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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Jian ePayment Systems Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



Jian ePayment Systems Limited **華 普 智 通 系 統 有 限 公 司 ***

(Incorporated in the Cayman Islands with limited liability)

GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE NEW SHARES

This circular, 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 the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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:– 1. the information contained in this circular is accurate and complete in all material respects and not misleading; 2. there are no other matters the omission of which would make any statement in this circular misleading; and 3. all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

22nd March, 2002

* For identification only

LETTER FROM THE CHAIRMAN



Jian ePayment Systems Limited

華普智通系統有限公司*

(Incorporated in the Cayman Islands with limited liability)

Board of Directors:

Executive Directors:

Chin Ying Hoi (*Chairman*)

Guo Yan Hong

Liu De Fu

Li Sui Yang

Wang Yan

Independent non-executive Directors:

Zhang Xiao Jing

Tung Fong

Compliance Officer:

Li Sui Yang

**Head Office and Principal Place of
Business in the People's Republic
of China:**

17th Floor, Huapu International Plaza,
19 Chaoyangmen Wai Dajie,
Beijing,
PRC

Registered Office:

Century Yard, Cricket Square,
Hutchins Drive, P.O. Box 2681 GT,
George Town, Grand Cayman,
British West Indies

22nd March, 2002

To Shareholders of the Company

Dear Sir or Madam,

PROPOSED GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE NEW SHARES

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed as at the annual general meeting (the "AGM") of the Company to be held on 26th April, 2002.

* *For identification only*

LETTER FROM THE CHAIRMAN

BACKGROUND

On 19th November 2001, resolutions were passed by the then sole shareholder of the Company granting general unconditional mandates to the directors of the Company to exercise the powers of the Company to:–

- (a) allot, issue and deal with shares in the capital of the Company not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue immediately after the completion of the placing and the capitalisation issue (“Share Offer”) including shares which might be issued pursuant to the exercise of the over allotment option (“Over Allotment”) and the issue of certain remuneration shares to Pacific Top Holding Limited referred to in the prospectus of the Company dated 27th November, 2001;
- (b) repurchase shares of the Company not exceeding 10% of the aggregate nominal amount of the shares of the Company in issue after the completion of the Share Offer, Over Allotment Shares and the issue of certain remuneration shares to Pacific Top Holding Limited; and
- (c) add to the general mandate for issuing shares set out in paragraph (a) above the number of shares repurchased by the Company pursuant to the repurchase mandate set out in paragraph (b) above.

The above general mandates will expire at the conclusion of the AGM and the purpose of this circular is to request your support to renew the general mandates as referred to below.

PROPOSED GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, it will be proposed, by way of an ordinary resolution, that the directors of the Company be given a general and unconditional mandate to exercise all powers of the Company to repurchase on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) shares in the Company up to a maximum of 10% of the shares of the Company in issue at the date of passing the ordinary resolution (the “Repurchase Mandate”).

The Repurchase Mandate, if approved, will continue in force until the conclusion of the next annual general meeting of the Company or until revoked or varied by ordinary resolution of shareholders in general meeting prior to the next annual general meeting.

LETTER FROM THE CHAIRMAN

The Company may only repurchase its shares on GEM if:

- (i) the shares proposed to be repurchased by the Company are fully paid up;
- (ii) the Company has previously sent to its shareholders the explanatory statement set out in the schedule to this letter; and
- (iii) the shareholders of the Company have in general meeting approved the Repurchase Mandate and the relevant documents in connection therewith have been delivered to the Stock Exchange.

An explanatory statement containing information relating to the Repurchase Mandate and as required pursuant to the Rules Governing the Listing of Securities on GEM of the Stock Exchange, in particular Rule 13.08, is set out in the schedule to this letter. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES

At the AGM, it will also be proposed, by way of another ordinary resolution, that the directors of the Company be given a general and unconditional mandate to exercise all powers of the Company to issue new shares in the Company up to 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of the ordinary resolution (“New Issue Mandate”). In addition, it is further proposed, by way of another ordinary resolution, that the New Issue Mandate be extended so that the directors of the Company be given a general mandate to issue further shares in the Company of an aggregate nominal amount equal to the aggregate nominal amount of the share capital of the Company repurchased under the Repurchase Mandate. Any issue of new shares in the Company is subject to approval from the Stock Exchange for the listing of and permission to deal in such new shares.

THE AGM

The following are the details of the AGM:–

Date : 26th April, 2002
Time : 11:00 a.m.
Venue : Room 1214, 12/F., China Merchants Tower, Shun Tak Centre, 168-200
Connaught Road Central, Hong Kong

LETTER FROM THE CHAIRMAN

The notice convening the AGM is set out in the annual report of the Company for the year ended 31 December, 2001. Resolutions nos. 4 to 6 as set out in the notice of AGM relate to the general mandates and will be proposed as ordinary resolutions at the AGM for your consideration and approval. A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar, Hong Kong Registrars Limited, 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the AGM. The completion and delivery of a form of proxy will not preclude you from attending and voting at the meeting in person.

RECOMMENDATION

The directors of the Company consider that the granting of the general mandates referred to in this circular are in the best interests of the Company and its shareholders and so recommend shareholders to vote in favour of the resolutions at the AGM.

Yours faithfully,
Chin Ying Hoi
Chairman

SCHEDULE



Jian ePayment Systems Limited

華普智通系統有限公司*

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EXPLANATORY STATEMENT

The following is the Explanatory Statement required to be sent to shareholders pursuant to Rule 13.08 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“GEM Listing Rules”) in connection with the proposed Repurchase Mandate which, if approved, would authorise directors of the Company to repurchase shares of HK\$0.05 each (“Shares”) in the Company.

(a) Number of Shares which may be repurchased

Exercise in full of the Repurchase Mandate, on the basis of 400,000,000 shares in issue as at 21st March, 2002 (being the latest practicable date (the “Latest Practicable Date”) for ascertaining certain information prior to the printing of this circular), would result in 40,000,000 Shares being repurchased by the Company during the period prior to the next annual general meeting of the Company following the passing of the resolution approving the Repurchase Mandate.

(b) Reasons for proposed repurchase of Shares

The directors of the Company (“Directors”) believe that it is in the interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to purchase Shares on GEM. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when the Directors believe that such purchases will benefit the Company and its shareholders.

(c) Source of funds

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its articles of association and the laws of the Cayman Islands. The Company shall not purchase Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

* For identification only

SCHEDULE

(d) Effect of exercising the Repurchase Mandate

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2001 annual report of the Company) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which, in the opinion of the Directors, are from time to time appropriate of the Company.

(e) Who may sell Shares in the event the Repurchase Mandate is exercised

The GEM Listing Rules prohibit the Company from knowingly purchasing Shares from a “connected person”, that is, a director, chief executive, substantial shareholder or management shareholder of the Company or any of their associates (as defined in the GEM Listing Rules). A connected person (as defined in the GEM Listing Rules) shall not knowingly sell his Shares to the Company.

No connected person (as defined in the GEM Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company in the event that the Company is authorised to make purchases of Shares.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the GEM Listing Rules), has any present intention, in the event that the Repurchase Mandate is approved, to sell any Shares to the Company or its subsidiaries.

(f) Directors’ undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

(g) The Hong Kong Code on Takeovers and Mergers

If, as a result of a repurchase of Shares, a shareholder’s proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the “Code”). As a result, a shareholder, or a group of shareholders acting in concert (within that term’s meaning under the Code), depending on the level of increase in the shareholders interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

SCHEDULE

As at the Latest Practicable Date, Union Perfect International Limited, which is an initial management shareholder of the Company, held approximately 71.7% of the issued Shares. As at the Latest Practicable Date, the Directors are not aware of any consequences for Union Perfect International Limited under the Code as a result, solely, of the Directors exercising the Repurchase Mandate in full.

(h) No purchases of Shares by the Company

The Company has not purchased any Shares in the previous six months.

(i) Shares prices

The highest and lowest prices at which the Shares were traded on GEM during each of the calendar months since the listing of the shares on the GEM on 10th December, 2001 were as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2001		
December	1.09	0.68
2002		
January	1.40	0.96
February	1.45	1.27
March (up to the Latest Practicable Date)	1.71	1.34



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

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Annual General Meeting Form of Proxy

I/We (note 1) _____

of _____

being the holder(s) of (note 2) _____ shares of HK\$0.05 each in the share capital of

Jian ePayment Systems Limited (the "Company"), HEREBY APPOINT (note 3) _____

of _____

or (note 4) the Chairman of the Meeting to act as my/our proxy/proxies at the Meeting (and at any adjournment thereof) to be held at Room 1214, 12/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Friday, 26 April, 2002 at 11:00 a.m. for the purposes of considering and, if thought fit, passing the resolutions set out in the notice convening the Meeting and at such Meeting (and at any adjournment thereof) to vote for me/us and in my/our name(s) in respect of the resolutions as hereunder indicated.

	RESOLUTIONS	FOR (Note 5)	AGAINST (Note 5)
1.	To receive and consider the audited financial statements of the Company for the year ended 31 December, 2001 together with the reports of the directors of the Company (the "Directors") and auditors thereon.		
2.	To re-elect the retiring directors, namely Mr. Chin Ying Hoi, Mr. Guo Yan Hong, Mr. Liu De Fu, Mr. Li Sui Yang, Ms. Wang Yan, Mr. Zhang Xiao Jing and Ms. Tung Fong, and to authorize the board of directors to fix their remuneration.		
3.	To re-appoint Arthur Andersen & Co. as the auditors of the Company and to authorise the Directors to fix their remuneration.		
4.	Ordinary resolution no. 4 set out in the notice of the Meeting in respect of granting a general mandate to the Directors to allot and issue new shares.		
5.	Ordinary resolution no. 5 set out in the notice of the Meeting in respect of granting a general mandate to the Directors to repurchase shares of the Company.		
6.	Ordinary resolution no. 6 set out in the notice of the Meeting to extend the general mandate to allot and issue new shares.		

Signature (note 8) _____

Date this _____ day of _____ 2002

Notes:

- Full name(s) and address(es) are to be inserted in BLOCK CAPITALS. The names of all joint holders should be stated. Only one of the joint holders needs to sign (but see note 7 below).
- Please insert the number of shares of the Company to which this form of proxy relates. If no number is inserted, this form of proxy will be deemed to relate to all the shares of the Company registered in your name(s).
- A member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy to attend and, on poll, vote on his behalf. A proxy need not be a member of the Company.
- If any proxy other than the Chairman of the Meeting is preferred, strike out "or the Chairman of the Meeting" and insert the name and address of the proxy desired in the space provided. If no name is inserted, the duly appointed Chairman of the Meeting will act as your proxy. ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALLED BY THE PERSON WHO SIGNS IT.
- IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, PLEASE TICK ("✓") THE BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST A RESOLUTION, PLEASE TICK ("✓") THE BOX MARKED "AGAINST". Failure to complete the box will entitle your proxy to cast his votes at his discretion. A proxy will also be entitled to vote at his direction on any resolution properly put to the Meeting other than those set out in the notice convening the Meeting.
- To be valid, this form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong not less than 48 hours before the time fixed for the Meeting or any adjournment thereof.
- Where there are joint holders of any shares of the Company, any one of such persons may vote at the Meeting either personally, or by proxy, in respect of such shares of the Company as if he were solely entitled thereto, and if more than one of such joint holders are present at the Meeting personally or by proxy, the joint holder whose name stands first on the register of members of the Company in respect of the relevant joint holding shall alone be entitled to vote.
- This form of proxy must be signed by you or your attorney duly authorised in writing or, if you are a corporation, must either be executed under seal or under the hand of an officer, attorney or other person duly authorised.

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