

Third Quarterly Report
2005



Jian ePayment Systems Limited

華普智通系統有限公司

(Incorporated in the Cayman Islands with limited liability)

Characteristics of the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (The “Stock Exchange”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of this report.

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

HIGHLIGHTS

- Turnover for the nine months ended 30 September 2005 was approximately RMB9,486,000, which represented an increase of approximately 25% as compared to that of the corresponding period in 2004.
- Loss attributable to shareholders amounted to approximately RMB4,238,000 for the nine months ended 30 September 2005.
- Loss per share amounted to RMB0.010 for the nine months ended 30 September 2005.

RESULTS

The Board of Directors (the "Board") of Jian ePayment Systems Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the nine months and three months ended 30 September 2005 respectively with comparative figures of the same periods in 2004:

| | Notes | For the three months ended 30 September | | For the nine months ended 30 September | |
|--|-------|--|--------------------------------|---|--------------------------------|
| | | 2005 RMB'000 (Unaudited) | 2004 RMB'000 (Unaudited) | 2005 RMB'000 (Unaudited) | 2004 RMB'000 (Unaudited) |
| Turnover | 3 | 5,547 | 4,881 | 9,486 | 7,605 |
| Cost of sales | | (2,783) | (2,936) | (4,564) | (3,284) |
| Gross profit | | 2,764 | 1,945 | 4,922 | 4,321 |
| Other revenue | | 383 | 3 | 1,073 | 6 |
| Distribution expenses | | (285) | (221) | (882) | (977) |
| Research and development costs | | (285) | (46) | (521) | (595) |
| General and administrative expenses | | (1,965) | (4,151) | (8,430) | (11,993) |
| Profit/(loss) from operations | | 612 | (2,470) | (3,838) | (9,238) |
| Finance costs | | (145) | (2) | (311) | (162) |
| Profit/(loss) before taxation | | 467 | (2,472) | (4,149) | (9,400) |
| Taxation | 4 | - | - | (89) | - |
| Profit/(loss) attributable to shareholders | | 467 | (2,472) | (4,238) | (9,400) |
| | | RMB | <i>RMB</i> | RMB | <i>RMB</i> |
| Earnings/(loss) per share | 5 | 0.001 | (0.006) | (0.010) | (0.024) |

NOTES TO THE ACCOUNTS

1. BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands on 30 November 2000 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its shares have been listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 10 December 2001.

The Company is an investment holding company. The Group is principally engaged in the development and operation of a back end electronic receipt/payment and data recording and processing software system ("Jian ePayment System") and manufacturing and distribution of the associated commercial applications.

All significant intra-group transactions and balances have been eliminated on consolidation.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited financial statements have been prepared on a basis consistent with the accounting policies adopted by the Group in preparation of its financial statements for the year ended 31 December 2004.

The Financial Statements are prepared on historical convention and in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

In 2004, the HKICPA issued a number of new or revised Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards (the "HKFRSs") thereafter collectively referred to as new HKFRSs' which are effective for accounting periods beginning on or after 1 January 2005. The adoption of those new HKFRSs has no material impact on the preparation and presentation of results of operations and financial position of the Group.

3. TURNOVER AND REVENUE

Turnover represents gross invoiced sales (excluding value-added tax), net of discounts and returns.

Turnover consisted of:

| | Three months ended | | Nine months ended | |
|--------------------------------|----------------------|--------------|----------------------|--------------|
| | 30 September 2005 | 2004 | 30 September 2005 | 2004 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Sales of hardware and software | 5,010 | 4,497 | 8,039 | 6,528 |
| Transaction levies | 537 | 384 | 1,447 | 1,077 |
| | <u>5,547</u> | <u>4,881</u> | <u>9,486</u> | <u>7,605</u> |

4. TAXATION

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

No provision for profits tax in the Cayman Islands, the British Virgin Islands or Hong Kong has been provided for as the Group has no assessable profit arising in or derived from those jurisdictions for the nine months and three months ended 30 September 2005 (2004: Nil).

The Group's subsidiary, Zhengzhou Jian-O'Yuan ITS Systems Co. Ltd. ('Jian-O'Yuan'), was incorporated in the PRC as a privately owned limited liability company on 26 April, 1999. In July 2001, Jian-O'Yuan obtained the tax registration as an enterprise with foreign investment. Pursuant to the PRC laws of Enterprise Income Tax ("EIT") for Enterprises with foreign Investment and Foreign Enterprise, as a manufacturing enterprise with foreign investment, Jian-O'Yuan is entitled to full exemption from EIT for the first two years and a 50% reduction in the next three years, commencing from the first profitable year after offsetting all tax losses carried forward from the previous five years. The Enterprise Income Tax ("EIT") paid by Jian-O'Yuan amounted to RMB89,000 for the nine months ended 30 September 2005.

No EIT provision for the other two subsidiaries incorporated in the PRC, Beijing Jian ePayment Science and Technology Co., Ltd. and Wuhan Jian ePayment Science and Technology Co., Ltd., as they have no assessable profit for the nine months and three months ended 30 September 2005.

There was no significant unprovided deferred taxation for the nine months and three months ended 30 September 2005 (2004: Nil).

5. EARNINGS/(LOSS) PER SHARE

The calculation of earnings/(loss) per share for the nine months and three months ended 30 September 2005 are based on the loss attributable to shareholders of approximately RMB4,238,000 and based on the profit attributable to shareholders of approximately RMB467,000 respectively (nine months and three months ended 30 September 2004: loss attributable to shareholders of approximately RMB9,400,000 and approximately RMB2,472,000 respectively) and the number of 400,000,000 shares (2004: 400,000,000 shares) deemed to be in issue during the period.

No diluted earnings/(loss) per share is presented for either period because the exercise prices of the Company's options and convertible notes were higher than the average market prices of the Company's share for the year.

6. DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 30 September 2005 (2004: Nil).

7. RESERVES

| | Share premium RMB'000 | Capital reserve RMB'000 | General reserve fund RMB'000 | Enterprise expansion fund RMB'000 | Translation reserve RMB'000 | Retained earnings/ (accumulated losses) RMB'000 | Total RMB'000 |
|--------------------------------------|-----------------------------|-------------------------------|---------------------------------------|--|-----------------------------------|---|------------------|
| Consolidated (unaudited) | | | | | | | |
| Balances, as at 1 January 2005 | 1,476 | 6,304 | 2,870 | 1,435 | (7) | (42,790) | (30,712) |
| Loss attributed to shareholders | - | - | - | - | - | (4,238) | (4,238) |
| Balances, as at 30 September 2005 | <u>1,476</u> | <u>6,304</u> | <u>2,870</u> | <u>1,435</u> | <u>(7)</u> | <u>(47,028)</u> | <u>(34,950)</u> |
| Balances, as at 1 January 2004 | 1,476 | 6,304 | 2,870 | 1,435 | (9) | (7,189) | 4,887 |
| Foreign exchange adjustment | - | - | - | - | 2 | - | 2 |
| Loss attributed to shareholders | - | - | - | - | - | (9,400) | (9,400) |
| Balances, as at 30 September 2004 | <u>1,476</u> | <u>6,304</u> | <u>2,870</u> | <u>1,435</u> | <u>(7)</u> | <u>(16,589)</u> | <u>(4,511)</u> |

FINANCIAL REVIEW

The Group's turnover for the nine months ended 30 September 2005 amounted to approximately RMB9,486,000 which represented an increase of approximately 25% as compared to that of the corresponding period in 2004. Sales of hardware and software amounted to RMB8,039,000 which represented an increase of approximately 23% as compared to that of corresponding period in 2004. Transaction levies amounted to RMB1,447,000 approximately which represented an increase of 34%. The revenue of sales of hardware and software of parking system for the six months ended 30 June 2005 began to restore and entered into the stable rising trend. The increase in sales of hardware and software over the corresponding period of the preceding year was a result of the launch of roadside parking smart card readers where the electronic parking fee collection system was installed.

The Group's gross profit for nine months ended 30 September 2005 was RMB4,922,000, which represented an increase of approximately 14%. The gross profit ratio is 52% this year.

The Group's loss for nine months ended 30 September 2005 was approximately RMB4,238,000 which represented a decrease of approximately 55% as compared to that of the corresponding period in 2004. The decrease in loss was mainly due to turnover growth as well as the result of the Group's success in controlling expenses. The total expenses for the nine months ended 30 September 2005 are decreased by 28% as compared to that in last year.

BUSINESS DEVELOPMENT

The Group was committed from the beginning to develop the Jian epayment Smart Card System into a large-scale electronic payment system which should be accepted and used throughout China. In 2005, the Company strengthened the technology research and development, sales of hardware and software, marketing and operation function. It will continue to focus on the development of "One Card Multiple Uses" system in Wuhan and the promotion of the System in Beijing. The Company will seek more opportunities to develop the "One Card Multiple Uses" system in other cities.

The first lot of software and hardware with back systems provided by the Company for the Shanghai BaiYuLan Intelligent Transportation System Management Co., Ltd. (known as BaiYuLan Enterprise) was proved to be successful. It passed through the inspection tests conducted by the Division of Shanghai Municipal Government. In September 2005, the Company completed the research and development of J1000A parking meter which was equipped with bill printer. It meets the needs of some customers who called for direct printing of charge bill from Shanghai Municipal Government. BaiYuLan Enterprise has decided to apply the new technique into the roadside parking management systems in Shanghai.

On 23 September 2005, the Group accepted the offer given by Guangzhou PanYu Road-building Management Ltd., (held by Guangzhou PanYu Municipal Government) to provide the parking meter technology with related equipments for its 1800 parking spaces. The first lot of 200 sets will be provided for its 720 parking spaces by the Group. The related equipments and technology in the first lot as provided by the Group were valued at RMB1,486,500.

As at the date ended on 30 September 2005, the sales of software and hardware involving parking meters amounted to 1,027 sets. The recorded turnover amounted to RMB8,039,000.

As at the date ended on 30 September 2005, the number of Jian smart cards in issue has been increased to 876,000 cards.

RESEARCH AND DEVELOPMENT

The Group has provided the software and hardware with relevant back system to "Shanghai Roadside Parking Management System". It operated satisfactorily in Shanghai. In September 2005, the Company completed the research and development of J1000A parking meter which was equipped with bill printer. It meets the needs of some customers who called for direct printing of charge bill from Shanghai Municipal Government.

The success of research conducted by the Group — J1000A separate parking meter of super-low power-drainage battery parking meter (one meter of two spaces and one meter of multiple spaces) are simple in design. It adopted the monitor of OLED which is comparatively bright and extended the lifetime of battery. It has been produced in October 2005 and delivered to Guangzhou PanYu Municipal Roadside Management Ltd.

The Group also has made improvement in the inner construction of card by providing the back systems of data clearing. It improved the system of the inter-exchange & inter-authentication.

The Group has developed the J2000-2 parking meter, which used the battery that is compatible with Guangzhou YangChengTung card. It will be under production after the test at "Guangzhou YangChengTung Co., Ltd." has completed.

The Group continued to co-operate with Beijing Municipal YiKaTung Enterprise in developing the technology.

SALES AND MARKETING

The Group continued to promote Jian ePayment Roadside Parking System and other commercial fee collection systems among Governments and merchant customers in various cities of China. The Group has focused its market development on Beijing, Shanghai, Guangzhou, Wuhan which are the main cities located in eastern, southern and central parts of China. The Roadside Parking Systems derived from Jian epayment system has been operated successfully in Shanghai. Besides, the Group plans to extend the market share by focusing on parking meters which are compatible with Guangzhou "YangChengTung" Card and Beijing Municipal "YiKaTung" Card.

The payment terminal equipment promoted by the Group had gained extensive recognition among our existing and new customers, who are eager to increase their orders in view of the market demands.

The sales and marketing department of the Group also got opportunities to promote "One Card Multiple Uses" in the emerging markets by conducting research in the existing markets where the parking meter has been in use.

OUTLOOK

The Group has been consistently committed to the development of smart card electronic payment system market in China based on continually increasing of sales and improvement of business profitability, increasing steadily the number of cities using Jian Smart Passes. In the meantime, the application domain of each city continuously expands, a comprehensive development matrix is formed through increasing the number of cities vertically while expanding the commercial applications horizontally so as to achieve a great increase in the number of users and consumption.

Although no large-scale electronic parking systems being operated formally in Beijing, the company believed that the replacement by the automatic card payment system is necessary. The company is targeted to take parking meter market of over 70,000 roadside parking spaces of Beijing in the coming two years so as to obtain a bigger market share.

The directors of the Company (the "Directors") believe that Jian Smart Passes will become convenient cards widely owned and used by the residents of a number of cities.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the nine months ended 30 September 2005, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

DISCLOSURE OF DIRECTORS' INTERESTS

As at 30 September 2005, 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 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:

Aggregate long positions in shares and underlying shares

| Name of Director long Position | Name of company | Class of shares | Number of shares hold | | | Aggregate percentage of interests |
|-----------------------------------|---|-----------------|---|--------|--|---|
| | | | Personal | Family | Corporate | |
| Mr. Chin Ying Hoi | The Company | ordinary | 2,000,000 underlying shares representing 0.5% of the shares then in issue (Note 1) | - | 286,800,000 shares representing 71.7% of the shares then in issued (Note 2) | 72.2% (Note 3) |
| Mr. Chin Ying Hoi | Union Perfect International Limited | ordinary | 105 shares of US\$1.00 each representing 100% of the shares then in issue | - | - | |

Note 1: These are the underlying shares of the Company in respect of which an option was granted to Mr. Chin Ying Hoi (details of which are set out below.) The percentage was calculated on the basis of 400,000,000 shares in issue as at 30 September 2005.

Note 2: These shares are held through Union Perfect International Limited, which is beneficially owned as to 100% by Mr. Chin Ying Hoi.

Note 3: Based on 400,000,000 shares in issue on 30 September 2005.

Aggregate long positions in underlying shares

Unlisted physically settled equity derivatives

Pursuant to the Company's Share Option Scheme adopted by the Company on 19 November 2001, the following Directors of the Company have personal interests in options to subscribe for ordinary shares in the Company of HK\$0.05 each which have been granted to them for a consideration of HK\$1 as follows:

| Name of Director | Date of grant | Vesting Period and percentage of vested options <i>(Note)</i> | Exercise price per share | Outstanding number of share under option as at 30 September 2005 |
|-------------------------|----------------------|---|---------------------------------|---|
| Mr. Chin Ying Hoi | 31 May 2002 | 100% | HK\$2.35 | 2,000,000 |
| Mr. Liu De Fu | 31 May 2002 | 100% | HK\$2.35 | 700,000 |
| Mr. Li Sui Yang | 31 May 2002 | 100% | HK\$2.35 | 1,000,000 |
| | | | | 3,700,000 |

Note: All options are exercisable to the extent of an additional 25 per cent at the beginning of every full year after the offer of the grant and they are exercisable in full until the fourth year after the offer of the grant. All options have a duration of 5 years from the date on which the offer of grant was made.

None of the above options were exercised or cancelled during the nine months ended 30 September 2005.

Save as disclosed herein, at no time during the period was the Company, its subsidiaries or holding company 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.

Aggregate short positions in underlying shares

Unlisted physically settled equity derivatives

| Name of Director | Name of Company | Number of shares in short position |
|-------------------------|------------------------|---|
| Mr. Chin Ying Hoi | The Company | 39,000,000 shares representing 9.75% of shares then issued <i>(Note)</i> |

Note: These shares in short position are represented by 35,000,000 options granted by the Company, with details shown in the section of "Share Option Granted" below and 4,000,000 shares which are convertible at an initial conversion price of HK\$2.50 per share under a HK\$10,000,000 convertible note issued by the Company.

Save as disclosed herein, none of the Directors and chief executives or their associates has any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of the SFO) as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

Save as disclosed above, the Company has no notice of any interest to be recorded under Section 29 of the SDI Ordinance as at 30 September 2005.

Other than the share option scheme as described below, at no time during the period was the Company, its subsidiaries or holding company 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 or any other body corporate and neither the Directors or the chief executive of the Company, nor any of their respective spouses or children under the age of 18, had any right to subscribe for equity or debt securities of the Company, or had exercised any such right during the period.

SHARE OPTION SCHEME

Pursuant to the share option scheme of the Company adopted on 19 November 2001 (the "Share Option Scheme"), the Company may grant options to the participants of the Share Option Scheme to subscribe for shares of the Company. The participants include any employees of the Group (including Directors) and certain consultants, suppliers or customers of the Group who, in the sole discretion of the Board, have contributed to the Group. 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 Share Option Scheme and other share option schemes must not, in aggregate, exceed 30% of the issued shares capital of the Company from time to time. Any options granted under the Share Option 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. The subscription price will be determined by the Board and will not be less than the highest of (i) the closing price of the shares quoted on the GEM on the date of grant, (ii) the average closing price of the shares quoted on the GEM for the five business days immediately preceding the date of grant and (iii) the nominal value of the shares on the date of grant.

Details of the share options outstanding as at 30 September 2005 which have been granted under the scheme are as follows:

| | Options held at 1 January 2005 | Options granted during period | Options exercised during period | Options lapsed during period | Options held at 30 September 2005 | Exercise Price | Grant Date | Exercisable from | Exercisable until | Closing price of the Company's share before date of grant |
|-------------------------------------|--------------------------------|-------------------------------|---------------------------------|------------------------------|-----------------------------------|----------------|-------------|------------------|-------------------|---|
| Directors | 3,700,000 | - | - | - | 3,700,000 | HK\$2.35 | 31 May 2002 | 31 May 2002 | 31 May 2007 | HK\$2.35 |
| Employees | 12,200,000 | - | - | - | 12,200,000 | HK\$2.35 | 31 May 2002 | 31 May 2002 | 31 May 2007 | HK\$2.35 |
| Consultants, suppliers or customers | 13,200,000 | - | - | - | 13,200,000 | HK\$2.35 | 31 May 2002 | 31 May 2002 | 31 May 2007 | HK\$2.35 |
| Consultants, suppliers or customers | 3,000,000 | - | - | - | 3,000,000 | HK\$2.03 | 16 Aug 2002 | 16 Aug 2002 | 16 Aug 2007 | HK\$2.025 |
| | <u>32,100,000</u> | | | | <u>32,100,000</u> | | | | | |

None of the above options were exercised or cancelled during the nine months ended 30 September 2005.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2005, the following substantial shareholder and person (other than a director or chief executive of the Company) who have interests or short positions in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Aggregate long positions in shares

| Name of Shareholder | Number of shares held | Percentage of shareholding |
|-------------------------------------|-----------------------|----------------------------|
| Union Perfect International Limited | 286,800,000 | 71.7% |

Aggregate short position in underlying shares*Unlisted physically settled equity derivatives*

| Name of shareholder | Name of Company | Number of shares in short position |
|-------------------------------------|------------------------|---|
| Union Perfect International Limited | The Company | 39,000,000 shares representing 9.75% of shares then issued (Note) |

Note: These shares in short position were represented by 35,000,000 options granted by the Company, with details shown in the section of "Share option granted" above and 4,000,000 shares which were convertible at an initial conversion price of HK\$2.50 per share under a HK\$10,000,000 convertible note issued by the Company.

Save as disclosed herein, no other person (other than a director or chief executive of the Company) and substantial shareholder has an interest or a short position in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' AND MANAGEMENT SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

None of the Directors or management shareholders (as defined in the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules")) of the Company has any interest in any business which competes with or may compete with the business of the Group or has any other conflicts of interests with the Group.

OTHER INTERESTS DISCLOSEABLE UNDER THE SFO

Save as disclosed in the sections "Interests and short positions of Directors and chief executive in the shares and underlying shares" and "Interests and short positions of substantial shareholders discloseable under the SFO" above, so far as is known to the Director, there is no other person who has an interest or short position in the shares and underlying shares that is discloseable under the SFO.

BOARD PRACTICES AND PROCEDURES

For the nine months ended 30 September 2005, the Company has complied with Rules 5.34 to 5.45 of the GEM Listing Rules concerning board practices and procedures.

AUDIT COMMITTEE

An Audit Committee was established with written terms of reference in compliance with the requirements as set out in Rules 5.28 to 5.30 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 comprises three independent non-executive directors, Mr Qu Xiao Guo, Mr Zhang Xiao Jing and Ms Tung Fong. The Group's unaudited consolidated results for the nine months and three months ended 30 September 2005 have been reviewed by the audit committee.

By Order of the Board
Jian ePayment Systems Limited
Chin Ying Hoi
Chairman

Beijing, the PRC, 11 November 2005

As at the date hereof, the Board comprises four executive directors, being Chin Ying Hoi, Yang Guo Wei, Liu De Fu and Li Sui Yang and three independent non-executive directors, being Qu Xiao Guo, Zhang Xiao Jing and Tung Fong.