



# 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

# 2018

## Interim Report

## 中期報告



## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

**GEM has been positioned as a market designed to accommodate small and mid-sized 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.**

**Given that the companies listed on GEM are generally small and mid-sized companies, 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.*

# Corporate Information

## Non-executive Directors

Mr. Huang Zhang Hui (*Chairman*)

Mr. Hu Hai Yuan

## Executive Director

Mr. Wang Jiang Wei

## Independent Non-executive Directors

Mr. Guo Shi Zhan

Mr. Luo Ze Min

Dr. Xia Ting Kang

## Audit Committee

Mr. Luo Ze Min (*Chairman*)

Mr. Guo Shi Zhan

Dr. Xia Ting Kang

## Remuneration Committee

Mr. Luo Ze Min (*Chairman*)

Mr. Guo Shi Zhan

Dr. Xia Ting Kang

## Nomination Committee

Mr. Luo Ze Min (*Chairman*)

Mr. Guo Shi Zhan

Dr. Xia Ting Kang

## Chief Executive Officer

Mr. Li Sui Yang

## Compliance Officer

Mr. Wang Jiang Wei

## **Company Secretary**

Mr. Liang Tien Tzu

## **Authorised Representatives**

Mr. Wang Jiang Wei

Mr. Liang Tien Tzu

## **Auditor**

RSM Hong Kong, Certified Public Accountants  
29th Floor, Lee Garden Two  
28 Yun Ping Road, Causeway Bay, Hong Kong

## **Registered Office**

Century Yard, Cricket Square  
Hutchins Drive, P.O. Box 2681 GT  
George Town, Grand Cayman, British West Indies  
Cayman Islands

## **Principal Place of Business**

Suite 1104, Hantang Plaza  
Overseas Chinese Town  
Nanshan District, Shenzhen, PRC

## **Hong Kong Office**

Suite 1501A, 15/F, Tower 1, China Hong Kong City  
33 Canton Road, Tsim Sha Tsui  
Kowloon, Hong Kong

## **Principal Banker**

Bank of China (Hong Kong) Limited  
DBS Bank (Hong Kong) Limited

## **Principal Registrars**

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

## **Hong Kong Branch Registrars**

Hong Kong Registrars Limited  
Room 1712–1716, 17th Floor, Hopewell Centre  
183 Queen’s Road East, Wan Chai, Hong Kong

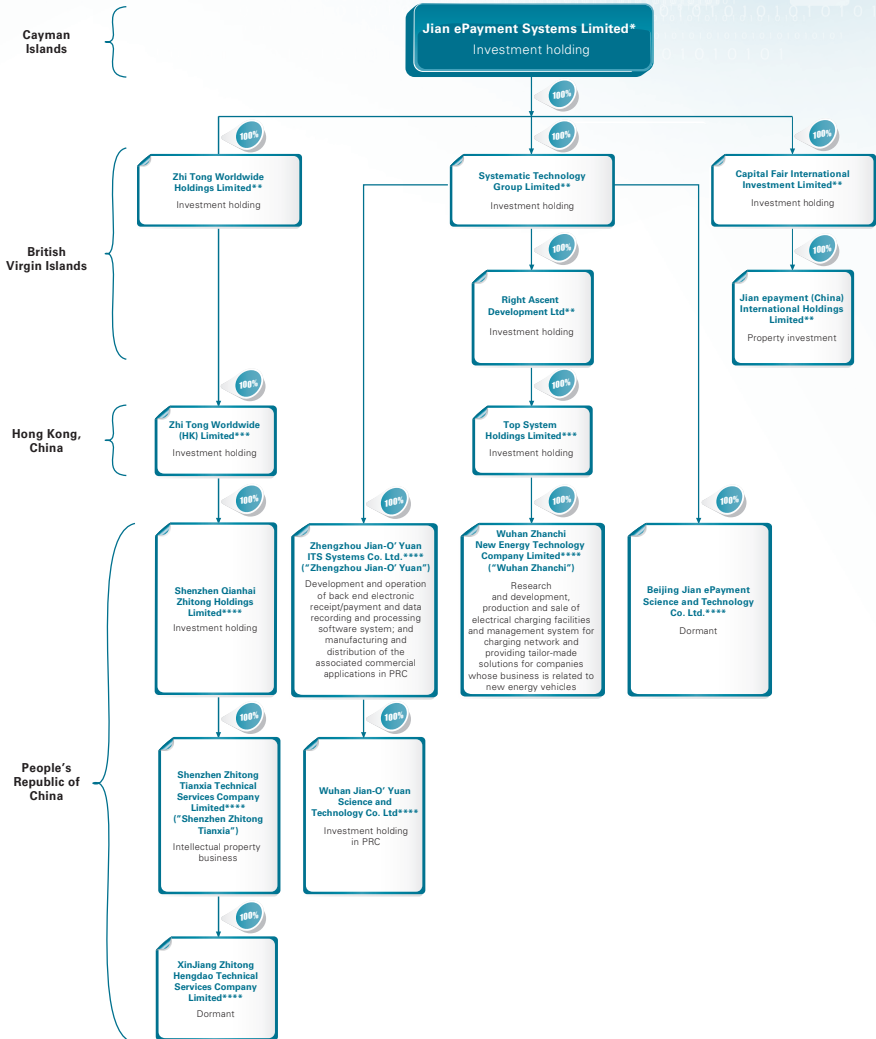
## **Stock Code**

8165

## **Company Website**

[www.jjanepayment.com](http://www.jjanepayment.com)

# Corporate Structure



- \* incorporated in Cayman Islands
- \*\* incorporated in British Virgin Islands
- \*\*\* incorporated in Hong Kong, China
- \*\*\*\* incorporated in the People's Republic of China

## Highlights

- Turnover for the six months ended 30 June 2018 was approximately RMB4,092,000 (2017: RMB2,740,000), representing an increase of approximately 49% as compared to the corresponding period in 2017.
- The profit attributable to owners of the Company amounted to approximately RMB283,000 for the six months ended 30 June 2018 (2017: Loss of RMB2,760,000).
- Total comprehensive income attributable to owners of the Company amounted to approximately RMB2,880,000 for the six months ended 30 June 2018 (2017: Loss of RMB2,760,000).
- Earnings per share amounted to RMB0.01 cent for the six months ended 30 June 2018 (2017: Loss per share of RMB0.12 cent).

# 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 9 to 27 which comprises the condensed consolidated statement of financial position of the Company as at 30 June 2018 and the related condensed consolidated statement of profit or loss and other 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 GEM 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 inquires, 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.

## Other matter

The condensed consolidated statement of profit or loss and other comprehensive income for each of the three months ended 30 June 2018 and 2017, 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 Hong Kong**

*Certified Public Accountants*

29th Floor

Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong

14 August 2018

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

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Note	Unaudited			
		Six months ended 30 June		Three months ended 30 June	
		2018 RMB'000	2017 RMB'000	2018 RMB'000	2017 RMB'000
<b>Revenue</b>	5	<b>4,092</b>	2,740	<b>296</b>	1,964
Cost of services rendered		<b>(1,235)</b>	(183)	<b>(511)</b>	(182)
<b>Gross profit/(loss)</b>		<b>2,857</b>	2,557	<b>(215)</b>	1,782
Other income		<b>1,677</b>	19	<b>1,653</b>	13
Other operating expenses		–	(41)	–	(41)
Distribution costs		–	(216)	–	(119)
Administrative expenses		<b>(3,818)</b>	(4,397)	<b>(2,490)</b>	(2,170)
<b>Profit/(loss) from operations</b>		<b>716</b>	(2,078)	<b>(1,052)</b>	(535)
Finance costs		–	(322)	–	(20)
<b>Profit/(loss) before tax</b>		<b>716</b>	(2,400)	<b>(1,052)</b>	(555)
Income tax expense	7	<b>(433)</b>	(360)	<b>(426)</b>	(353)
<b>Profit/(loss) for the period</b>	6	<b>283</b>	(2,760)	<b>(1,478)</b>	(908)
<b>Other comprehensive income after tax:</b>					
Items that may be classified to profit or loss:					
Fair value changes of equity investments at fair value through other comprehensive income ("FVTOCI")		<b>2,597</b>	–	<b>2,597</b>	–
<b>Total comprehensive income for the period attributable to owners of the Company</b>		<b>2,880</b>	(2,760)	<b>1,119</b>	(908)
		<b>RMB cents</b>	RMB cents	<b>RMB cents</b>	RMB cents
<b>Earnings/(loss) per share</b>					
Basic	9	<b>0.01</b>	(0.12)	<b>(0.06)</b>	(0.04)
Diluted	9	<b>N/A</b>	N/A	<b>N/A</b>	N/A

# Condensed Consolidated Statement of Financial Position

AT 30 JUNE 2018

	<i>Note</i>	<b>Unaudited 30 June 2018 RMB'000</b>	Audited 31 December 2017 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	10	291	540
Investment properties		<b>10,996</b>	9,592
Other intangible assets		<b>497</b>	523
Trade receivables	11	<b>588</b>	554
Available-for-sale financial assets		–	5,000
Equity investments at FVTOCI		<b>8,930</b>	–
		<b>21,302</b>	16,209
<b>Current assets</b>			
Trade and other receivables	11	<b>6,307</b>	3,772
Bank and cash balances		<b>5,691</b>	9,233
		<b>11,998</b>	13,005
<b>Current liabilities</b>			
Trade and other payables	12	<b>7,876</b>	8,328
Current tax liabilities		<b>1,632</b>	1,307
		<b>9,508</b>	9,635
<b>Net current assets</b>		<b>2,490</b>	3,370
<b>Total assets less current liabilities</b>		<b>23,792</b>	19,579
<b>NET ASSETS</b>		<b>23,792</b>	19,579
<b>Capital and reserves</b>			
Share capital	13	<b>103,880</b>	103,880
Reserves		<b>(80,088)</b>	(84,301)
<b>TOTAL EQUITY</b>		<b>23,792</b>	19,579

Approved by the Board of Directors on 14 August 2018 and signed on its behalf by:

**Luo Ze Min**  
Director

**Wang Jiang Wei**  
Director

# Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	(Unaudited)									
	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 revaluation reserves RMB'000	Accumulated losses RMB'000	FVTOCI reserve RMB'000	Total equity RMB'000
At 1 January 2017	92,441	64,540	6,976	2,870	1,435	11,688	4,260	(183,562)	-	648
Issue of shares under rights issue	11,439	6,980	-	-	-	-	-	-	-	18,419
Total comprehensive income for the period	-	-	-	-	-	-	-	(2,760)	-	(2,760)
Changes in equity for the period	11,439	6,980	-	-	-	-	-	(2,760)	-	15,659
At 30 June 2017	103,880	71,520	6,976	2,870	1,435	11,688	4,260	(186,322)	-	16,307
As at 31 December 2017	103,880	71,520	6,976	2,870	1,435	11,688	4,260	(183,050)	-	19,579
Adjustment on initial application of HKFRS 9 (note 2)	-	-	-	-	-	-	-	-	1,333	1,333
Restated balance at 1 January 2018	103,880	71,520	6,976	2,870	1,435	11,688	4,260	(183,050)	1,333	20,912
Total comprehensive income for the period	-	-	-	-	-	-	-	283	2,597	2,880
Changes in equity for the period	-	-	-	-	-	-	-	283	2,597	2,880
At 30 June 2018	103,880	71,520	6,976	2,870	1,435	11,688	4,260	(182,767)	3,930	23,792

# Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Six months ended 30 June		
	Note	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b>(3,545)</b>	(3,900)
Purchase of available-for-sale financial assets		–	(5,000)
Purchases of property, plant and equipment		–	(20)
Proceeds from disposal of property, plant and equipment		–	4
Purchases of other intangible assets		–	(75)
Other investing cash flows		<b>3</b>	7
<b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>		<b>3</b>	(5,084)
Repayment of loan from a director		–	(10,477)
Proceeds from rights issue		–	19,087
Share issue expenses paid		–	(668)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>		<b>–</b>	7,942
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(3,542)</b>	(1,042)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>		<b>9,233</b>	8,543
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>		<b>5,691</b>	7,501
<b>REPRESENTED BY:</b>			
Bank and cash balances		<b>5,691</b>	7,501

# Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2018

## 1. 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 required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited.

These condensed financial statements should be read in conjunction with the 2017 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2017 except as stated below.

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

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 year beginning on 1 January 2018. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations.

The Group has initially adopted HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers from 1 January 2018. A number of other new standards are effective from 1 January 2018 but they do not have a material effect on the Group’s consolidated financial statements.

### HKFRS 9 Financial Instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. As permitted by the transitional provisions of HKFRS 9, the Group was elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings of the current period.

The adoption of HKFRS 9 resulted in the following changes to the Group’s accounting policies.

## 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

### HKFRS 9 Financial Instruments *(Continued)*

#### *(a) Classification*

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at FVTOCI, and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

#### *(b) Measurement*

At initial recognition, the Group measures financial assets at its fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

#### *(c) Impairment*

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

### HKFRS 9 Financial Instruments *(Continued)*

Set out below is the impact of the adoption of HKFRS 9 on the Group.

No additional impairment for trade and other receivables as at 1 January 2018 is recognised as the amount of additional impairment measured under the expected credit losses model is immaterial.

The reclassification of available-for-sale financial assets to equity investments at FVTOCI does not result in any impact on the Group's opening accumulated losses as at 1 January 2018.

The following table and the accompanying notes below explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 January 2018.

Financial assets	Note	Classification under HKAS 39	Classification under HKFRS 9	Carrying amount under HKAS 39 RMB'000	Carrying amount under HKFRS 9 RMB'000
Equity investments	(a)	Available-for-sale	FVTOCI	5,000	6,333
Trade and other receivables	(b)	Loans and receivables	Amortised cost	4,326	4,326

The impact of these changes on the Group's equity is as follows:

	Note	Effect on FVTOCI reserve RMB'000	Effect on accumulated losses RMB'000
Opening balance — HKAS 39		—	(183,050)
Reclassify non-trading equity investments from available-for-sale to financial assets at FVTOCI	(a)	<b>1,333</b>	—
Opening balance — HKFRS 9		<b>1,333</b>	(183,050)



## 2. **ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS** *(Continued)*

### **HKFRS 9 Financial Instruments** *(Continued)*

- (a) These equity investments represent investments that the Group intends to hold for the long term for strategic purposes. As permitted by HKFRS 9, the Group has designated these investments at the date of initial application as measured at FVTOCI. As a result, the equity investments with an amortised cost of RMB5,000,000 were reclassified from available-for-sale financial assets to financial assets at FVTOCI and fair value gains of RMB1,333,000 were recognised in the FVTOCI reserve on 1 January 2018. Unlike HKAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.
- (b) Trade and other receivables that were classified as loans and receivables under HKAS 39 are now classified at amortised cost. No additional impairment over these receivables was recognised in opening retained earnings at 1 January 2018 on transition to HKFRS 9 as the amount of additional impairment measured under the expected credit losses model is immaterial.

### **HKFRS 15 Revenue from Contracts with Customers**

HKFRS 15 supersedes HKAS 11 Construction Contracts, HKAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The adoption of HKFRS 15 does not have any material impact on the Group's consolidated financial statements.

## 3. **FAIR VALUE MEASUREMENT**

Except as disclosed below, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

### 3. FAIR VALUE MEASUREMENT *(Continued)*

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

#### (a) Disclosure of level in fair value hierarchy at 30 June 2018

Description	Fair value measurements as at 30 June 2018 Level 3 RMB'000
<b>Recurring fair value measurements:</b>	
<b>Financial assets at FVTOCI</b>	
Unlisted equity securities	<b>8,930</b>
<b>Investment properties</b>	
Residential units — Hong Kong	<b>10,996</b>
<b>Total</b>	<b>19,926</b>

Description	Fair value measurements as at 31 December 2017 Level 3 RMB'000
<b>Recurring fair value measurements:</b>	
<b>Investment properties</b>	
Residential units — Hong Kong	9,592
<b>Total</b>	9,592

### 3. FAIR VALUE MEASUREMENT (Continued)

#### (b) Reconciliation of assets measured at fair value based on level 3:

	Financial assets at FVTOCI		Investment properties	
	2018 RMB'000	2017 RMB'000	2018 RMB'000	2017 RMB'000
At 1 January	–	–	9,592	–
Adjustments on initial application of HKFRS 9 (note 2)	6,333	–	–	–
At 1 January, restated	6,333	–	9,592	–
Reclassified from property, plant and equipment	–	–	–	8,639
Total gains or losses recognised: in profit or loss	–	–	1,404	–
in other comprehensive income	2,597	–	–	–
At 30 June	8,930	–	10,996	8,639

The total gains or losses recognised in other comprehensive income are presented in investment valuation gain in the statement of profit or loss and other comprehensive income.

#### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurement at 30 June 2018:

The Group's senior management is responsible for the fair value measurements of financial assets and financial liabilities required for financial reporting purposes, including level 3 fair value measurements. The senior management reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the senior management and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

### 3. FAIR VALUE MEASUREMENT *(Continued)*

#### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurement at 30 June 2018: *(Continued)*

The Group's senior management is responsible for the fair value measurements of key unobservable inputs used in level 3 fair value measurements are mainly:

- Market price per square foot (derived from the recent comparable sales)
- Recent transaction price

Description	Level 3 fair value measurements			Effect on fair value for increase of inputs	Fair value as at	
	Valuation technique	Unobservable inputs	Range		30 June 2018 RMB'000	31 December 2017 RMB'000
Unlisted equity securities classified as financial assets at FVTOCI	Market approach	Recent transaction price	N/A	Increase	8,930	-
Investment properties	Direct comparison approach	Market price per square foot	RMB13,000 — RMB15,000 (2017: RMB13,000 — RMB15,000)	Increase	10,996	9,592

### 4. 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 sales and marketing of intelligent parking equipment and software; provision of after-sales and maintenance services and trading of electric vehicle charging facilities.
2. Intellectual property services — activities relating to licensing and trading of patents and provision of consultancy service on intellectual property management.

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

The accounting policies of the operating segments are the same as those described in the Group's financial statements for the year ended 31 December 2017.

#### 4. SEGMENT INFORMATION (Continued)

	Car parking systems RMB'000 (unaudited)	Intellectual property services RMB'000 (unaudited)	Total RMB'000 (unaudited)
<b>6 months ended 30 June 2018</b>			
Turnover from external customers	181	3,911	4,092
Segment (loss)/profit	(119)	1,173	1,054
<b>3 months ended 30 June 2018</b>			
Turnover from external customers	181	115	296
Segment profit/(loss)	3	(1,376)	(1,373)
<b>As at 30 June 2018</b>			
Segment assets	263	7,121	7,384
Segment liabilities	3,781	3,045	6,826
<b>6 months ended 30 June 2017</b>			
Turnover from external customers	–	2,740	2,740
Segment (loss)/profit	(651)	967	316
<b>3 months ended 30 June 2017</b>			
Turnover from external customers	–	1,964	1,964
Segment (loss)/profit	(236)	896	660
<b>As at 31 December 2017</b>			
Segment assets	293	4,735	5,028
Segment liabilities	3,802	1,322	5,124

#### 4. SEGMENT INFORMATION *(Continued)*

	Six months ended 30 June		Three months ended 30 June	
	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)
<b>Reconciliations of segment profit or loss:</b>				
Total profit/(loss) of reportable segments	1,054	316	(1,373)	660
Unallocated amounts:				
Other income	1,404	–	1,404	–
Corporate expenses	(2,175)	(2,754)	(1,509)	(1,548)
Finance costs	–	(322)	–	(20)
Consolidated profit/(loss) for the period	283	(2,760)	(1,478)	(908)

#### 5. REVENUE

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

#### 6. PROFIT/(LOSS) FOR THE PERIOD

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

	Six months ended 30 June		Three months ended 30 June	
	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)
Loss on disposal of property, plant and equipment	–	41	–	41
Amortisation of intangible assets	26	4	9	2
Depreciation of property, plant and equipment	249	75	125	37
Directors' remuneration	480	744	240	327
Research and development costs	–	239	–	195
Operating lease charges	613	615	287	305
Foreign exchange gain/(loss), net	14	(18)	1	(18)

## 7. INCOME TAX EXPENSE

	Six months ended 30 June		Three months ended 30 June	
	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)
Current tax — PRC				
Provision for the period	<b>433</b>	360	<b>426</b>	353

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 2018 and 2017.

The tax rate applicable to the PRC subsidiaries in the Group were 25% (2017: 25%) during the period.

## 8. DIVIDENDS

No dividend had been paid or declared by the Company during the period (2017: Nil).

## 9. EARNINGS/(LOSS) PER SHARE

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

	Six months ended 30 June		Three months ended 30 June	
	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)
<b>Earnings/(loss)</b>				
Profit/(loss) for the purpose of calculating the basic earnings/(loss) per share	<b>283</b>	(2,760)	<b>(1,478)</b>	(908)
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	<b>2,324,301,136</b>	2,252,006,422	<b>2,324,301,136</b>	2,324,301,136

### (b) Diluted earnings/(loss) per share

No diluted earnings/(loss) per share are presented as the effects of all potential ordinary shares would be anti-dilutive for the three and six months, ended 30 June 2018 and 2017, respectively.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group did not acquire any property, plant and equipment (2017: RMB20,000).

## 11. TRADE AND OTHER RECEIVABLES

	<b>30 June 2018 RMB'000 (unaudited)</b>	31 December 2017 RMB'000 (audited)
Trade receivables	<b>6,048</b>	3,219
Other receivables	<b>847</b>	1,107
	<b>6,895</b>	4,326
Analysed as		
— Current	<b>6,307</b>	3,772
— Non-current	<b>588</b>	554
	<b>6,895</b>	4,326

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 90 days, except for certain customers of licensing income, which range from 1 to 4 years. 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 date of invoice, is as follows:

	<b>30 June 2018 RMB'000 (unaudited)</b>	31 December 2017 RMB'000 (audited)
Within 6 months	<b>5,478</b>	3,219
Within 6 to 12 months	<b>570</b>	—
Over 1 year	<b>4,612</b>	4,612
Allowance for impairment losses	<b>10,660 (4,612)</b>	7,831 (4,612)
	<b>6,048</b>	3,219



## 12. TRADE AND OTHER PAYABLES

	<i>Note</i>	<b>30 June 2018 RMB'000 (unaudited)</b>	31 December 2017 RMB'000 (audited)
Trade payables	<i>(a)</i>	<b>841</b>	841
Other payables	<i>(b)</i>	<b>7,035</b>	7,487
		<b>7,876</b>	8,328

### (a) Trade payables

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

	<b>30 June 2018 RMB'000 (unaudited)</b>	31 December 2017 RMB'000 (audited)
Over 1 year	<b>841</b>	841

### (b) Other payables

	<b>30 June 2018 RMB'000 (unaudited)</b>	31 December 2017 RMB'000 (audited)
Other tax payable	<b>536</b>	512
Provision for staff and workers' bonus and welfare fund	<b>314</b>	329
Accruals for operating expenses	<b>2,417</b>	2,478
Salary and welfare payables	<b>1,819</b>	2,207
Others	<b>1,949</b>	1,961
	<b>7,035</b>	7,487

### 13. SHARE CAPITAL

	30 June 2018		31 December 2017	
	HK\$'000 (unaudited)	RMB'000 (unaudited)	HK\$'000 (audited)	RMB'000 (audited)
Authorised: 30,000,000,000 ordinary shares of HK\$0.05 each	<b>1,500,000</b>	<b>1,264,706</b>	1,500,000	1,264,706
Issued and fully paid: Ordinary shares of HK\$0.05 each	<b>116,215</b>	<b>103,880</b>	116,215	103,880

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 2017	2,066,046	103,302	92,441
Issue of shares under rights issue ( <i>Note</i> )	258,255	12,913	11,439
At 31 December 2017, 1 January 2018 and 30 June 2018	2,324,301	116,215	103,880

*Note:*

On 21 December 2016, the Company entered into an underwriting agreement pursuant to which the Company appointed an underwriter to unconditionally underwrite all the underwritten shares subject to the terms and conditions set out in the underwriting agreement. The Company proposed to issue 258,255,681 rights shares at the subscription price of HK\$0.086 per rights share payable in full on acceptance, on the basis of one rights share for every eight shares held by the qualifying shareholders on 27 January 2017. On 27 February 2017, the rights issue was completed and the premium on the issue of rights shares amounting to RMB6,980,000 (equivalent to HK\$7,870,000), net of share issue expenses of RMB668,000, was credited to the Company's share premium account.

#### 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 transactions with its related parties during the period:

	Six months ended 30 June	
	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)
Interest expenses paid/payable to a director, Mr. Wang Jiang Wei	–	322

#### 15. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 June 2018 (At 31 December 2017: Nil).

#### 16. EVENTS AFTER THE REPORTING PERIOD

On 31 July 2018, the Company announced that it is in the process of preparing a resumption proposal (the "Resumption Proposal") to be submitted to the Stock Exchange for seeking its approval for the resumption of trading in the shares of the Company. In support of the preparation of the Resumption Proposal, the Company has entered into a conditional memorandum of understanding dated 31 July 2018 for the Company's acquisition of the entire issued share capital of a company incorporated in the Cayman Islands (the "Target Company") from an independent third party after a reorganisation of the Target Company (the "Acquisition"). Upon completion of the reorganisation, the Target Company will hold the controlling interest of the PRC incorporated companies. These PRC incorporated companies primarily engage in the sales of domestic and imported premium-branded vehicles, and parallel import and sales of vehicles. Pursuant to the conditional memorandum of understanding, the consideration will be satisfied by the Company's issue of shares and/or convertible bonds which are convertible into shares of the Company. It is expected that the Acquisition will constitute a very substantial acquisition and reverse takeover involving a new listing application of the Company under the GEM Listing Rules.

Since the Resumption Proposal is subject to the approval of the Stock Exchange, no formal agreement has been entered into by the Company and the independent third party.

Details of the above matters are set out in the Company's announcements on 31 July 2018.

## **17. NEW AND REVISED HKFRSs IN ISSUE BUT NOT YET EFFECTIVE**

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted. The Group has not early adopted any new or amended standards that has been issued but is not yet effective.

The Group has the following updates to the information provided in the last annual financial statements about the possible impacts of the new standards issued but not yet effective which may have a significant impact on the Group's consolidated financial statements.

The Group's future minimum lease payments under non-cancellable operating leases for its office properties amounted to RMB383,000 as at 30 June 2018. These leases are expected to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The amounts will be adjusted for the effects of discounting and the transition reliefs available to the Group.

## **18. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the Board of Directors on 14 August 2018.

## Review of Financial Performance and Operation

During the period under review, the Group recorded an overall revenue of approximately RMB4,092,000 (2017: RMB2,740,000), representing an increase of approximately 49% over the corresponding period of last year. The profit for the period attributable to owners of the Company amounted to approximately RMB283,000 (2017: Loss of RMB2,760,000), representing a turnaround to profitability for the period which was mainly attributable to the Group's steady growth on the Intellectual Properties ("IP") consulting business, together with vigorous cost control measures by tightening expenditure in its operations and fair value gain on investment properties.

## Review of Operation

On 14 May 2018, from the Review Committee of the Stock Exchange of Hong Kong (the "Exchange") delivered its decision to uphold the Listing Division's Decision to suspend trading in the Company's shares under Rule 9.04 of the GEM Listing Rules and proceed with cancellation of the Company's listing under Rule 9.14 of the GEM Listing Rules. The Review Committee considered that the Company had failed to maintain a sufficient level of operations or have tangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated under GEM Listing Rule 17.26 to warrant the continued listing of the Company's shares. The Company has until the end October of 2018 to submit a resumption proposal to demonstrate that it has a sufficient level of operations or assets as required by GEM Listing Rule 17.26. This decision seriously altered the course of the Company's operation into focusing on actively seeking opportunities through acquisition of existing businesses to significantly increase its sales revenue as well as asset value. At this stage, an acquisition target has been identified and a major re-organization plan is being finalized.

During the period under review, the Group continues to engage principally in the businesses of: (i) 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; sales and marketing of intelligent parking equipment and software; provision of after-sales and maintenance services; and trading of electric vehicle charging facilities; and (ii) Intellectual property services: licensing and trading of patents and provision of IP consultancy service.

The Group has diversified into IP business from car-parking management software development business due to issues involving copyright and protecting IP encountered in running of its car parking software business, it has gradually expanded to the integrated IP services business from the IP business. However, with the development of the re-organization plan currently underway, all existing businesses activities have been slowed pending approval of a resumption proposal.

Looking forward, the Group will endeavor to seek the Exchange's approval of a resumption proposal through a major acquisition. By implementation of a re-organization plan, the Group's scale of operation and asset base will increase significantly.

## 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 Directors' 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.

## Liquidity and Financial Resources

As at 30 June 2018, the Group had total assets of approximately RMB33,300,000 and net current assets of approximately RMB2,490,000. The Group's current ratio, being a ratio of current assets to current liabilities, was 126%.

The Group generally finances its operations with internally generated cash flows. As at 30 June 2018, the Group had cash and bank balances of approximately RMB5,691,000. 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 2018.

## 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 rate risk.

## Income Tax

Details of the treatment of the Group's income tax expense for the period ended 30 June 2018 are set out in note 7 to the condensed consolidated financial statements.

## Human Resources

As at 30 June 2018, the Group had approximately 20 employees (2017: 26 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 2018.



## Significant Investments

The Group had no significant investment for the period ended 30 June 2018.

## 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. The New Scheme remained valid and effective for a period of 10 years commencing on 13 March 2008. After 12 March 2018, the Company can no longer grant any further options under the New Scheme.

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 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:

	2018		2017	
	Number of Share Options	Weighted average exercise price HK\$	Number of Share Options	Weighted average exercise price HK\$
Outstanding at 1 January	<b>235,351,407</b>	<b>0.139</b>	231,690,385	0.141
Adjustment for Rights Issue	–	–	3,661,022	0.139
Outstanding at 30 June	<b>235,351,407</b>	<b>0.139</b>	235,351,407	0.139
Exercisable at 30 June	<b>235,351,407</b>	<b>0.139</b>	235,351,407	0.139

Name or category of participant	Number of Share Options				
	At	Granted	Exercised	Lapsed	At
	1 January 2018	during the period	during the period	during the period	30 June 2018
	'000	'000	'000	'000	'000
<b>Directors</b>					
Hu Hai Yuan	11,291	-	-	-	11,291
Wang Jiang Wei	20,316	-	-	-	20,316
Huang Zhang Hui	20,316	-	-	-	20,316
Guo Shi Zhan	20,316	-	-	-	20,316
<b>Employees other than directors</b>					
In aggregate	35,131	-	-	-	35,131
<b>Other participants</b>					
In aggregate	127,981	-	-	-	127,981
	235,351	-	-	-	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 six months ended 30 June 2018.

## 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 2018, 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 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 the 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 June 2018	Approximate percentage of the underlying shares to the share capital of the Company as at 30 June 2018
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%
Li Sui Yang	Personal	14,815,072	0.64%

Save as disclosed above, as at 30 June 2018, none of the Directors or the 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 any person a party to any arrangements to enable any of the 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 2018, the following persons, other than the Directors or the 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

\*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)	Interest of controlled corporation		15.67%
Oriental Patron Financial Services Group Limited (Note 1)	286,800,000 (S)	Interest of controlled corporation		12.34%
Pacific Top Holding Limited (Note 1)	364,218,750 (L)	Interest of controlled corporation		15.67%
Oriental Patron Derivatives Limited (Note 1)	286,800,000 (S)	Beneficial owner		12.34%
Zhang Zhi Ping (Note 1)	41,568,750 (L)	Beneficial owner		1.79%
Zhang Gaobo (Note 1)	322,650,000 (L)	Beneficial owner		13.88%
World Radiance Limited (Note 2)	286,800,000 (S)	Interest of controlled corporation		12.34%
Mr. Chin Ying Hoi (Notes 2 & 3)	364,218,750 (L)	Interest of controlled corporation	18,287,355	12.69%
Chow Lau Sin	286,800,000 (S)	Beneficial owner		12.34%
	294,900,000 (L)	Beneficial owner		12.69%
	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.

Save as disclosed above, as at 30 June 2018, 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 six months ended 30 June 2018.

## 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 six months ended 30 June 2018.

## The Code of Corporate Governance Practices

The Company had complied, throughout the six months ended 30 June 2018, 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. As at the date of publishing the Company's Interim report, the Board consists of a total of six Directors, comprising one executive Director, two non-executive Directors and three independent non-executive Directors.

## (2) Audit Committee

An audit committee (the “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 six months ended 30 June 2018 have been reviewed by the Audit Committee.

The unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2018 have also been reviewed by the Company’s auditor, RSM Hong Kong, 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. The auditor’s independent review report will be included in the Company’s interim report for the six months ended 30 June 2018 to the shareholders of the Company.

## 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 six months ended 30 June 2018.



# Directors and Senior Management Profiles

## Non-executive Directors

**Mr. Huang Zhang Hui**, aged 48, has been appointed as a non-executive Director since 1 June 2016 and elected as the Chairman of the board on 25 May 2017. Mr. Huang is currently the general manager and executive partner of 深圳眾鼎專利商標代理事務所. Mr. Huang has over 20 years of experience in the field of intellectual property and management of legal affair of enterprises. In the past, Mr. Huang has served as the general manager and intellectual property founder of the intellectual property and legal office (知識產權及法務處) under BYD Company Limited. Mr. Huang holds a bachelor degree in chemistry from Nankai University and a master degree in law from Peking University. Apart from performing his duties as a director of the Group, Mr. Huang has devoted time and efforts to the development of Shenzhen Zhitong Tianxia and contributed to the expansion of customer base and increase in profitability.

**Mr. Hu Hai Yuan**, aged 47, is a non-executive Director of the Group. Mr. Hu holds a master degree in business administration from Renmin University of China and a bachelor degree in mechanic engineering from Dalian University of Technology. Mr. Hu previously served as an engineer of Anshan Steel Group Limited in China and has over 11 years of experience in the field of corporate finance. Mr. Hu has been a Director of the Group for years, and has contributed to the strategic planning and business expansion of the Group.

## Executive Director

**Mr. Wang Jiang Wei**, aged 40, had been a non-executive Director since 19 November 2014 and redesignated as an executive Director on 25 May 2017 of the Group. Mr. Wang holds a bachelor's degree in economics from Tsinghua University and holds an executive master's degree in business administration from Peking University HSBC Business School. He is a member of the Certified General Accountants Association of Canada (CGA-Canada). Mr. Wang has over ten years of extensive experience in capital investment and enterprise management and currently serves as a director of Xinjiang Co-Power Venture Capital Company Limited (新疆同威創業投資有限公司). Mr. Wang is the sole director of Chang Yao Investments Limited (昌耀投資有限公司) and World Radiance Limited (世輝有限公司). Furthermore, Mr. Wang is the lecturer of IP strategic and corporate capital operation management seminar of Guangdong IP Protection Association (廣東知識產權保護協會). Mr. Wang is also a strategic consultant to Shenzhen Zhitong Tianxia, a subsidiary of the Group. He is responsible for the business planning of Shenzhen Zhitong Tianxia and engages directly in negotiation and enters into contracts for its business development.

## Independent Non-executive Directors

**Mr. Guo Shi Zhan**, aged 44, is an independent non-executive Director of the Group. Mr. Guo is currently the Chairman and General Manager of 深圳市牛法信息科技有限公司. Prior to this, Mr. Guo worked for Huawei Technologies Co. Ltd., holding the positions of patent engineer, deputy director of the intellectual property office (知識產權副處長), director of the legal affairs office (法律事務處) under the international marketing division (國際營銷部), head of the intellectual property department (知識產權部), information security department (信息安全部), legal department (法律部) and terminal business legal department (終端商務法務部). Mr. Guo has more than 19 years of experience in managing multinational companies and dealing with intellectual property arrangement, litigations and transactions as well as investment and financing activities. Mr. Guo holds bachelor degrees in mathematics and intellectual property from Peking University. Mr. Guo has fully supported the development of the Group's intellectual property business and provided advices and recommendations to the business of Shenzhen Zhitong Tianxia.

**Mr. Luo Ze Min**, aged 52, is an independent non-executive Director of the Group and chairman of the Audit Committee, Nomination Committee and Remuneration Committee. Mr. Luo is a Certified Public Accountant in China and is currently a Partner and Head of Shenzhen Xing Yue partnership accounting firm (深圳市興粵合夥會計師事務所). He is also the Vice Chairman of the board of Directors of Shenzhen Guang Heng Real Estate and Land Valuation Company Limited (深圳市廣衡地產和土地估價有限公司) and Shenzhen Guang Heng Xing Yue Property Valuation Company Limited (深圳市廣衡興粵資產評估有限公司). Prior to this, Mr. Luo has served as a Project Manager and Department Head of Shenzhen Zhonghua Accounting Firm (深圳中華會計師事務所). Mr. Luo has over 29 years of experience in accounting and auditing, providing professional services to various corporations including listed companies and state-owned enterprises in the PRC. Mr. Luo holds a bachelor degree in financial accounting from Hangzhou Dianzi University (杭州電子科技大學). Mr. Luo is committed to the financial supervision and review of the business development of the Group and has provided recommendations to the Group's financial cost control and business cost savings.

**Dr. Xia Ting Kang**, aged 62, is an independent non-executive Director of the Group. Dr. Xia holds a bachelor of science degree in physics from Peking University, a doctor of philosophy degree in physics from The Ohio State University and a Juris Doctor degree from Columbia University School of Law. Dr. Xia is currently a Senior Partner in the Atlanta office of an international law firm, Locke Lord LLP and a Registered U.S. Patent Attorney, specializing in international practice and intellectual property practice. Dr. Xia advises clients in all phases of intellectual property law, including the US. and foreign patent, trademark and copyright prosecution, clearance, infringements, validity opinions, and licensing. Prior to his legal career, he was a physicist and had made outstanding achievements in various domains in physics. Dr. Xia also advises clients of international corporate law. Dr. Xia is currently a non-executive Director of Hybrid Kinetic Group Limited, a limited company incorporated in Bermuda with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1188). Dr. Xia highly values the development of intellectual property business of the Group and is optimistic about the future development of the Group.

### **Chief Executive Officer**

**Mr. Li Sui Yang**, aged 61, the Chief Executive Officer of the Group. Mr. Li is also the General Manager of Zhengzhou Jian-O' Yuan. Mr. Li joined the Group in October 1996 and is responsible for the Group's strategic planning and development. Mr. Li holds a master's degree of economic administration from North-west China University, he had vast experience in retail, real estate and electronics industry in China.

### **Company Secretary, Authorised Representative and Chief Financial Officer**

**Mr. Liang Tien Tzu**, aged 61, is the Company Secretary and Chief Financial Officer of the Group and Authorized Representative of the Company. Mr. Liang holds a bachelor of commerce degree from the Concordia University of Montreal, Canada and a master of professional Accounting degree from the Hong Kong Polytechnic University. Mr. Liang is an associate of the Hong Kong Institute of Directors, a Fellow of the Hong Kong Institute of Certified Public Accountants and a member of the Canadian Institute of Chartered Accountants. Mr. Liang has over 37 years' experience in accounting and financial management. During his career, he served as a professional staff with major international accounting firms in Canada and had previously been the Chief Financial officer and/or company secretary of several listed companies in Hong Kong or China. With his extensive experience, Mr. Liang plays an important role in the communication and coordination between the Group and intermediaries, regulatory authority and public relations.

## Senior Management

**Ms. Cai Xin**, Vice President of the Group

Ms. Cai Xin, aged 47, holds a master's degree in business administration from the City University of Hong Kong. She worked for Guangdong Daya Bay Nuclear Power Station, Keith Statham Associates Limited and Shenzhen Zhiyouying Investment Consulting Company Limited (深圳智又盈投資顧問有限公司). In 2006, she founded Shenzhen Dingcheng Oriental Investment Consulting Company Limited (深圳市鼎誠東方投資顧問有限公司) and acted as chairman and president, and provided professional investor relations services for a number of listed companies. She has over 21 years of working experience in the field of financial public relations and investor relations.

**Mr. Qin Wuling (秦武陵先生) ("Mr. Qin")**, Vice President of the Group and General Manager of Zhitong Tianxia.

Mr. Qin, aged 44, graduated from the department of astronomical aerospace engineering of Kyoto University in Japan. Mr. Qin has more than 11 years of experiences in the field of IP, and has extensive experiences in domestic and international trademark, copyright and litigation agency. He served in the patent department of 日本文彬有限公司 and was responsible for handling the application and litigation business of trademarks and patents in Mainland China and Taiwan. He was responsible for providing professional services to the IP departments and legal departments of a large number of sizeable companies, and has served as the designated IP officer for Epson, Zhongdian Electric and other renowned international enterprises. Mr. Qin was a partner of a well-known IP agency in China. During that period, he managed a team with approximately 100 members, which includes 31 agents and 5 lawyers. He had handled more than 300 cases in PCT international application and PCT national application in more than 40 countries for more than 500 cases in person. He has extensive knowledge on the practices for the application and submission of PCT international and national applications, which enable an applicant to submit its application to multiple countries in the most reasonable, optimized and cost-efficient manner. His clients include Mitsubishi Eclectic, Komatsu, Fuji Electric and Yokohama Tyres in Japan. Mr. Qin had been the lecturer of Wuxi Municipal Bureau on Science and Technology, IP Office and Nanjing University of Science & Technology School of IP for an extensive period to promote the awareness of IP rights. He also had been appointed as a legal adviser of Suzhou Snail Digital Technology Co., Ltd.

## 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  
14 August 2018

*As at the date of this report, the executive director of the Group is Mr. Wang Jiang Wei; the non-executive directors of the Group are 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 and 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](http://www.jianepayment.com)