



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

2019

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.

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

This report, for which the directors (the “Directors”) of Jian ePayment Systems Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

For the nine months ended 30 September 2019

No turnover was recorded (2018: RMB4,092,000) which represented a decrease of approximately 100% as compared to the corresponding period in 2018.

Loss and total comprehensive income for the period attributable to owners of the Company amounted to approximately RMB22,995,000 (2018: RMB2,247,000).

Loss per share amounted to RMB0.64 cents (2018: RMB0.21 cents).

For the three months ended 30 September 2019

No turnover was recorded (2018: Nil).

Loss and total comprehensive income for the period attributable to owners of the Company amounted to approximately RMB8,537,000 (2018: RMB5,128,000).

Loss per share amounted to RMB0.37 cents (2018: RMB0.22 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 2019 with the comparative figures for the corresponding period in 2018.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

	Note	Nine months ended 30 September		Three months ended 30 September	
		2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
Revenue	4	–	4,092	–	–
Cost of goods sold and services rendered		–	(1,494)	–	(258)
Gross (loss)/profit		–	2,598	–	(258)
Other income		3,872	1,734	69	56
Other operating expenses		(1,082)	–	–	–
Administrative expenses		(16,686)	(8,743)	(8,123)	(4,926)
Loss from operations		(13,896)	(4,411)	(8,054)	(5,128)
Finance costs		(889)	–	(483)	–
Loss before tax		(14,785)	(4,411)	(8,537)	(5,128)
Income tax expense	5	–	(433)	–	–
Loss for the period		(14,785)	(4,844)	(8,537)	(5,128)
Other comprehensive income after tax:					
Item that may be classified to profit or loss:					
Fair value changes of equity investments at fair value through other comprehensive income (“FVTOCI”)		(8,210)	2,597	–	–
Total comprehensive income for the period attributable to owners of the Company		(22,995)	(2,247)	(8,537)	(5,128)
		RMB cents	RMB cents	RMB cents	RMB cents
Loss per share					
Basic	7	(0.64)	(0.21)	(0.37)	(0.22)
Diluted	7	N/A	N/A	N/A	N/A

Condensed Consolidated Statement of Changes in Equity

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

	(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
As at 1 January 2018	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	-	-	-	-	-	-	-	-	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
At 1 January 2019	103,880	71,520	6,976	2,870	1,435	11,688	4,260	(190,977)	3,930	15,582
Lapse of share options	-	-	-	-	-	(2,957)	-	2,957	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	(14,785)	(8,210)	(22,995)
Changes in equity for the period	-	-	-	-	-	(2,957)	-	(11,828)	(8,210)	(22,995)
At 30 September 2019	103,880	71,520	6,976	2,870	1,435	8,731	4,260	(202,805)	(4,280)	(7,413)

Notes to the Unaudited Condensed Consolidated Financial Information

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

These unaudited 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 2018 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 2019 and detailed in Note 3 below.

2. GOING CONCERN BASIS

On 15 May 2018, at the request of the Company, trading in the shares of the Company was suspended. As at the date of approval of these unaudited condensed consolidated financial statements, the trading of shares of the Company remains suspended. On 29 October 2018, the Company submitted a resumption proposal (the “Resumption Proposal”) to the Stock Exchange. On 1 March 2019, the Resumption Proposal was approved by the Stock Exchange. The Company has further submitted a new listing application in form of a reverse takeover in relation to the Resumption Proposal on 29 May 2019 and approval of the new listing has not yet been granted by the Stock Exchange.

2. GOING CONCERN BASIS *(Continued)*

In addition, the Group reported a loss attributable to the owners of the Company of approximately RMB14,785,000 for the nine months ended 30 September 2019 (and as of that date, the Group had net liabilities of RMB7,413,000). These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

These unaudited condensed consolidated financial statements have been prepared on a going concern basis, the validity of which depends on whether the group is able to finance its working capital requirements by utilising the existing available financing facilities of RMB43,914,000 (equivalent to HK\$50,000,000) of which RMB18,805,000 (equivalent to HK\$21,500,000) was drawn as at 30 September 2019. After considering the internal financial resources, the available financing facilities, and the potential impact and likelihood of the new listing application being successful, the directors of the Company are of the opinion that the Group will be able to meet its financial obligations as they fall due and therefore it is appropriate to prepare the unaudited condensed consolidated financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to the unaudited condensed consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets.

3. 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 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has initially adopted HKFRS 16 Leases from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group's unaudited condensed consolidated financial statements.

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

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 Leases, HK(IFRIC) Interpretation 4 Determining whether an Arrangement contains a Lease, HK(SIC) Interpretation 15 Operating Leases-Incentives and HK(SIC) Interpretation 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. HKFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

Lessor accounting under HKFRS 16 is substantially unchanged under HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17.

The Group has applied HKFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated — i.e. it is presented, as previously reported, under HKAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

(a) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under HK(IFRIC) Interpretation 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to HKFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied HKFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC) Interpretation 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

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

HKFRS 16 Leases *(Continued)*

(b) As a lessee

The Group leases properties and IT equipment. As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under HKFRS 16, the Group shall recognise right-of-use assets and lease liabilities for most leases.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets (e.g. IT equipment) and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

No right-of-use asset related to the property leases as at 1 January 2019 is recognised since all the leases of the Group as at that date end within 12 months of the date of initial application and the Group has elected not to apply the recognition requirements to these leases.

Significant accounting policies

The Group recognises a right-of-use assets and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Transition

Previously, the Group classified property leases as operating leases under HKAS 17. These include office properties. The leases typically run for a period of 2 years.

When applying HKFRS 16 to leases previously classified as operating leases under HKAS 17, the Group used the practical expedient of the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of leases term at transition.

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

HKFRS 16 Leases (Continued)

(c) As a lessor

The Group leases out its investment properties. The Group has classified these leases as operating leases.

The accounting policies applicable to the Group as a lessor are not different from those under HKAS 17.

The Group is not required to make any adjustments on transition to HKFRS 16 for leases in which it acts as a lessor. However, the Group has applied HKFRS 15 *Revenue from Contracts with Customers* to allocate consideration in the contract to each lease and non-lease component.

(d) Impacts of financial statements

Electing not to recognise right-of-use assets and lease liabilities for some leases of low-value assets (e.g. IT equipment) and short-term leases and applying the practical expedient of the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of leases term at transition, there is no impact on the unaudited condensed consolidated financial statements.

4. 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.

Disaggregation of revenue from contracts with customers by major service lines for the period is as follows:

	Nine months ended 30 September		Three months ended 30 September	
	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
Revenue from contracts with customers within the scope of HKFRS 15				
Disaggregated by major service lines				
— Sales of car parking systems and provision of related maintenance services	—	181	—	—
— Sales of patents and provision of intellectual property services	—	3,911	—	—
	—	4,092	—	—

The Group derives all the revenue from the transfer of goods and services at a point in time in PRC from external customers for the nine months and three months ended 30 September 2019 and 2018.

5. INCOME TAX EXPENSE

	Nine months ended 30 September		Three months ended 30 September	
	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
PRC Enterprise Income Tax: Provision for the period	–	433	–	–

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 nine months and three months ended 30 September 2019 and 2018.

No provision for profits tax in the PRC are required as the Group has no assessable profit arising in or derived from PRC for the nine months and three months ended 30 September 2019. The tax rate applicable to the PRC subsidiaries in the Group were 25% during for the nine months and three months ended 30 September 2018.

6. DIVIDENDS

No dividend had been paid or declared by the Company during the period (2018: Nil).

7. LOSS PER SHARE

(a) Basic loss per share

	Nine months ended 30 September		Three months ended 30 September	
	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
Loss				
Loss for the purpose of calculating the basic loss per share	(14,785)	(4,844)	(8,537)	(5,128)
Number of shares				
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	2,324,301,136	2,324,301,136	2,324,301,136	2,324,301,136

(b) Diluted loss per share

No diluted loss per share is presented as the effects of all potential ordinary shares would be anti-dilutive for the nine and three months ended 30 September 2019 and 2018, respectively.

Review of Financial Performance and Operation

During the period under review, the Group did not record any revenue (2018: Nil). The loss and total comprehensive income for the period attributable to owners of the Company amounted to approximately RMB22,995,000 (2018: RMB2,247,000). This is due to the Company has ceased all its business activities and concentrated on the preparation of a resumption proposal (the “Resumption Proposal”) for trading in the shares of the Company on the Stock Exchange of Hong Kong (the “Exchange”).

Review of Operation

On 14 May 2018, from the Review Committee of 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.

On 29 October 2018, the Company submitted the Resumption Proposal to the Exchange for seeking its approval for the resumption of trading in the shares of the Company (the “Shares”). 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.

On 1 March 2019, the Exchange agreed to allow the Company to submit a new listing application relating to the Resumption Proposal on or before 31 May 2019.

An application has been made by the Company to the Executive pursuant to Rule 8.2 of the Takeovers Code for the Executive’s consent to extend the latest date for despatch of the circular in relation to the new listing application (the “Circular”) to 31 October 2019 to allow more time for the Company in relation to the new listing application. The Executive granted such extension on 2 May 2019.

On 29 May 2019, the new listing application in connection with the Resumption Proposal and the Circular were submitted to the Exchange for their review and comment. On the same day, the Circular was also submitted to the Executive for their review and comment.

The Company expects that the Circular will be despatched on or before 31 October 2019. As additional time is required to (i) finalise the information to be included in the Circular including the updated financial information of the Target Group for the stub period for the nine months ended 30 September 2019; and (ii) address comments from the Stock Exchange and the Executive in connection with the new listing application and the Circular respectively, the Company has applied to the Executive for and the Executive is minded to grant an extension of time for the dispatch of the Circular from 31 October 2019 to a date falling on or before 31 December 2019. Further announcements and monthly updates will be made by the Company in compliance with the GEM Listing Rules and the Takeovers Code.

With respect to the business operations of the Group, the Group is currently focusing its resources on the resumption of trading of its Shares. Upon Resumption, the enlarged Group will be engaged in the business of the target companies and its subsidiaries (the "Target Group"). The Target Group principally engages in (i) the operation of the 4S dealership Store of the Automobile Brand in Nanjing, Jiangsu province, the PRC (ii) the trading of new parallel-imported automobiles in the PRC, (iii) the trading of preowned automobiles in the PRC and (iv) the distribution of IMSA-tuned automobiles in the PRC.

Looking forward, the Company holds a positive outlook on the business of the Target Group after the completion of the re-organisation.

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 as at 30 September 2019
Directors, employees and others	18 May 2009	N/A	18 May 2009 to 17 May 2019	0.134	– (Note)
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

Note: All the 78,705,070 options were lapsed on 18 May 2019.

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

	2019		2018	
	Number of Share Options	Weighted average exercise price HK\$	Number of Share Options	Weighted average exercise price HK\$
Outstanding at 1 January	235,351,407	0.139	235,351,407	0.139
Lapsed during the period	(78,705,070)	0.134	–	N/A
Outstanding at 30 September	156,646,337	0.142	235,351,407	0.139
Exercisable at 30 September	156,646,337	0.142	235,351,407	0.139

Name or category of participant	Number of Share Options					
	At	Granted	Exercised	Lapsed	Reclassified	At
	1 January 2019	during the period	during the period	during the period	during the period	30 September 2019
	'000	'000	'000	'000	'000	'000
Directors						
Hu Hai Yuan	11,291	-	-	(3,472)	-	7,819
Wang Jiang Wei	20,316	-	-	-	-	20,316
Huang Zhang Hui	20,316	-	-	-	-	20,316
Guo Shi Zhan (Note)	20,316	-	-	-	(20,316)	-
Employees other than directors						
In aggregate	35,131	-	-	(4,630)	-	30,501
Other participants						
In aggregate	127,981	-	-	(70,603)	20,316	77,694
	235,351	-	-	(78,705)	-	156,646

Note: Retire on 17 May 2019.

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 2019.

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 2019, 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 the chief executive in the shares, underlying shares and debentures of the Company and its associated corporations

(a) Interests in shares

Name	Capacity	Personal Interests	Family Interests	Corporate Interests	Total	Approximate
						percentage to the issued share capital of the Company as at 30 September 2019
Wang Tie Jian	Beneficiary owner	111,116,250	-	-	111,116,250	4.78%

(b) Interests in share options

Name	Type of interests	Outstanding Shares Option as at 30 September 2019	Approximate percentage of the underlying shares to the share capital of the Company as at 30 September 2019
Hu Hai Yuan	Personal	7,818,741	0.34%
Wang Jiang Wei	Personal	20,316,027	0.87%
Huang Zhang Hui	Personal	20,316,027	0.87%
Guo Shi Zhan (Note)	Personal	20,316,027	0.87%
Li Sui Yang	Personal	14,815,072	0.64%

Note: Retired on 17 May 2019

Save as disclosed above, as at 30 September 2019, 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 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 2019, 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)	Interest of controlled corporation		15.67%
Oriental Patron Financial Services Group Limited (Note 1)	286,800,000 (S)			12.34%
Oriental Patron Financial Services 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)			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)	Beneficial owner		13.88%
Oriental Patron Derivatives Limited (Note 1)	286,800,000 (S)			12.34%
Zhang Zhi Ping (Note 1)	364,218,750 (L)	Interest of controlled corporation		15.67%
Zhang Zhi Ping (Note 1)	286,800,000 (S)			12.34%
Zhang Gaobo (Note 1)	364,218,750 (L)	Interest of controlled corporation		15.67%
Zhang Gaobo (Note 1)	286,800,000 (S)			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	10,185,362	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.

2. World Radiance Limited is wholly owned by Chang Yao Investments Limited, which is in turn 100% beneficially owned by Mr. Chin Ying Ho. Mr. Wang Jiang Wei, an executive director of the Company, is the sole director of Chang Yao Investments Limited and World Radiance Limited.
3. Mr. Chin Ying Hoi had 10,185,362 Share Options for subscription of the Shares.

Save as disclosed above, as at 30 September 2019, 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 2019.

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 2019.

Non-compliance with GEM Listing Rule 5.05(1)

Following the retirement of Mr. Guo Shi Zhan as an independent non-executive Director in the annual general meeting of the Company held on 17 May 2019, the Company has only two independent non-executive Directors since 17 May 2019. Thus, it is below the minimum number required under Rule 5.05(1) of the GEM Listing Rules while such requirement is expected to be re-complied with upon completion of acquisition of the Target Group.

The Code of Corporate Governance Practices

The Company had complied, throughout the nine months ended 30 September 2019, 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 two independent non-executive Directors, namely Mr. Luo Ze Min, Dr. Xia Ting Kang and one non-executive Director Mr. Huang Zhang Hui. The Group's unaudited consolidated results for the nine months ended 30 September 2019 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 2019.

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 November 2019

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. 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