



# 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

## Third Quarterly Report

## 第三季度業績報告



## **CHARACTERISTICS OF THE 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.**

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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 2018**

Turnover was approximately RMB4,092,000 (2017: RMB7,848,000) which represented a decrease of approximately 48% as compared to the corresponding period in 2017.

Loss and total comprehensive income for the period attributable to owners of the Company amounted to approximately RMB2,247,000 (2017: RMB324,000) which represented an increase of 594% as compared to the corresponding period on 2017.

Loss per share amounted to RMB0.21 cents (2017: RMB0.01 cents), which represented an increase of 2,000% as compared to the corresponding period in 2017.

### **For the three months ended 30 September 2018**

No turnover was recorded (2017: RMB5,108,000) which represented a decrease of approximately 100% as compared to the corresponding period in 2017.

Loss and total comprehensive income for the period attributable to owners of the Company amounted to approximately RMB5,128,000 (2017: profit of RMB2,436,000).

Loss per share amounted to RMB0.22 cents (2017: earnings per share of RMB0.10 cents).

# 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 2018 with the comparative figures for the corresponding period in 2017.

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

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

	Note	Nine months ended 30 September		Three months ended 30 September	
		2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)
<b>Revenue</b>	3	<b>4,092</b>	7,848	–	5,108
Cost of goods sold and services rendered		<b>(1,494)</b>	(1,233)	<b>(258)</b>	(660)
<b>Gross profit/(loss)</b>		<b>2,598</b>	6,615	<b>(258)</b>	4,448
Other income		<b>1,734</b>	19	<b>56</b>	–
Other operating expenses		–	(41)	–	–
Distribution costs		–	(298)	–	(82)
Administrative expenses		<b>(8,743)</b>	(5,898)	<b>(4,926)</b>	(1,891)
<b>(Loss)/profit from operations</b>		<b>(4,411)</b>	397	<b>(5,128)</b>	2,475
Finance costs		–	(322)	–	–
<b>(Loss)/profit before tax</b>		<b>(4,411)</b>	75	<b>(5,128)</b>	2,475
Income tax expense	4	<b>(433)</b>	(399)	–	(39)
<b>(Loss)/profit for the period</b>		<b>(4,844)</b>	(324)	<b>(5,128)</b>	2,436
<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>Total comprehensive income for the period attributable to owners of the Company</b>		<b>(2,247)</b>	(324)	<b>(5,128)</b>	2,436
		<b>RMB cents</b>	RMB cents	<b>RMB cents</b>	RMB cents
<b>(Loss)/earnings per share</b>					
Basic	6	<b>(0.21)</b>	(0.01)	<b>(0.22)</b>	0.10
Diluted	6	<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 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	FV/OCI 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	-	-	-	-	-	-	-	(4,844)	2,597	(2,247)
Changes in equity for the period	-	-	-	-	-	-	-	(4,844)	2,597	(2,247)
At 30 September 2018	103,880	71,520	6,976	2,870	1,435	11,688	4,260	(187,894)	3,930	18,665

# Notes to the Unaudited Condensed Consolidated Financial Information

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

## 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 2017 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 2018 and detailed in Note 2 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 HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2018.

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.

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

### **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.

#### *(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.

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

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

#### *(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.

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.



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

### HKFRS 9 Financial Instruments (Continued)

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
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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)

- (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 as 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.

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

### 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. REVENUE

	Nine months ended 30 September		Three months ended 30 September	
	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)
Car parking systems	181	94	–	94
Intellectual property services	3,911	7,754	–	5,014
	<b>4,092</b>	7,848	–	5,108

## 4. INCOME TAX EXPENSE

	Nine months ended 30 September		Three months ended 30 September	
	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)
PRC Enterprise Income Tax: Provision for the period	433	399	–	39

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 2018 and 2017.

The tax rate applicable to the Group is 25% (2017: 25%) for the period.

## 5. DIVIDENDS

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

## 6. (LOSS)/EARNINGS PER SHARE

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

	Nine months ended 30 September		Three months ended 30 September	
	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)
<b>(Loss)/earnings</b>				
(Loss)/profit for the purpose of calculating the basic (loss)/earnings per share	<b>(4,844)</b>	(324)	<b>(5,128)</b>	2,436
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<b>2,324,301,136</b>	2,276,369,476	<b>2,324,301,136</b>	2,324,301,136

### (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 2018 and 2017, respectively.

## Review of Financial Performance and Operation

During the nine months period ended 30 September 2018 under review, the Group recorded an overall revenue of approximately RMB4,092,000 (corresponding period of 2017: RMB7,848,000), representing a decrease of approximately 48% over the corresponding period of last year. Loss and total comprehensive income for the period attributable to owners of the Company amounted to approximately RMB2,247,000 (corresponding period of 2017: RMB324,000), representing an increase of 594% as compared to the corresponding period. Further, the Group continues to exercise stringent cost control measures by tightening expenditure in its operations. However, expenses increased significantly due to the preparation of the resumption proposal.

For the three months period ended 30 September 2018 under review, the Group did not record any revenue (corresponding period of 2017: RMB5,108,000), representing a decrease of approximately 100% over the same period of last year. The Group generated a loss and total comprehensive income attributable to the owners of the Company of approximately RMB5,128,000 (corresponding period of 2017: profit of RMB2,436,000).

## Review of Operation

Prior to the period under review, on 14 May 2018, from the Review Committee (the “Review Committee”) of The Stock Exchange of Hong Kong Limited (the “Stock 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 “Decision”). 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 acquisition opportunities of existing businesses to substantially increase its sales revenue as well as asset value. Trading in the shares of the Company has been suspended with effect from 15 May 2018 and will remain suspended until the Company has remedied the issues raised in the Listing Division’s Decision and re-complied with the GEM Listing Rules.

Subsequent to the period under review, on 29 October 2018, the Company submitted a resumption proposal. The resumption proposal involves the acquisition of the entire issued share capital of a company primarily engaged in the sale of imported premium brand vehicles (the "Acquisition"). Upon completion of the Acquisition, it is expected that the Company will satisfy the requirements under Rule 17.26 of the GEM Listing Rules. The Acquisition will constitute a very substantial acquisition and a reverse takeover involving a new listing application of the Company under the GEM Listing Rules.

During the period under review, since receiving the Decision the Group wound down substantially all its principal business activities in: (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.

Looking forward, the Group will endeavor to seek the Stock 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 substantially.

## 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:

	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 September	<b>235,351,407</b>	<b>0.139</b>	235,351,407	0.139
Exercisable at 30 September	<b>235,351,407</b>	<b>0.139</b>	235,351,407	0.139

Name or category of participant	Number of Share Options				
	At 1 January 2018	Granted during the period	Exercised during the period	Lapsed during the period	At 30 September 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 nine months ended 30 September 2018.



## 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 2018, 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 shares and/or underlying shares

Name	Type of interests	Number of shares and/or underlying shares as at 30 September 2018		Approximate percentage of the shares/underlying shares to the share capital of the Company as at 30 September 2018
Hu Hai Yuan	Personal	11,291,023	(Note 1)	0.49%
Wang Jiang Wei	Personal	20,316,027	(Note 1)	0.87%
Huang Zhang Hui	Personal	20,316,027	(Note 1)	0.87%
Guo Shi Zhan	Personal	20,316,027	(Note 1)	0.87%
Li Sui Yang	Personal	14,815,072	(Note 1)	0.64%
Wang Tie Jian	Personal	111,116,250	(Note 2)	4.78%

Note1: Interest in share options of the Company.

Note2: Interest in shares of the Company, Mr. Wang was appointed as an executive director with effect from 20 August 2018.

Save as disclosed above, as at 30 September 2018, 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 2018, 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%
Chow Lau Sin	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, an 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 September 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 nine months ended 30 September 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 nine months ended 30 September 2018.

## **The Code of Corporate Governance Practices**

The Company had complied, throughout the nine months ended 30 September 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.

## **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 2018 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 2018.

## 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  
12 November 2018

*As at the date of this report, the executive directors of the Company are Mr. Wang Jiang Wei and Mr. Wang Tie Jian; 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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