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## **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)**

- (1) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION  
(2) REVERSE TAKEOVER INVOLVING A NEW LISTING APPLICATION  
(3) APPLICATION FOR WHITEWASH WAIVER  
AND  
(4) PROPOSED SHARE CONSOLIDATION**

**Financial adviser to the Company**



**Sponsor to the new listing application of the Company**



### **THE ACQUISITION**

On 26 October 2018, the Company entered into the (i) First Agreement with the First Vendor and Mr. Zhou; and (ii) the Second Agreement with the Second Vendor and Mr. Chen, in relation to the Acquisition.

The Acquisition constitutes:

- i. a very substantial acquisition for the Company under Chapter 19 of the GEM Listing Rules as the applicable percentage ratios in respect of the Acquisition exceed 100%;
- ii. a reverse takeover of the Company under Rule 19.06(6)(a) of the GEM Listing Rules as the issue of the Consideration Shares will result in a change in control (as defined under the Takeovers Code) of the Company; and

\* For identification purpose only

- iii. a connected transaction of the Company under Rule 20.26 of the GEM Listing Rules as the First Vendor will become a Controlling Shareholder and thus a controller (as defined under Rule 20.26(1) of the GEM Listing Rules) upon Completion.

The Acquisition will be subject to the approval of the Independent Shareholders at the EGM. The Acquisition constitutes a reverse takeover of the Company, and the Company will be treated as if it were a new listing applicant under Rule 19.54 of the GEM Listing Rules. The Acquisition will be subject to the approval by the Listing Committee of the new listing application to be made by the Company. The new listing application is required to comply with all the requirements of the GEM Listing Rules.

#### **IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER**

Upon allotment and issue of the Consideration Shares as settlement of the consideration under the First Agreement, the First Vendor will become interested in 4,121,760,682 Shares, representing approximately 61.86% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares upon Completion.

In the absence of the Whitewash Waiver, the First Vendor will be required to make a mandatory general offer for all the issued Shares (not already owned or agreed to be acquired by it) under Rule 26.1(a) of the Takeovers Code.

An application to the Executive for the Whitewash Waiver will be made by the First Vendor. The Whitewash Waiver, if granted by the Executive, would be subject to the approval of the Independent Shareholders at the EGM by way of poll.

#### **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every 10 issued and unissued Shares of par value of HK\$0.05 each in the share capital of the Company will be consolidated into one Consolidated Share of par value of HK\$0.5 each.

#### **DESPATCH OF THE CIRCULAR**

The Company expects that more time will be required in connection with the new listing application, the Company expects that the Circular will be despatched on or before 31 October 2019.

#### **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on 15 May 2018 and will remain suspended until further notice.

## 1. THE ACQUISITION

### (1) The First Agreement

On 26 October 2018, the Company entered into the First Agreement with the First Vendor and Mr. Zhou.

#### *Subject matter*

The Company has conditionally agreed to acquire from the First Vendor, and the First Vendor has conditionally agreed to sell and procure to sell, to the Company, the First Sale Shares.

The First Sale Shares represent the entire issued share capital of the First Target Company.

Further information regarding the First Sale Shares and the Target Group is set out in the paragraph headed “**5. INFORMATION OF THE TARGET GROUP**” below.

#### *Consideration*

The consideration for the First Acquisition is HK\$265,853,564, which will be settled at Completion by the allotment and issue of the First Consideration Shares to the First Vendor or its nominee (which shall be wholly owned by the First Vendor).

#### *Conditions precedent*

Completion will be conditional upon the satisfaction or (as the case may be) waiver of the following conditions:

- i. all necessary approvals and consents required to be obtained by the Target Group and/or the First Vendor from any government authority or other third party in respect of the First Agreement and/or the transactions contemplated thereunder, if any, being obtained unconditionally and irrevocably;
- ii. all necessary approvals and consents required to be obtained by the Company from any government authority or other third party in respect of the First Agreement and/or the transactions contemplated thereunder, if any, being obtained unconditionally and irrevocably;
- iii. the despatch of the Circular to the Shareholders and the Independent Shareholders approving (a) the First Agreement and the transactions contemplated thereunder; (b) the Whitewash Waiver in a general meeting of the Company held in compliance with the GEM Listing Rules; (c) an increase in the share capital of the Company so as to facilitate the issue of the Consideration Shares (if required);
- iv. the Executive having granted the Whitewash Waiver;

- v. approval having been obtained from the Listing Committee of the Stock Exchange for the new listing application by the Company pursuant to Rule 19.54 of the GEM Listing Rules in relation to the Acquisition and such approval not having been revoked or withdrawn;
- vi. the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the First Consideration Shares;
- vii. the Stock Exchange having approved in principle the resumption of the trading of the Shares and such permission not having been subsequently revoked or withdrawn;
- viii. simultaneous completion of the Second Acquisition;
- ix. completion of the reorganisation of the Target Group as set out in the First Agreement such that the shareholding of the Target Group immediately before Completion will become the shareholding as set out in the paragraph below headed “Shareholding structure of the Target Group”;
- x. there having occurred since 30 June 2018 (a) no events which have material adverse effect respect of the Target Group, and (b) there having been promulgated, put into effect, commenced, granted or issued no statutes, regulations, procedures or administrative orders that may restrict or prohibit the transactions contemplated under the First Agreement;
- xi. the Company being satisfied with the results of due diligence on the Target Group;
- xii. the Company having received, in respect of the members of the Target Group established in the PRC, legal opinion in form and substance satisfactory to the Company as to the legal establishment and valid existence of such members of the Target Group; and
- xiii. the warranties of the First Vendor remaining true and accurate in all respects and not misleading in any respect as of the Completion Date and the First Vendor having performed all its obligations under the First Agreement.

Conditions (i) to (ix) and (x)(b) cannot be waived. The Company may in its absolute discretion, waive conditions (x)(a) and (xi) to (xiii).

Completion will take place on the Completion Date. If the conditions have not been fulfilled or waived by the Company, as the case may be, by the Long Stop Date, the First Agreement will become null and void and of no effect, except for any antecedent breach of the First Agreement.

With respect to the approvals and consents required by the Target Group and/or the First Vendor referred to in condition (i) above, it is currently expected that the relevant consents will be required from the government authorities of the PRC including the Provincial Department of Commerce and its authorised departments, the Regional Industry and Commerce Administration Authority, Regional Foreign Exchange Authority and the Regional Development and Reform Commission.

With respect to the approvals and consents required by the Company referred to in condition (ii) above, it is currently expected that no other consents or approvals will be required except from those listed out in conditions (iii), (v) to (vii) above.

## **(2) The Second Agreement**

On 26 October 2018, the Company entered into the Second Agreement with the Second Vendor and Mr. Chen.

### *Subject matter*

The Company has conditionally agreed to acquire from the Second Vendor, and the Second Vendor has conditionally agreed to sell and procure to sell, to the Company, the Second Sale Shares.

The Second Sale Shares represent the entire issued share capital of the Second Target Company.

Further information regarding the Second Sale Shares and the Target Group is set out in the paragraph headed “Information on the Target Group” below.

### *Consideration*

The consideration for the Second Acquisition is HK\$13,992,293, which will be settled at Completion by the allotment and issue of the Second Consideration Shares to the Second Vendor or its nominee (which shall be wholly owned by the Second Vendor).

### *Conditions precedent*

Completion will be conditional upon the satisfaction or (as the case may be) waiver of the following conditions:

- i. all necessary approvals and consents required to be obtained by the Target Group and/or the Second Vendor from any government authority or other third party in respect of the Second Agreement and/or the transactions contemplated thereunder, if any, being obtained unconditionally and irrevocably;
- ii. all necessary approvals and consents required to be obtained by the Company from any government authority or other third party in respect of the Second Agreement and/or the transactions contemplated thereunder, if any, being obtained unconditionally and irrevocably;

- iii. the despatch of the Circular to the Shareholders and the Independent Shareholders approving (a) the Second Agreement and the transactions contemplated thereunder; (b) the Whitewash Waiver in a general meeting of the Company held in compliance with the GEM Listing Rules; (c) an increase in the share capital of the Company so as to facilitate the issue of the Consideration Shares (if required);
- iv. the Executive having granted the Whitewash Waiver;
- v. approval having been obtained from the Listing Committee of the Stock Exchange for the new listing application by the Company pursuant to Rule 19.54 of the GEM Listing Rules in relation to the Acquisition and such approval not having been revoked or withdrawn;
- vi. the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Second Consideration Shares;
- vii. the Stock Exchange having approved in principle the resumption of the trading of the Shares and such permission not having been subsequently revoked or withdrawn;
- viii. simultaneous completion of the First Acquisition;
- ix. completion of the reorganisation of the Target Group as set out in the Second Agreement such that the shareholding of the Target Group immediately before Completion will become the shareholding as set out in the paragraph below headed “Shareholding structure of the Target Group”;
- x. there having occurred since 30 June 2018 (a) no events which have material adverse effect respect of the Target Group, and (b) there having been promulgated, put into effect, commenced, granted or issued no statutes, regulations, procedures or administrative orders that may restrict or prohibit the transactions contemplated under the Second Agreement;
- xi. the Company being satisfied with the results of due diligence on the Target Group;
- xii. the Company having received, in respect of the members of the Target Group established in the PRC, legal opinion in form and substance satisfactory to the Company as to the legal establishment and valid existence of such members of the Target Group; and
- xiii. the warranties of the Second Vendor remaining true and accurate in all respects and not misleading in any respect as of the Completion Date and the Second Vendor having performed all its obligations under the Second Agreement.

Conditions (i) to (ix) and (x)(b) cannot be waived. The Company may in its absolute discretion, waive conditions (x)(a) and (xi) to (xiii).

Completion will take place on the Completion Date. If the conditions have not been fulfilled or waived by the Company, as the case may be, by the Long Stop Date, the Second Agreement will become null and void and of no effect, except for any antecedent breach of the Second Agreement.

With respect to the approvals and consents required by the Target Group and/or the First Vendor referred to in condition (i) above, it is currently expected that the relevant consents will be required from the government authorities in the PRC including the Provincial Department of Commerce and its authorised departments, the Regional Industry and Commerce Administration Authority, Regional Foreign Exchange Authority and the Regional Development and Reform Commission.

With respect to the approvals and consents required by the Company referred to in condition (ii) above, it is currently expected that no other consents or approvals will be required except from those listed out in conditions (iii), (v) to (vii) above.

### **(3) The consideration for the Acquisition**

The consideration for the Acquisition was determined after arm's length negotiations among the Company and the Vendors. A valuation report for the Acquisition will be issued by an independent valuer for the inclusion of the Circular (the "**Valuation Report**"). The Valuation Report will be prepared in accordance with the relevant valuation standards. Furthermore, the Directors have taken into account of the following:

- i. given the operating model of the Target Group, the Target Group is the owner and occupant of its property in Nanjing, the PRC, for the purpose of its 4S dealership shop and repair and maintenance service store, thus the Directors have assessed the price/book ratio, being approximately 3.2 times based on the unaudited net asset of the Target Group as at 30 June 2018 in an amount of approximately RMB96.0 million and the percentage of equity interests in the Target Group to be acquired by the Group (i.e. 80.0%) under the Agreements (Note);
- ii. the price/book ratio of approximately 3.1 times based on the unaudited net asset of the Group as at 30 June 2018 in an amount of approximately RMB23.8 million and the closing price of HK\$0.037 per Share as quoted on the Stock Exchange on the Last Trading Day (Note);
- iii. the historical performance and future prospects of the Target Group, and in particular, JSZC Sales & Services and JSZC Development, including among others, pursuant to the exclusive distributor agreement entered into between JSZC Development and IMSA, through JSZC Development, the Target Group has exclusive distribution rights of IMSA customised Mercedes-Benz automobiles in the PRC which the Target Group shall further develop;

*Note:* Shareholders and potential investors should note that the above unaudited financial information does not meet the standard required under Rule 10 of the Takeovers Code and is subject to audit by the reporting accountants of the Target Group.



- iv. the existing market penetration and leading position of the Target Group in Nanjing as one of the Mercedes-Benz dealers through its established physical and online sales channel. Based on the best knowledge of the Directors and the director of the First Vendor, there are a total of eight Mercedes-Benz dealers in Nanjing, of which the Target Group was ranked fourth in 2017 with a market share of approximately 12.6%;
- v. the Target Group's existing non-exclusive 4S car dealership agreement with Mercedes-Benz, being a division of Daimler AG, a well-known luxury western car manufacturer. As set out in the 2018 annual report and related publications of Daimler AG, it is set out that the most important markets for Mercedes-Benz automotive in 2018 were the PRC with approximately 28% of unit sales, the United States of America with approximately 14%, Germany with approximately 14%, the other European markets with approximately 28%. Unit sales to the PRC (including Hong Kong) reached 677,700 in 2018 compared to 618,800 in 2017, representing a year-on-year growth of approximately 9.5%;
- vi. the full settlement of the consideration of the Acquisition by the allotment and issue of the Consideration Shares will not create immediate cash outlay of the Group, and the Issue Price of HK\$0.0645 per Consideration Share represents a significant premium of approximately 74.3% as compared to the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day;
- vii. the low liquidity of the Shares prior to the Last Trading Day;
- viii. the suspension of trading in the Shares since May 2018; and
- ix. the businesses of JSZC Sales & Services and JSZC Development as further detailed under the section headed "**5. INFORMATION ON THE TARGET GROUP**".

The aforesaid factors were considered by the Directors as a whole when determining the consideration of the Acquisition. Furthermore, a Valuation Report for the Acquisition will be included in the Circular.

#### **(4) The Consideration Shares**

The Consideration Shares, being 4,338,695,455 new Shares, will be allotted and issued under the Specific Mandate upon Completion. The Company has not undertaken any equity fund-raising exercise in the 12 months immediately preceding the date of this announcement.

The Consideration Shares represent:

- i. approximately 186.7% of the entire issued share capital of the Company as at the date of this announcement; and
- ii. approximately 65.1% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.



### *Ranking*

The Consideration Shares when issued will rank *pari passu* in all respects with the Shares in issue at the date of issue including in respect of all dividends and distributions declared, made or paid on or after such date of issue.

### *Application for listing*

An application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

## **(5) The Issue Price**

The Issue Price for the Consideration Shares of HK\$0.0645 per Share represents:

- i. a premium of approximately 74.3% to the closing price of HK\$0.037 per Share as quoted on the Stock Exchange on the Last Trading Day;
- ii. a premium of approximately 84.3% to the average of the closing price of approximately HK\$0.035 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- iii. a premium of approximately 84.3% to the average of the closing price of approximately HK\$0.035 per Shares as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;
- iv. a premium of approximately 666.0% to the unaudited net asset value per Share of approximately RMB0.0084 (being equivalent to approximately HK\$0.0097) as at 30 June 2018 based on the interim results announcement of the Company for the six months ended 30 June 2018; and
- v. a premium of approximately 529.9% to the audited net asset value per Share of approximately RMB0.0102 (being equivalent to approximately HK\$0.0118) as at 31 December 2017 based on the annual report of the Company for the year ended 31 December 2017.

The Issue Price was determined after arm's length negotiations among the Company and the Vendors after taking into account:

- i. the prevailing market prices of the Shares before the suspension of trading of the Shares in May 2018;
- ii. the average closing Share price of approximately HK\$0.0443 per Share of 30 trading days up to and including the day of 15 September 2017, being the date of the announcement published by the Company in relation to the Stock Exchange's notice of proceeding to cancel the Company's listing (the "**Notice**");
- iii. the average closing Share price of approximately HK\$0.0685 per Share of 90 trading days up to and including the day of the date of the Notice;

- iv. the financial performance of the Group;
- v. the suspension in trading of the Shares; and
- vi. the prevailing market conditions at the date of the First Agreement and the Second Agreement.

Based on the Issue Price of HK\$0.0645, the implied market capitalisation of the Enlarged Group with a total number of 6,662,996,591 Shares upon Completion would be approximately HK\$429.8 million. The implied market capitalisation of the Target Group would be able to comply with the market capitalisation requirement of HK\$150 million under the GEM Listing Rules.

The Board (excluding the members of the Independent Board Committee who will provide their view after having taken advice from the Independent Financial Adviser) considers that the Consideration (including the Issue Price) is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **2. CONTINUING CONNECTED TRANSACTIONS**

Upon Completion, the First Vendor will become a connected person of the Company. It is expected that after Completion, there will be continuing connected transactions between the Group and associates of the First Vendor.

The Company will comply with the relevant requirements under Chapter 20 of the GEM Listing Rules with respect to these transactions. Further details will be provided in the Circular.

## **3. PROPOSED CHANGE OF DIRECTORS**

Upon Completion, all the existing Directors (except for Mr. Wang Jiang Wei) will resign. It is expected that, subject to the applicable laws and the terms of reference of the nomination committee, the First Vendor may nominate new Directors. Further details will be provided in the Circular.

## **4. INFORMATION ON THE PARTIES**

### **(1) The First Vendor and Mr. Zhou**

The First Vendor is an investment holding company. As at the date of this announcement, the First Vendor is wholly owned by Mr. Zhou. The shareholding structure of the Target Group is set out the section headed “**5. INFORMATION ON THE TARGET GROUP**”.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the First Vendor and Mr. Zhou is independent of the Company and connected persons of the Company as at the date of this announcement.

## **(2) The Second Vendor and Mr. Chen**

The Second Vendor is an investment holding company. As at the date of this announcement, the Second Vendor is wholly owned by Mr. Chen. The shareholding structure of the Target Group is set out the section headed “**5. INFORMATION ON THE TARGET GROUP**”.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the Second Vendor and Mr. Chen is independent of the Company and connected persons of the Company as at the date of this announcement.

## **5. INFORMATION ON THE TARGET GROUP**

### **Overview**

The Target Group is principally engaged in operating a Mercedes-Benz 4S dealership store in Nanjing City, Jiangsu Province, the PRC. The Target Group 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 authorised Mercedes-Benz automobiles in the PRC.

### **Business of the Target Group**

JSZC Sales & Services and JSZC Development are the Target Group’s principal operating subsidiaries.

The Target Group’s Mercedes-Benz dealership store is operated by JSZC Sales & Services. The Target Group’s Mercedes-Benz 4S dealership store offer (i) sales of new automobiles; (ii) after-sales services, including maintenance and repair services, provision of decoration services; and (iii) other automobile-related services including trading of pre-owned vehicles and assistance services to its customers for their automobiles in obtaining financing services from qualified service providers.

The Target Group’s parallel imported vehicles trading business and IMSA authorised Mercedes-Benz automobiles distribution business are operated by JSZC Development and IMSA (Chongqing). The Target Group has engaged in trading of parallel imported vehicles of other brands in the PRC such as Maserati, BMW, Jeep Cherokee, Nissan and Toyota.

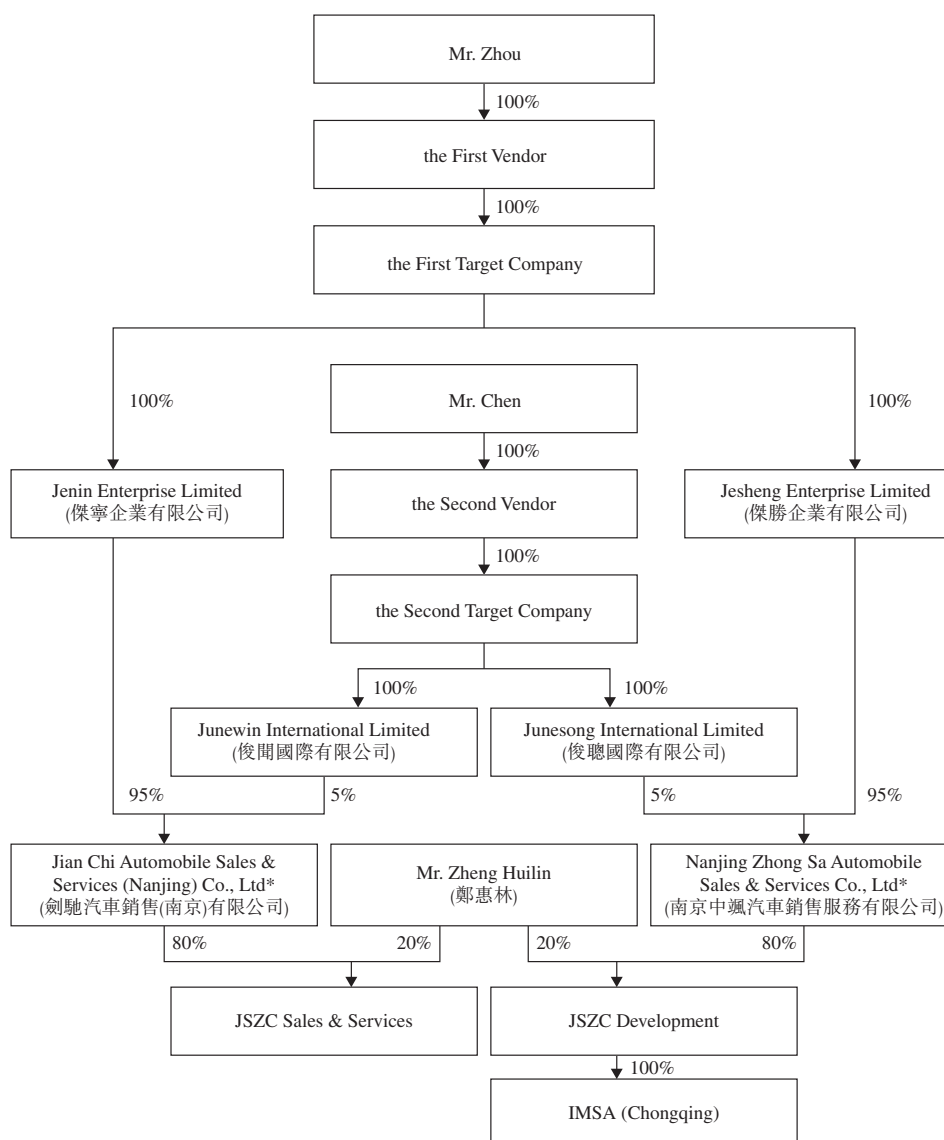
Immediately prior to Completion, the First Target Company will become the holding company of (i) 95% of Jian Chi Automobile Sales & Services (Nanjing) Co., Ltd\* (劍馳汽車銷售(南京)有限公司), which is the investment company holding of 80% of JSZC Sales & Services; and (ii) 95% of Nanjing Zhong Sa Automobile Sales & Services Co., Ltd.\* (南京中颯汽車銷售服務有限公司), which is the investment company holding of 80% of JSZC Development.

Immediately prior to Completion, the Second Target Company will be the holding company of (i) 5% of Jian Chi Automobile Sales & Services (Nanjing) Co., Ltd\* (劍馳汽車銷售(南京)有限公司), which is the investment company holding of 80% of JSZC Sales & Services; and (ii) 5% of Nanjing Zhong Sa Automobile Sales & Services Co., Ltd.\* (南京中颯汽車銷售服務有限公司), which is the investment company holding of 80% of JSZC Development.

### Shareholding structure of the Target Group

As at the date of the Agreements, Mr. Zhou directly held 80% of each of JSZC Sales & Services and JSZC Development, while the remaining 20% was held directly by Mr. Zheng Huilin, who is not a connected person and does not hold any Shares.

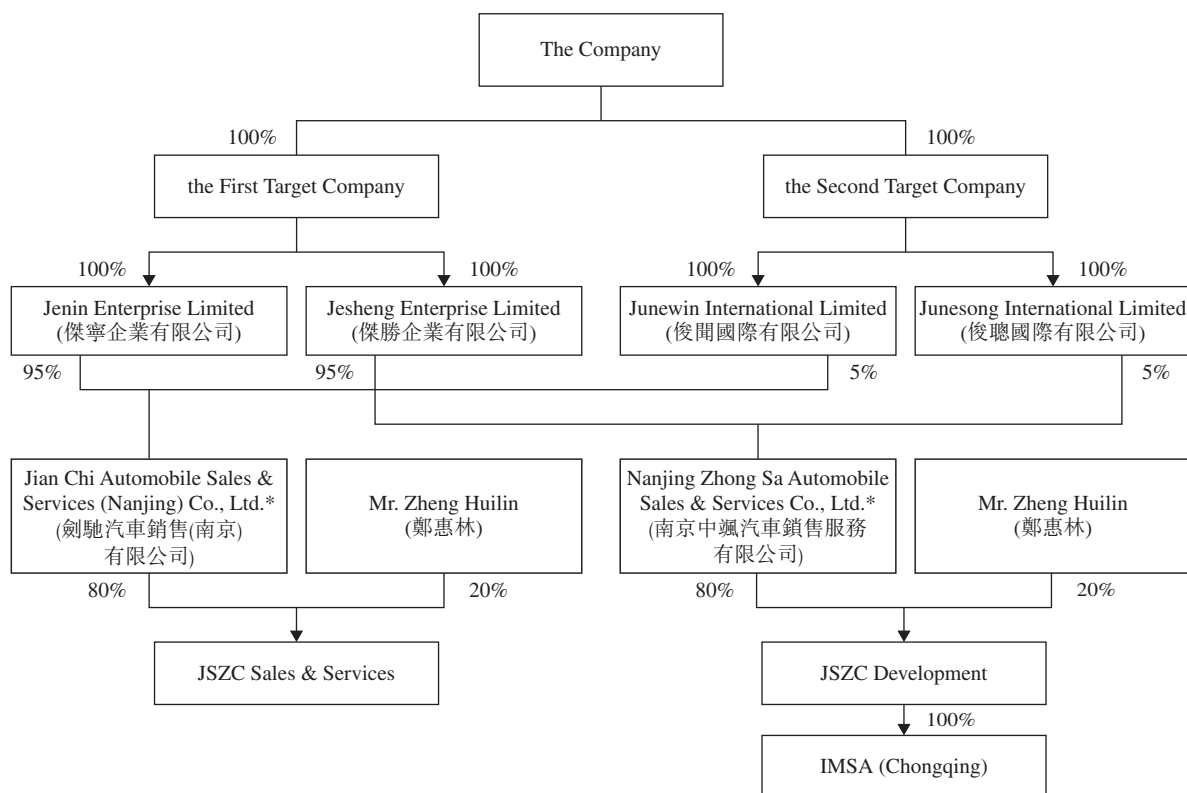
After signing of the Agreements, the Target Group will undergo reorganization and upon completion of the reorganization, the shareholding structure of the Target Group immediately before Completion is set out below:



Notes:

- (1) Except for JSZC Sales & Services, JSZC Development and IMSA (Chongqing), each of the companies shown in above shareholding table is an investment holding company.
- (2) As at the date of this announcement, Mr. Zheng Huilin is not a connected person.

Upon Completion, the shareholding structure of the Enlarged Group is set out below:



## Financial Information of the Target Group

Set out below is the unaudited combined financial information of the Target Group for the three years ended 31 December 2018 provided by the Target Group:

|                                | As at/for the<br>year ended<br>31 December<br>2016<br>(unaudited)<br>(RMB'000) | As at/for the<br>year ended<br>31 December<br>2017<br>(unaudited)<br>(RMB'000) | As at/for the<br>year ended<br>31 December<br>2018<br>(unaudited)<br>(RMB'000) |
|--------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Revenue                        | 451,359                                                                        | 544,263                                                                        | 703,348                                                                        |
| Net (loss)/profit (before tax) | (75)                                                                           | 9,857                                                                          | 12,762                                                                         |
| Net (loss)/profit (after tax)  | (4,945)                                                                        | 7,470                                                                          | 7,310                                                                          |
| Net asset value                | 78,084                                                                         | 85,554                                                                         | 92,864                                                                         |
| Total assets                   | 409,862                                                                        | 430,807                                                                        | 480,196                                                                        |

Pursuant to the GEM Listing Rules 19.58(7) and (8), the Company is required to disclose the above financial information relating to the Target Group in this announcement. Pursuant to Rule 10 of the Takeovers Code, the above unaudited financial information relating to the Target Group constitutes a profit estimate and should be reported on by the Company's financial adviser and reporting accountants (the "**Report(s)**") under Rule 10.4 of the Takeovers Code. However, due to the practical difficulties in terms of additional time required for the preparation of the Report by the Company's reporting accountants, the disclosure of the above unaudited financial information relating to the Target Group does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on such information in assessing the merits and demerits of the transaction. The accountants' report setting out the audited financial statements relating to the Target Group, which will be in full compliance with the requirements of the Takeovers Code, will be included in the Circular to be issued by the Company to the Shareholders.

**Shareholders and potential investors should note that the above unaudited financial information does not meet the standard required under Rule 10 of the Takeovers Code and is subject to audit by the reporting accountants of the Target Group. Caution should be exercised when placing reliance on such unaudited financial information in the assessment of the merits and demerits of the Acquisition and/or the Whitewash Waiver, or when dealing in Shares. Shareholders and potential investors should refer to the audited financial information which will be set out in the Circular.**

## 6. SHAREHOLDING STRUCTURE

The table below sets out the changes in the shareholding structure of the Company as at the date of this announcement and immediately upon Completion.

|                                                     | Immediately as at the date<br>of this announcement |                     | Immediately after<br>Completion |                     |
|-----------------------------------------------------|----------------------------------------------------|---------------------|---------------------------------|---------------------|
|                                                     | Number of<br>Shares                                | %                   | Number of<br>Shares             | %                   |
| Oriental Patron Derivatives Limited<br>(Note (1))   | 322,650,000                                        | 13.88               | 322,650,000                     | 4.84                |
| Pacific Top Holdings Limited (Note(1))              | 41,568,750                                         | 1.79                | 41,568,750                      | 0.62                |
| World Radiance Limited (Note (2))                   | 294,900,000                                        | 12.69               | 294,900,000                     | 4.43                |
| Mr. Wang Tie Jian (Note (3))                        | 111,116,250                                        | 4.78                | 111,116,250                     | 1.67                |
| <b>the First Vendor and its concert<br/>parties</b> |                                                    |                     |                                 |                     |
| the First Vendor                                    | —                                                  | —                   | 4,121,760,682                   | 61.86               |
| the Second Vendor                                   | —                                                  | —                   | 216,934,773                     | 3.26                |
| <b>Subtotal</b>                                     |                                                    |                     |                                 | <u>65.12</u>        |
|                                                     |                                                    |                     |                                 | 23.30               |
| Public Shareholders (Note (4))                      | <u>1,554,066,136</u>                               | <u>66.86</u>        | <u>1,554,066,136</u>            | <u>(Note (4))</u>   |
| <b>Total</b>                                        | <b><u>2,324,301,136</u></b>                        | <b><u>100.0</u></b> | <b><u>6,662,996,591</u></b>     | <b><u>100.0</u></b> |

Notes:

- (1) Oriental Patron Derivatives Limited and Pacific Top Holdings Limited are wholly owned by Oriental Patron Financial Services Group Limited (together the “**Oriental Group**”). Based on the latest disclosure of interests forms filed, the Oriental Group is ultimately controlled as to 49% by Mr. Zhang Gaobo and as to 51% by Mr. Zhang Zhi Ping. Each of Mr. Zhang Gaobo and Mr. Zhang Zhi Ping is an indirect Shareholder. Except for their shareholding in the Company, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of Mr. Zhang Gaobo and Mr. Zhang Zhi Ping is independent of the Company and the Vendors.
- (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, the executive director of the Company, is the sole director of Chang Yao Investments Limited and World Radiance Limited.
- (3) Mr. Wang Tie Jian is an executive Director.
- (4) Upon Completion, Oriental Group will no longer be connected persons of the Company and their shareholding will also be counted towards the public float. As such, the Company will be able to fulfil the public float requirements upon Completion.



## 7. REASON FOR THE ACQUISITION

Since 15 May 2018, the Shares of the Company have been suspended from trading. The GEM Listing Committee and the GEM Listing (Review) Committee of the Stock Exchange considered that the Company 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 Rule 17.26 of the GEM Listing Rules to warrant the continued listing of the Shares. The scale of operations of the existing operations of the Group cannot sustain the listing status of the Group.

Since 15 May 2018, Shareholders have been deprived of an open market for the trading of the Shares. The purpose of the Acquisition is not to complement to any existing business of the Group. The primary purpose of the Acquisition is to allow the Group (as enlarged by the Target Group upon Completion) to meet the listing conditions such that trading in the Shares can be resumed. The resumption in trading of the Shares is of primary interest and great importance to the Company and all the Shareholders.

Having considered that (i) the Acquisition is the essence of the Resumption Proposal for the resumption of trading in the Shares, which have been suspended since 15 May 2018; and (ii) the historical and future prospect of the Target Group as detailed in the section headed “**(3) The consideration for the Acquisition**” of this announcement, the Board (excluding the members of the Independent Board Committee who will provide their view after having taken advice from the Independent Financial Adviser) is of the view that the terms of the Agreements, which have been reached after arm’s length negotiations among the parties, are normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## 8. LISTING RULES IMPLICATIONS

The Acquisition constitutes:

- i. a very substantial acquisition for the Company under Chapter 19 of the GEM Listing Rules as the applicable percentage ratios in respect of the Acquisition exceed 100%;
- ii. a reverse takeover of the Company under Rule 19.06(6)(a) of the GEM Listing Rules as the issue of the Consideration Shares will result in a change in control (as defined under the Takeovers Code) of the Company; and
- iii. a connected transaction of the Company under Rule 20.26 of the GEM Listing Rules as the First Vendor will become a Controlling Shareholder and thus a controller (as defined under Rule 20.26(1) of the GEM Listing Rules) upon Completion.

The Acquisition will be subject to the approval of the Independent Shareholders at the EGM.

The Acquisition constitutes a reverse takeover of the Company, and the Company will be treated as if it were a new listing applicant under Rule 19.54 of the GEM Listing Rules. The Acquisition will be subject to the approval by the Listing Committee of the new listing application to be made by the Company. The new listing application is required to comply with all the requirements of the GEM Listing Rules.

As disclosed in the announcement of the Company dated 4 March 2019, the Stock Exchange agreed to allow the Company to submit a new listing application on or before 31 May 2019.

## **9. IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER**

As at the date of this announcement, the First Vendor and its concert parties (including Mr. Zhou, the Second Vendor and Mr. Chen) are not interest in any Shares.

Upon allotment and issue of the Consideration Shares as settlement of the consideration under the First Agreement, the First Vendor will become interested in 4,121,760,682 Shares, representing approximately 61.86% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares upon Completion.

In the absence of the Whitewash Waiver, the First Vendor will be required to make a mandatory general offer for all the issued Shares (not already owned or agreed to be acquired by it) under Rule 26.1(a) of the Takeovers Code.

An application to the Executive for the Whitewash Waiver will be made by the First Vendor. The Whitewash Waiver, if granted by the Executive, would be subject to the approval of the Independent Shareholders at the EGM by way of poll.

If the Whitewash Waiver is approved by the Independent Shareholders, the shareholding of the First Vendor and its concert parties in the Company will exceed 50%. The First Vendor and its concert parties may further increase its interests in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

The Acquisition is conditional on the First Vendor being granted the Whitewash Waiver and the Independent Shareholders approving the Whitewash Waiver at the EGM on a vote taken by way of a poll.

**The Executive may or may not grant the Whitewash Waiver and the Independent Shareholders may or may not approve the Whitewash Waiver. The Acquisition will not proceed if the Whitewash Waiver is not so granted or approved.**

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquires, except for the consents and approvals as set out in the paragraphs headed "conditions precedent" in the sections headed "(1) The First Agreement" and "(2) The Second Agreement" of this announcement, the Directors are not aware of any other compliance obligations under the applicable rules or regulations (including the GEM Listing Rules). As at the date of this announcement, the Company does not believe that the Acquisition gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the GEM Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Circular. The Company notes that the Executive may not grant the Whitewash Waiver if the Acquisition does not comply with other applicable rules and regulations.

## 10. INFORMATION REQUIRED UNDER THE TAKEOVERS CODE

As at the date of this announcement, the issued share capital of the Company comprises 2,324,301,136 Shares and, except for the Share Options, the Company does not have any options, warrants or convertible securities in issue.

None of the First Vendor, the Second Vendor or their respective concert parties (including Mr. Zhou and Mr. Chen):

- i. has, except for entering into the Agreements, during the 6-month period prior to the date of the Agreements and during the period between the date of the Agreements and this announcement, acquired or entered into any agreement or arrangement to acquire or any voting rights in the Company;
- ii. is, except for the Consideration Shares to be issued under Acquisition, interested in any issued Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement;
- iii. has entered into any derivatives which is outstanding as at the date of this announcement in respect of any securities in the Company;
- iv. holds, controls or has direction over, as at the date of this announcement, any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- v. has, as at the date of this announcement, borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- vi. has any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Vendor, which might be material to the Acquisition and/or the Whitewash Waiver, with other persons;
- vii. has, as at the date of this announcement, made any agreement or arrangement which relates to circumstances in which he/it may or may not invoke or seek to invoke a precondition or a condition to the Acquisition and/or the Whitewash Waiver, other than the conditions precedent set out in this announcement; and
- viii. has, as at the date of this announcement, received any irrevocable commitment to vote for or against the Acquisition and/or the Whitewash Waiver.

As at the date of this announcement,

- (i) there is no consideration, compensation, or benefit in whatever form paid by or payable by the First Vendor and its concert parties (including Mr. Zhou, the Second Vendor and Mr. Chen) to any of the Shareholders; and

- (ii) there is no understanding, arrangement, or agreement or special deals (within the meaning of the Takeovers Code) between any Shareholders, on one hand, and (1) the First Vendor and/or its concert parties (including Mr. Zhou, the Second Vendor and Mr. Chen); and (2) the Group, on the other hand.

## **11. FINANCIAL ADVISER, SPONSOR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Red Sun Capital Limited has been appointed as the financial adviser to the Company in relation to the application of resumption of trading in Shares.

TC Capital International Limited has been appointed as the sponsor in relation to the Company's new listing application.

The Independent Board Committee has been established to advise the Independent Shareholders on the Acquisition and the Whitewash Waiver.

An independent financial adviser will be appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Acquisition and the Whitewash Waiver.

## **12. DESPATCH OF THE CIRCULAR**

A circular giving details of, among others, the Acquisition, the Whitewash Waiver and the Share Consolidation containing the notice of the EGM and the letters from the Independent Board Committee to the Independent Shareholders and from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and the Whitewash Waiver, will be despatched by the Company to the Shareholders as soon as practicable in accordance with the GEM Listing Rules and the Takeovers Code.

Under Rule 19.60(7) of the GEM Listing Rules, the Company is required to despatch the Circular within 15 business days after the publication of this announcement. Under Rule 8.2 of the Takeovers Code, the Company is required to despatch to Shareholders a circular in respect of, amongst others, the terms of the Acquisition and the Whitewash Waiver within 21 days from the date of publication of this announcement.

The Company expects that more time will be required in connection with the new listing application, the Company expects that the Circular will be despatched on or before 31 October 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 to 31 October 2019. The Executive granted such extension on 2 May 2019.

### **13. PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation upon Completion on the basis that every 10 issued and unissued Shares of par value of HK\$0.05 each in the share capital of the Company will be consolidated into one Consolidated Share of par value of HK\$0.5 each.

#### **Conditions of the proposed Share Consolidation**

The proposed Share Consolidation is conditional upon:

- (i) the passing of the relevant resolutions to approve the Acquisition and the Whitewash Waiver by the Independent Shareholders at the EGM;
- (ii) the passing of the relevant resolution to approve the proposed Share Consolidation by the Shareholders at the EGM;
- (iii) the compliance with all relevant procedures and requirements under Cayman Islands law (where applicable) to effect the Share Consolidation; and
- (iv) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares.

Subject to the satisfaction of all the above conditions, it is expected that the Share Consolidation will become effective on the Effective Date.

#### **Effect of the proposed Share Consolidation**

The Consideration Shares, upon allotment and issue, will be subject to the Share Consolidation.

As at the date of this announcement, the authorised share capital of the Company is HK\$1,500,000,000 divided into 30,000,000,000 Shares of par value of HK\$0.05 each, of which 2,324,301,136 Shares have been issued and are fully paid or credited as fully paid.

Assuming that no further Shares are issued or repurchased between the date of this announcement and the date of the EGM, immediately after the Share Consolidation becomes effective, the authorised share capital of the Company will become HK\$1,500,000,000 divided into 3,000,000,000 Consolidated Shares of par value of HK\$0.5 each, of which 232,430,113 Consolidated Shares will be in issue. Taking into account the Consideration Shares that will be allotted and issued upon Completion, 666,299,659 Consolidated Shares will be in issue on the Effective Date.

#### **Status of the Consolidated Shares**

The Consolidated Shares will rank *pari passu* in all respects with each other in accordance with articles of association of the Company and as to all future dividends and distributions which are declared, made or paid. There will be no change in the relative rights of the Shareholders. Other than the expenses to be incurred in relation to the Share Consolidation (including without limitation professional fees and printing

fees), the implementation of the Share Consolidation will not, in itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise. Fractional Consolidated Shares will not be issued by the Company to the Shareholders. Any fractional entitlements of Consolidated Shares will be aggregated, sold and retained for the benefit of the Company.

### **Outstanding options, warrants or other securities**

As at the date of this announcement, except for the 235,351,407 outstanding Share Options, the Company has no outstanding options, warrants, derivatives or other securities which are convertible or exchangeable into, any Existing Shares or Consolidated Shares.

Assuming there is no other adjustment event under the relevant share option scheme other than the Share Consolidation becoming effective, the outstanding Share Options will entitle the holders thereof to subscribe for up to 23,535,140 Consolidated Shares in aggregate. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

### **Listing application**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares. All necessary arrangements will be made for the Consolidated Shares to be admitted into the CCASS. The Share Consolidation will be conducted in accordance with the provisions in the Articles of Association of the Company. No part of the share capital of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

### **Reasons for the Share Consolidation**

The board lot size of the Shares is 10,000 Shares. Based on the closing price of HK\$0.037 per Share as quoted on the Stock Exchange on the Last Trading Day, the value of each board lot of the Shares is HK\$370.

Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 25 July 2016, the expected board lot value per board lot should be greater than HK\$2,000 taking into account the minimum transaction costs for a securities trade.

The Share Consolidation will allow the Company to meet the relevant guideline and also help prevent the Consolidated Shares from being traded at any extreme price per share.



## **Further details**

Having considered the time required to prepare for the new listing application of the Company, further details of the Share Consolidation (including the expected timetable, odd-lot trading arrangement, the timetable for free exchange of existing certificates and trading arrangements) will be announced in due course.

## **14. CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on 15 May 2018 and will remain suspended until further notice.

## **15. DEFINITIONS**

In this announcement, the following expressions shall have the following meanings as set out below unless the context requires otherwise:

|                    |                                                                                                                                                                                                                         |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Acquisition”      | collectively, the First Acquisition and the Second Acquisition                                                                                                                                                          |
| “Agreements”       | collectively, the First Agreement and the Second Agreement                                                                                                                                                              |
| “associate”        | has the meaning ascribed to it under the GEM Listing Rules                                                                                                                                                              |
| “Board”            | the board of the Company                                                                                                                                                                                                |
| “Circular”         | the circular of the Company to be despatched to the Shareholders in relation to, among other things, the Acquisition (including the Specific Mandate) and the Whitewash Waiver                                          |
| “Company”          | Jian ePayment Systems Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM (stock code: 8165)                                                        |
| “Completion”       | completion of the Acquisition                                                                                                                                                                                           |
| “Completion Date”  | the fifth business day (as defined in the First Agreement and the Second Agreement) upon satisfaction or waiver (as the case may be) of the conditions under the First Agreement and the Second Agreement, respectively |
| “connected person” | has the meaning ascribed to it under the GEM Listing Rules                                                                                                                                                              |



|                              |                                                                                                                                                                                                                                                                     |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Controlling Shareholder”    | has the meaning ascribed to it under the GEM Listing Rules and                                                                                                                                                                                                      |
| “Consideration Shares”       | 4,338,695,455 new Shares to be allotted and issued by the Company                                                                                                                                                                                                   |
| “Consolidated Share”         | Share of par value of HK\$0.5 each in the share capital of the Company upon completion of the Share Consolidation                                                                                                                                                   |
| “Director(s)”                | director(s) of the Company                                                                                                                                                                                                                                          |
| “Effective Date”             | being the first trading day on resumption in trading of the Shares                                                                                                                                                                                                  |
| “EGM”                        | the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, the Acquisition (including the Specific Mandate), the Whitewash Waiver, the proposed change of Directors and the Share Consolidation |
| “Enlarged Group”             | the Group as enlarged by the Target Group upon Completion                                                                                                                                                                                                           |
| “Executive”                  | the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director                                                                                                                         |
| “First Acquisition”          | the acquisition of the First Sale Shares by the Company                                                                                                                                                                                                             |
| “First Agreement”            | the agreement dated 26 October 2018 entered into between the Company, the First Vendor and Mr. Zhou in relation to the First Acquisition                                                                                                                            |
| “First Consideration Shares” | 4,121,760,682 Shares to be issued to the First Vendor upon completion of the First Acquisition                                                                                                                                                                      |
| “First Sale Shares”          | the entire issued share capital of the First Target Company                                                                                                                                                                                                         |
| “First Target Company”       | Vast Praise International Limited, a company incorporated in the British Virgin Islands with limited liability                                                                                                                                                      |
| “First Vendor”               | Sino Vibrant Limited, a company incorporated in the British Virgin Islands with limited liability                                                                                                                                                                   |
| “GEM Listing Rules”          | The Rules Governing the Listing of Securities on GEM                                                                                                                                                                                                                |
| “Group”                      | the Company and its subsidiaries prior to Completion                                                                                                                                                                                                                |

|                                 |                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “HK\$”                          | Hong Kong dollar, the lawful currency of Hong Kong                                                                                                                                                                                                                                                                                                                      |
| “Hong Kong”                     | the Hong Kong Special Administrative Region of the People’s Republic of China                                                                                                                                                                                                                                                                                           |
| “IMSA”                          | IMSA GmbH, a company incorporated in Germany, which is an authorised tuner of Mercedes-Benz                                                                                                                                                                                                                                                                             |
| “IMSA (Chongqing)”              | IMSA (Chongqing) Trading Co., Limited* (英颯(重慶)貿易有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of JSZC Development                                                                                                                                                                                                       |
| “Independent Board Committee”   | an independent committee of the Board, comprising all the independent non-executive directors, formed for the purpose of advising the Independent Shareholders, the Acquisition and including, for the purposes of the Whitewash Waiver, the non-executive Directors in addition to the independent non-executive Directors                                             |
| “Independent Financial Adviser” | the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition and the Whitewash Waiver                                                                                                                                                                                     |
| “Independent Shareholders”      | the Shareholders other than those (i) who are connected, interested in or involved in the Acquisition and/or the Whitewash Waiver; (ii) the Vendors and parties acting in concert with them (including Mr. Zhou and Mr. Chen); and (iii) those who are required to abstain from voting at the EGM to be convened to approve the Acquisition and/or the Whitewash Waiver |
| “Issue Price”                   | HK\$0.0645 per Share                                                                                                                                                                                                                                                                                                                                                    |
| “JSZC Development”              | Jiangsu Zhong Chi Automobile Development Co., Ltd* (江蘇中馳汽車發展有限公司), a company established in the PRC with limited liability                                                                                                                                                                                                                                              |
| “JSZC Sales & Services”         | Jiangsu Zhong Chi Automobile Sales & Services Co., Ltd* (江蘇中馳汽車銷售服務有限公司), a company established in the PRC with limited liability                                                                                                                                                                                                                                       |
| “Last Trading Day”              | 14 May 2018, being the last full trading day for the Shares before the suspension of trading in Shares                                                                                                                                                                                                                                                                  |
| “Listing Committee”             | has the meaning ascribed to it under the GEM Listing Rules                                                                                                                                                                                                                                                                                                              |

|                               |                                                                                                                                                                                                                                                                                 |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Long Stop Date”              | 31 December 2019, or such later time or date as may be agreed among the parties to the Agreements in writing                                                                                                                                                                    |
| “Mr. Chen”                    | Mr. Simon Chen (陳國敏)                                                                                                                                                                                                                                                            |
| “Mr. Zhou”                    | Mr. Zhou Jianzhi (周劍芝)                                                                                                                                                                                                                                                          |
| “PRC”                         | the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan                                                                                            |
| “Resumption Proposal”         | the proposal of the Company submitted to the Stock Exchange on 29 October 2018 for the resumption of trading in the Shares, details of which are set out in the announcements of the Company dated 29 October 2018, 31 July 2018, 14 May 2018, 1 February 2019 and 4 March 2019 |
| “RMB”                         | Renminbi, the lawful currency of the PRC                                                                                                                                                                                                                                        |
| “Sale Shares”                 | collectively, the First Sale Shares and the Second Sale Shares                                                                                                                                                                                                                  |
| “Second Acquisition”          | the acquisition of the Second Sale Shares by the Company                                                                                                                                                                                                                        |
| “Second Agreement”            | the agreement dated 26 October 2018 entered into between the Company, the Second Vendor and Mr. Chen in relation to the Second Acquisition                                                                                                                                      |
| “Second Consideration Shares” | 216,934,773 Shares to be issued to the Second Vendor upon completion of the Second Acquisition                                                                                                                                                                                  |
| “Second Sale Shares”          | the entire issued share capital of the Second Target Company                                                                                                                                                                                                                    |
| “Second Target Company”       | Vermont Ridge Limited, a company incorporated in the British Virgin Islands with limited liability                                                                                                                                                                              |
| “Second Vendor”               | Great Harvest Global Limited, a company incorporated in the British Virgin Islands with limited liability                                                                                                                                                                       |
| “SFC”                         | the Securities and Futures Commission of Hong Kong                                                                                                                                                                                                                              |
| “SFO”                         | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time                                                                                                                                   |

|                       |                                                                                                                                                                                                                                                                              |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Share Consolidation” | the proposed consolidation of every 10 issued and unissued Shares of par value of HK\$0.05 each into one Consolidated Share of par value of HK\$0.5 each                                                                                                                     |
| “Share Option Scheme” | the share option scheme adopted by the Company on 13 March 2008                                                                                                                                                                                                              |
| “Share Options”       | the outstanding share options granted under the Share Option Scheme, which are exercisable into 235,351,407 Shares as at the date of this announcement                                                                                                                       |
| “Share(s)”            | ordinary shares in the share capital of the Company                                                                                                                                                                                                                          |
| “Shareholder(s)”      | holder(s) of the Shares                                                                                                                                                                                                                                                      |
| “Specific Mandate”    | the specific mandate to be granted to the Directors from the Independent Shareholders to allot and issue the Consideration Shares                                                                                                                                            |
| “Stock Exchange”      | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                      |
| “Takeovers Code”      | the Hong Kong Code on Takeovers and Mergers                                                                                                                                                                                                                                  |
| “Target Group”        | the First Target Company, the Second Target Company and their respective subsidiaries as shown in the section headed “Shareholding structure of the Target Group” of this announcement                                                                                       |
| “Vendors”             | collectively, the First Vendor and the Second Vendor                                                                                                                                                                                                                         |
| “Whitewash Waiver”    | the waiver in respect of the obligation of the First Vendor to make a mandatory general offer in respect of the Shares not already owned or agreed to be acquired by the First Vendor pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code upon Completion |
| “%”                   | percent.                                                                                                                                                                                                                                                                     |

\* *for identification purpose only*

By order of the Board  
**Jian ePayment Systems Limited**  
**Huang Zhang Hui**  
*Chairman*

Hong Kong, 2 May 2019

### *The Company*

*As at the date of this announcement, the Board comprises two executive Directors: Mr. Wang Jiang Wei and Mr. Wang Tie Jian; two non-executive Directors: Mr. Hu Hai Yuan and Mr. Huang Zhang Hui; and three independent non-executive Directors: Mr. Guo Shi Zhan, Mr. Luo Zemin and Dr. Xia Ting Kang.*

*This announcement, for which the Directors 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 the information contained in this announcement (other than those in relation to the Vendors and the Target Group) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those in relation to the Vendors and the Target Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Vendors and the Target Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting thereon and on the website of the Company at <http://www.jianepayment.com>.*

### *The First Vendor*

*As at the date of this announcement, the sole director of the First Vendor is Mr. Zhou.*

*The director of the First Vendor accepts full responsibility for the accuracy of the information contained in this announcement (other than those in relation to the Second Vendor and the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Second Vendor and the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

### *The Second Vendor*

*As at the date of this announcement, the sole director of the Second Vendor is Mr. Chen.*

*The director of the Second Vendor accepts full responsibility for the accuracy of the information contained in this announcement (other than those in relation to the First Vendor and the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the*

*First Vendor and the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*