



Jian ePayment Systems Limited
華普智通系統有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8165)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR
THE THREE MONTHS ENDED 31 MARCH 2019**

**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 Main Board. 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 announcement, 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 announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

* For identification purposes only

HIGHLIGHTS

- There was no turnover for the three months ended 31 March 2019 (2018: RMB3,796,000).
- Loss and total comprehensive income for the period attributable to owners of the Company amounted to approximately RMB5,920,000 for the three months ended 31 March 2019 (2018: profit of RMB1,761,000).
- Basic loss per share amounted to RMB0.25 cents for the three months ended 31 March 2019 (2018: basic earnings per share of RMB0.08 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 three months ended 31 March 2019 with the comparative figures for the corresponding period in 2018.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 31 MARCH 2019

		For the three months ended 31 March	
	<i>Note</i>	2019	2018
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Turnover	3	–	3,796
Cost of goods sold and services rendered		<u>(299)</u>	<u>(724)</u>
Gross (loss)/profit		(299)	3,072
Other income	4	66	24
Administrative expenses		<u>(5,563)</u>	<u>(1,328)</u>
(Loss)/profit from operations		(5,796)	1,768
Finance costs		<u>(124)</u>	–
(Loss)/profit before tax		(5,920)	1,768
Income tax expense	6	<u>–</u>	<u>(7)</u>
(Loss)/profit and total comprehensive income for the period attributable to owners of the Company		<u>(5,920)</u>	<u>1,761</u>
		<i>RMB cents</i>	<i>RMB cents</i>
(Loss)/earnings per share			
Basic	8	<u>(0.25)</u>	<u>0.08</u>
Diluted	8	<u>N/A</u>	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2019

(Unaudited)

	Share capital <i>RMB'000</i>	Share premium account <i>RMB'000</i>	Capital reserves <i>RMB'000</i>	General reserve fund <i>RMB'000</i>	Enterprise expansion fund <i>RMB'000</i>	Option reserve <i>RMB'000</i>	Property revalue reserve <i>RMB'000</i>	FVTOCI reserve <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total equity/ (capital deficiency) <i>RMB'000</i>
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	1,333	(183,050)	20,912
Total comprehensive income for the period	-	-	-	-	-	-	-	-	1,761	1,761
Changes in equity for the period	-	-	-	-	-	-	-	-	1,761	1,761
Restated balance at 31 March 2018	<u>103,880</u>	<u>71,520</u>	<u>6,976</u>	<u>2,870</u>	<u>1,435</u>	<u>11,688</u>	<u>4,260</u>	<u>1,333</u>	<u>(181,289)</u>	<u>22,673</u>
At 1 January 2019	103,880	71,520	6,976	2,870	1,435	11,688	4,260	3,930	(190,977)	15,582
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(5,920)	(5,920)
Changes in equity for the period	-	-	-	-	-	-	-	-	(5,920)	(5,920)
At 31 March 2019	<u>103,880</u>	<u>71,520</u>	<u>6,976</u>	<u>2,870</u>	<u>1,435</u>	<u>11,688</u>	<u>4,260</u>	<u>3,930</u>	<u>(196,897)</u>	<u>9,662</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2019

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Century Yard, Cricket Square, Hutchins Drive, P. O. Box 2681 GT, George Town, Grand Cayman, British West Indies. The address of its principal place of business is Suite 1104, Hantang Plaza, Overseas Chinese Town, Nanshan District, Shenzhen, the People's Republic of China (the "PRC"). The Company's shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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 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 is an investment holding company. The principal activities of its subsidiaries are (i) development and operation of integrated circuit and smart cards, back end electronic receipt/payment and data recording and processing software system; and manufacturing and marketing of the associated commercial applications; and trading of electric vehicle charging facilities; and (ii) licensing and trading of patents and provision of consultancy service in intellectual property management.

2. BASIS OF PREPARATION

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 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. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of these unaudited condensed consolidated results and amounts reported for the current period and prior years.

The HKICPA has issued a number of new and revised HKFRSs that are first effective for annual periods beginning on or after 1 January 2019. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2019. The directors anticipate that the new and revised HKFRSs will be adopted in the Group's consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. TURNOVER

	Three months ended 31 March	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of patents and provision of intellectual property services	—	3,796

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 three months ended 31 March 2019 and 2018.

4. OTHER INCOME

	2019	2018
	RMB'000	RMB'000
Interest income	2	24
Rental income	64	—
	<u>66</u>	<u>24</u>

5. SEGMENT INFORMATION

The Group has two operating segments as follows:

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

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

Segment profit or loss does not include the following items:

- unallocated other income
- unallocated corporate expenses
- finance costs

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

	Car parking systems RMB'000	Intellectual property services RMB'000	Total RMB'000
Period ended 31 March 2019			
Turnover from external customers	–	–	–
Segment loss	(43)	(680)	(723)
Interest revenue	–	2	2
Depreciation and amortisation	4	2	6
Income tax expense	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>
	Car parking systems RMB'000	Intellectual property services RMB'000	Total RMB'000
Period ended 31 March 2018			
Turnover from external customers	–	3,796	3,796
Segment (loss)/profit	(122)	2,549	2,427
Interest revenue	–	24	24
Depreciation and amortisation	3	90	93
Income tax expense	–	7	7
	<u>–</u>	<u>7</u>	<u>7</u>
Reconciliations of operating segment profit or loss:			
		2019 RMB'000	2018 RMB'000
Profit or loss			
Total (loss)/profit of operating segments		(723)	2,427
Unallocated amounts:			
Other income		64	–
Corporate expenses		(5,137)	(666)
Finance costs		(124)	–
		<u>–</u>	<u>–</u>
Consolidated (loss)/profit for the period		<u>(5,920)</u>	<u>1,761</u>

Geographical information

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

	Turnover	
	2019	2018
	RMB'000	RMB'000
Hong Kong	–	–
PRC except Hong Kong	–	3,796
	<hr/>	<hr/>
Consolidated total	–	3,796
	<hr/> <hr/>	<hr/> <hr/>

6. INCOME TAX EXPENSE

	2019	2018
	RMB'000	RMB'000
Current tax — PRC Enterprise Income Tax Provision for the period	–	7
	<hr/> <hr/>	<hr/> <hr/>

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

No provision for profits tax in the Cayman Islands, the British Virgin Islands or Hong Kong are required as the Group has no assessable profit arising in or derived from those jurisdictions for the three months ended 31 March 2019 and 2018.

The tax rate applicable to the PRC subsidiaries in the Group were 25% (2018: 25%) during the period. No provision for profits tax in PRC is required (2018: RMB7,000) as the Group has no assessable profit arising in or derived from PRC for the three months ended 31 March 2019.

7. DIVIDENDS

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

8. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

	Three months ended 31 March	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
(Loss)/earnings		
(Loss)/earnings for the purpose of calculating the basic (loss)/earnings per share	<u>(5,920)</u>	<u>1,761</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<u>2,324,301,136</u>	<u>2,324,301,136</u>

(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 three months ended 31 March 2019 and 2018, respectively.

REVIEW OF FINANCIAL PERFORMANCE AND OPERATION

As disclosed in the annual report for the year ended 31 December 2018, the Group has ceased all trading activities since the suspension of trading in the shares of the Company in May 2018. As a result, during the period under review, the Group did not generate any revenue (corresponding period of 2018: RMB3,796,000). Loss and total comprehensive income for the period attributable to owners of the Group amounted to approximately RMB5,920,000 (corresponding period of 2018: profit of RMB1,761,000). Administrative expenses incurred amounted to RMB5,563,000 (corresponding period of 2018: RMB1,328,000). It represents that even though the Group incurred significant increases in professional fees in the course of preparation of a new listing application, the Group nevertheless exercised stringent cost control measures in its operation.

REVIEW OF OPERATION

Since the suspension of trading in the shares of the Company, the Group has redirected its focus and resources on the preparation of the Resumption Proposal. On 1 March 2019, the Stock Exchange agreed to allow the Company to submit a new listing application relating to the Resumption Proposal on or before 31 May 2019. The company has been engaged in the process of preparing for the new listing application.

Subsequent to the period under review, on 2 May 2019, the Company published an announcement containing details of, among others, the Acquisition and the Share Consolidation. The Company has been granted the consent to extend the latest date for dispatch of the Circular to 31 October 2019.

Looking forward, upon Resumption, the Enlarged Group will be engaged in the business of the Target Group. Which is principally engaged in operating a Mercedes-Benz 4S dealership store in Nanjing City, Jiangsu Province, People's Republic of China ("PRC"). The Target Group is also engaged in trading of parallel imported vehicles in the PRC. In March 2018, the Target Group entered into an exclusive distributor agreement with IMSA pursuant to which the Target Group has the exclusive distribution rights of IMSA authorized Mercedes-Benz automobiles in the PRC.

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 as at 31 March 2019
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:

	2019		2018	
	Number of Share Options	Weighted average exercise price HK\$	Number of Share Options	Weighted average exercise price HK\$
Outstanding at 1 January and 31 March	<u>235,351,407</u>	<u>0.139</u>	<u>235,351,407</u>	<u>0.139</u>
Exercisable at 31 March	<u>235,351,407</u>	<u>0.139</u>	<u>235,351,407</u>	<u>0.139</u>

Name or category of participant	Number of Share Options				At 31 March 2019 '000
	At 1 January 2019 '000	Granted during the period '000	Exercised during the period '000	Lapsed during the period '000	
Directors					
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
Employees other than directors					
In aggregate	35,131	–	–	–	35,131
Other participants					
In aggregate	127,981	–	–	–	127,981
	<u>235,351</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>235,351</u>

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the three months ended 31 March 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 31 March 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 chief executives 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 31 March 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 31 March 2019	Approximate percentage of the underlying shares to the share capital of the Company as at 31 March 2019
Directors:			
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%
Chief executive officer:			
Li Sui Yang	Personal	14,815,072	0.64%

Save as disclosed above, as at 31 March 2019, none of the Directors or chief executives of the Company had any interests or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed herein, at no time during the period was the Company, its subsidiaries or any person a party to any arrangements to enable any of the Company's directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 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 (<i>Note 1</i>)	364,218,750 (L) 286,800,000 (S)	Interest of controlled corporation		15.67% 12.34%
Oriental Patron Financial Services Group Limited (<i>Note 1</i>)	364,218,750 (L) 286,800,000 (S)	Interest of controlled corporation		15.67% 12.34%
Pacific Top Holding Limited (<i>Note 1</i>)	41,568,750 (L)	Beneficial owner		1.79%
Oriental Patron Derivatives Limited (<i>Note 1</i>)	322,650,000 (L) 286,800,000 (S)	Beneficial owner		13.88% 12.34%
Zhang Zhi Ping (<i>Note 1</i>)	364,218,750 (L) 286,800,000 (S)	Interest of controlled corporation		15.67% 12.34%
Zhang Gaobo (<i>Note 1</i>)	364,218,750 (L) 286,800,000 (S)	Interest of controlled corporation		15.67% 12.34%
World Radiance Limited (<i>Note 2</i>)	294,900,000 (L)	Beneficial owner		12.69%
Mr. Chin Ying Hoi (<i>Note 2&3</i>)	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:

1. Oriental Patron Derivatives Limited and Pacific Top Holding Limited are wholly owned by Oriental Patron Financial Services Group Limited, which is in turn 95% beneficially owned by Oriental Patron Financial Group Limited. Oriental Patron Financial Group Limited is 51% and 49% beneficially owned by Mr. Zhang Zhi Ping and Mr. Zhang Gaobo respectively.
2. World Radiance Limited is wholly owned by Chang Yao Investments Limited, which is in turn 100% beneficially owned by Mr. Chin Ying Hoi. Mr. Wang Jiang Wei, the executive director of the Company, is the sole director of Chang Yao Investments Limited and World Radiance Limited.
3. Mr. Chin Ying Hoi had 18,287,355 Share Options for subscription of the Shares.

Save as disclosed above, as at 31 March 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 period ended 31 March 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.

THE CODE OF CORPORATE GOVERNANCE PRACTICES

The Company had complied, throughout the three months ended 31 March 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.

(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 First Quarterly announcement, the Board consists of a total of seven Directors, comprising two executive Directors, two non-executive Directors and three independent non-executive Directors.

(2) Audit Committee

An Audit Committee was established with written terms of reference in compliance with the requirements of the GEM Listing Rules. The primary duties of the Audit Committee are to review and provide supervision over the financial reporting process and internal control system of the Group. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Luo Ze Min, Mr. Guo Shi Zhan and Dr. Xia Ting Kang. The Group's unaudited consolidated results for the three months ended 31 March 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 three months ended 31 March 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
10 May 2019

As at the date of this announcement, the executive directors of the Group are Mr. Wang Jiang Wei and Mr. Wang Tie Jian; 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, Dr. Xia Ting Kang.

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