

# 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 nine months ended 30 September 2017 with the comparative figures for the corresponding period in 2016.

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

	Note	Nine months ended 30 September		Three months ended 30 September	
		2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)	2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
<b>Revenue</b>	2	<b>7,848</b>	1,819	<b>5,108</b>	259
Cost of goods sold and services rendered		<b>(1,233)</b>	(1,389)	<b>(660)</b>	(341)
<b>Gross profit/(loss)</b>		<b>6,615</b>	430	<b>4,448</b>	(82)
Other income		<b>19</b>	229	–	176
Other operating expenses		<b>(41)</b>	–	–	–
Distribution costs		<b>(298)</b>	(470)	<b>(82)</b>	(242)
Administrative expenses		<b>(5,898)</b>	(18,724)	<b>(1,891)</b>	(4,107)
<b>Profit/(loss) from operations</b>		<b>397</b>	(18,535)	<b>2,475</b>	(4,255)
Finance costs		<b>(322)</b>	(672)	–	–
<b>Profit/(loss) before tax</b>		<b>75</b>	(19,207)	<b>2,475</b>	(4,255)
Income tax (expense)/credit	3	<b>(399)</b>	–	<b>(39)</b>	50
<b>(Loss)/profit and total comprehensive income for the period attributable to owners of the Company</b>		<b>(324)</b>	(19,207)	<b>2,436</b>	(4,205)
<b>(Loss)/earnings per share</b>			(Restated)		(Restated)
Basic	5	<b>RMB(0.0001)</b>	RMB(0.0094)	<b>RMB0.0010</b>	RMB(0.0020)
Diluted	5	<b>N/A</b>	N/A	<b>N/A</b>	N/A

# Condensed Consolidated Statement of Changes in Equity

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

	Share capital RMB'000	Share premium account RMB'000	Capital reserves RMB'000	General reserve fund RMB'000	(Unaudited) Enterprise expansion fund RMB'000	Option reserve RMB'000	Property revaluation reserves RMB'000	Accumulated losses RMB'000	Total equity 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
Issue of shares for acquisition of subsidiaries	2,313	3,884	-	-	-	-	-	-	6,197
Share-based payments	-	-	-	-	-	6,437	-	-	6,437
Total comprehensive income for the period	-	-	-	-	-	-	-	(19,207)	(19,207)
Changes in equity for the period	5,468	7,467	-	-	-	6,437	-	(19,207)	165
At 30 September 2016	92,441	64,540	6,976	2,870	1,435	11,688	-	(175,996)	3,954
<b>At 1 January 2017</b>	<b>92,441</b>	<b>64,540</b>	<b>6,976</b>	<b>2,870</b>	<b>1,435</b>	<b>11,688</b>	<b>4,260</b>	<b>(183,562)</b>	<b>648</b>
Issue of shares under rights issue	11,439	6,980	-	-	-	-	-	-	18,419
Total comprehensive income for the period	-	-	-	-	-	-	-	(324)	(324)
Changes in equity for the period	11,439	6,980	-	-	-	-	-	(324)	18,095
At 30 September 2017	103,880	71,520	6,976	2,870	1,435	11,688	4,260	(183,886)	18,743

# Notes to the Unaudited Condensed Consolidated Financial Information

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

## 1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

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.

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.

## 2. REVENUE

	Nine months ended 30 September 2017		Three months ended 30 September 2017	
	RMB'000 (unaudited)	2016 RMB'000 (unaudited)	RMB'000 (unaudited)	2016 RMB'000 (unaudited)
Car parking systems	94	1,491	94	–
Intellectual property services	7,754	328	5,014	259
	<b>7,848</b>	1,819	<b>5,108</b>	259

## 3. INCOME TAX EXPENSE/(CREDIT)

	Nine months ended 30 September 2017		Three months ended 30 September 2017	
	RMB'000 (unaudited)	2016 RMB'000 (unaudited)	RMB'000 (unaudited)	2016 RMB'000 (unaudited)
PRC Enterprise Income Tax:				
Current period	399	–	39	–
Over provision in prior period	–	–	–	(50)
	<b>399</b>	–	<b>39</b>	(50)

No provision for profit taxes in the Cayman Islands, the British Virgin Islands or Hong Kong was made as the Group had no assessable profits arising in or derived from those jurisdictions for the three months and nine months ended 30 September 2017 and 2016.

The tax rate applicable to the Group is 25% (2016: 25%) for the period.

## 4. DIVIDENDS

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

## 5. (LOSS)/EARNINGS PER SHARE

### (a) Basic (loss)/earnings per share

	Nine months ended 30 September		Three months ended 30 September	
	2017	2016	2017	2016
	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>(Loss)/earnings</b>				
(Loss)/profit for the purpose of calculating the basic (loss)/earnings per share	<b>(324)</b>	(19,207)	<b>2,436</b>	(4,205)
<b>Number of shares</b>		(Restated)		(Restated)
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<b>2,276,369,476</b>	2,041,843,429	<b>2,324,301,136</b>	2,098,691,771

For the nine months and three months ended 30 September 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)/earnings per share

No diluted (loss)/earnings per share is presented as the effects of all potential ordinary shares would be anti-dilutive for the nine and three months ended 30 September 2017 and 2016, respectively.



## Review of Financial Performance and Operation

During the nine months period ended 30 September 2017 under review, the Group recorded an overall revenue of approximately RMB7,848,000 (corresponding period of 2016: RMB1,819,000), representing an increase of approximately 331% over the corresponding period of last year. Loss and total comprehensive income for the period attributable to owners of the Company amounted to approximately RMB324,000 (corresponding period of 2016: RMB19,207,000), representing a 98% reduction of loss as compared to the corresponding period. The improvement was mainly attributable to the Group's significant growth on the Intellectual Property ("IP") business, which is beginning to bring substantial revenue to the Group. Further, there is no repeat of the one-off share option expenses and remuneration paid to the departing directors as in the same period of last year. Notwithstanding the above, the Group continues to exercise stringent cost control measures by tightening expenditure in its operations.

For the three months period ended 30 September 2017 under review, the Group recorded an overall revenue of approximately RMB5,108,000 (corresponding period of 2016: RMB259,000), representing an increase of approximately 1,865% over the same period of last year. The Group generated a profit and total comprehensive income attributable to the owners of the Company of approximately RMB2,436,000 (corresponding period of 2016: loss of RMB4,205,000).

## Review of Operation

During the period under review, the Group continues to actively grow its business in the area of intellectual property rights and significant improvements in profitability are beginning to materialize. At the same time, the Group also continues to explore opportunities for investments in and development of the electronic car-parking segment, striving for increase in revenue. The Group engages principally in the businesses of: (i) Car parking systems: activities relating to sales and marketing of smart car-parking facilities and software; provision of after-sale and maintenance service; and trading of electric vehicle charging facilities; and (ii) Intellectual property services: authorisation and trading of patents and provision of IP consultancy service. In recent years, the emergence of dominant electronic third-party payment gateways in China has a significant adverse impact on the Group's operating environment in the traditional car-parking management software business, causing a substantial decline in the demand for its traditional car-parking management software. However, this impact also greatly accelerated the speed of its diversification into the IP businesses.

The Group has diversified into IP business from car-parking management software development business due to issues involving copyrights and protecting IP encountered in running of its car parking software business. The Group has gradually expanded to the integrated IP services business from the IP business relating to its original electronic car-parking sector by integrating resources and attracting professionals in the IP industry to join a subsidiary of the Group, 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”), with the aim to develop it into a professional “integrated operator and service provider leveraging on IP portal”. Furthermore, in recent years, the City of Shenzhen has transformed itself into a high-tech company hub of China or known as the Silicon Valley of China. As a result, many tech-companies and IP professionals have flocked into Shenzhen. Therefore, it is natural and advantageous for Shenzhen Zhitong Tianxia to tap into these tech-IP needs and human resources in Shenzhen.

During the period under review, the Group has incorporated an investment holding subsidiary in China, Shenzhen Qianhai Zhitong Holdings Limited (深圳前海智通控股有限公司) (“Shenzhen Qianhai Zhitong”) which is a Wholly Owned Foreign Enterprise “WFOE”. Through an internal re-organization, 100% ownership of another subsidiary, Shenzhen Zhitong Tianxia, which is dedicated to the IP business development, has been transferred from the Group’s another wholly owned subsidiary, Zhengzhou Jian-O’ Yuan ITS Systems Co. Ltd. (“Zhengzhou Jian-O’ Yuan”), to Shenzhen Qianhai Zhitong. By converging the top domestic professionals and experts from the IP sector, Shenzhen Zhitong Tianxia processes extensive practical experiences in the IP operation, domestic and foreign patents, trademark investment and financing as well as valuation services, licensing and trading of patents, etc. Shenzhen Zhitong Tianxia currently engages in various businesses such as standardised construction of corporate IP management, full entrustment of IP, IP financial service, risk management service and value increment, and has successfully secured many IP consulting service contracts. Meanwhile, Shenzhen Zhitong Tianxia achieved business breakthroughs in licensing and trading of patents etc., and entered into various business contracts. IP business has become a significant growth point of the Group’s business. Shenzhen Zhitong Tianxia gradually expand to the IP trading and IP pledge financing business and jointly build sound IP operation and service system by establishing cooperation with well-known domestic and foreign and domestic IP agencies, assessment agencies, legal service agencies, research institutes as well as major universities.

During the period under review, the Group has proactively explored the investment and development opportunities in the smart car-parking segment. Shenzhen Zhitong Tianxia, entered into a strategic investment in Shenzhen MallParking Information Technology Co., Ltd (“Shenzhen MallParking”) in March 2017. In addition to the investment return from its higher corporate valuation, the Group developed the markets by forming a strategic business cooperation with Shenzhen MallParking. Shenzhen MallParking has committed to the Group to provide hardware facilities, equipment as well as software technical supports through software technology transfer, technical and training upgrades, which brings business development opportunities to the Group’s subsidiaries in Zhengzhou and Wuhan.

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. Upon entering into a strategic cooperation agreement with Shenzhen MallParking, Wuhan Zhanchi has been actively seeking for a breakthrough by working closely with the Group’s strategic adjustment in respect of positioning Wuhan as the key city under the cooperation with Shenzhen MallParking.

Zhengzhou Jian-O’ Yuan, has accumulated solid operating experience, copyright-related IP business and customer base for its electronic car-parking business. It has been proactively exploring new ways business for development. Based on its corporate advantages as well as positioning Beijing and Zhengzhou as the key breakthrough under the cooperation with Shenzhen MallParking, Zhengzhou Jian-O’ Yuan has provided the intelligent parking system solution to various enterprises which engage in the operation of car parks, and received positive feedback from target customers. It is expected that the Beijing will lead the way with the breakthrough.

Looking forward, the Group will continue to expand its existing businesses and enhance operational and management efficiencies. The Group will continue to leverage on Shenzhen Zhitong Tianxia growth momentum and will commit more of its resources to develop new businesses and augment the Group’s revenue. The Group will also seize every opportunity to promote the Group’s corporate profile and to increase its financial flexibility through access to the capital markets in Hong Kong. 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\$20,762,000 (equivalent to approximately RMB18,419,000). 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, employees and others	1 June 2010 (A)	N/A	1 June 2010 to 31 May 2020	0.127	22,454,094
Directors, employees 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	<b>231,690,385</b>	<b>0.141</b>	121,690,385	0.133
Adjustment for Rights Issue	<b>3,661,022</b>	<b>0.139</b>	110,000,000	0.150
Outstanding at 30 September	<b>235,351,407</b>	<b>0.139</b>	231,690,385	0.141
Exercisable at 30 September	<b>235,351,407</b>	<b>0.139</b>	231,690,385	0.141

Name or category of participant	Number of Share Options						At 30 September 2017
	At	Granted	Exercised	Lapsed	Adjusted	Reclassification	
	1 January	during	during	during	during	during	
	2017	the period	the period	the period	the period	the period	
	'000	'000	'000	'000	'000	'000	'000
<b>Directors</b>							
Li Sui Yang (Note)	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
<b>Employees other than directors</b>							
In aggregate	29,115	-	-	-	460	13,426	43,002
<b>Other participants</b>							
In aggregate	116,875	-	-	-	1,847	1,389	120,111
	231,690	-	-	-	3,661	-	235,351

Note: Retired with effect from the conclusion of the annual general meeting of the Company held on 25 May 2017.

## 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 nine months ended 30 September 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 30 September 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 executive 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 September 2017	Approximate percentage of the underlying shares to the share capital of the Company as at 30 September 2017
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 30 September 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 30 September 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 (Notes 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:

- 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.
- 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.
- Mr. Chin Ying Hoi had 18,287,355 Share Options for subscription of the Shares.
- 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 September 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 nine months ended 30 September 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 during the nine months ended 30 September 2017.

## The Code of Corporate Governance Practices

Save as disclosed in (1) below, the Company had complied, throughout the nine months ended 30 September 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 was assumed by the former chairman Mr. Li Sui Yang as a temporary arrangement, which deviate from the Code A.2.1 until 25 May 2017. In our 2017 annual general meeting held on 25 May 2017, Mr. Li Sui Yang has retired as a director of the Company. Following his retirement, Mr. Li ceased to be the chairman of the board of directors but remain as a CEO. Mr. Huang Zhang Hui, a non-executive director, was appointed as the chairman of the board of directors.

## **(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 3rd Quarterly report, the Board consists of a total of six Directors, comprising one executive Director, two 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 nine months ended 30 September 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 nine months ended 30 September 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**  
**Huang Zhang Hui**  
*Chairman*

Hong Kong  
10 November 2017

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

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

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