



**Launch of the first mobile payment solution for feature phone in China
Alipay allies with iaSolution to provide embedded secure payment system**

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iaSolution Inc. and Alipay Corporation jointly announced the launch of the first mobile payment solution for feature phone in China- JBlend Java Virtual Machine (JVM) incorporated with Alipay's payment mechanism.

The cooperation between iaSolution and Alipay opens a whole new vision for Java™ in-app purchase on mobile devices. iaSolution's JBlend Java virtual machine has incorporated with Alipay's secure payment engine. Users are able to make all the payment process under JBlend environment safely. With the embedded secure payment system, mobile payment is no longer the privilege of smartphones, using various value-added services, such as online shopping, recharge game cards and prepaid phone cards on feature phones can become an everyday reality.

This also marks another milestone on the third party mobile payment frontier after the announcement of the payment service licenses for 27 non-financial institutions in early June. The embedded secure payment system provided by iaSolution and Alipay not only enables the supply chain of feature phone products to explore new business opportunities but also fosters the growth of the mobile payment industry as well as promotes positive development for the mobile internet industry within China.

"User neither has to open an external browser, nor pays through SMS or credit card when making mobile payment on feature phone. The embedded payment system provides an enhanced secure environment and easy-n-clear payment process, greatly improving the user experience," said Stephen Zhu, General Manager of Alipay Corporation. Compared to the conventional SP payment model, JBlend with Alipay payment solution also reduces application providers' distribution costs.

"Through collaborating with Alipay, we endeavor to provide our partners comprehensive e-commerce activities, including mobile application browsing and purchasing, on all kinds of mobile devices." said Arron Fang, CEO of iaSolution.

Mobile phone in RMB 400 also support mobile shopping

Using a feature phone equipped with JBlend and Alipay payment solution, the user can enjoy the same mobile payment functions as provided on a smartphone. All the user needs is an Alipay

account and a credit card from one of the 108 recognized financial institutions. For example, as one needs to recharge mobile game card, after clicking on "purchase" to activate the Alipay secure payment service and entering the registered Alipay account and password, he will be able to continue playing the game without the interruption of an inextricable payment process. Besides, when user logs in the payment service next time, the mobile phone will automatically fill in the known account and allow free password payment of a sum limited. The entire process can be done within 10 seconds.

It's estimated that conventional phone with a retail price above RMB 400 is sufficient for daily operations of mobile shopping. In other words, most smartphone users can switch to cheaper feature phones to carry out those operations. More than 100 million mobile users will benefit greatly by JBlend and Alipay payment solution.

Getting rid of crossover application barriers

This payment solution provides new possibilities for application developers and mobile start-ups. Looking back on mobile phone application development, a lack of payment channels has limited the opportunities for content provider to develop value-added services on feature phone. Feature phone manufactures have been restricted to the role of manufacturing, prevented from integrating manufacturing with various application and advertisement services as done in the smartphone industry. "The supply chain will never be complete without the easy and safe payment system. As of now, 80% mobile game users stated the lengthy payment process as a major concern for discontinuing playing games," said researcher of mobile industry.

The embedded JBlend with Alipay payment solution provides a convenient payment interface for Java applications. By simply integrating an API into the original application, application developer is able to utilize this payment mechanism on target device.

Since the middleware platform masks the distinction between hardware devices, the application developers can improve development efficiency and quality significantly while their overall competitiveness and turnover are greatly increased. This makes Alipay not just a payment channel, but an open business platform. Many mobile application developers, including Zhangyue, Xiaobao, HaKuNa, and so on, are devoted in the development.

New future of feature phone

From mobile phone manufacturers' and mobile application developers' perspective, the formerly critical problem of payment is now solved and the future of feature phone applications will be changed significantly.

"Thanks to the solution of mobile payment, application development on feature phone becomes more attractive as most value-adding services can be executed smoothly. The usability of feather

phone is greatly enhanced, which brings the new opportunities in the feature phone market," said Stephen Zhu of Alipay.

Due to cost issues, it's expected that feature phone will remain the first choice for most China users for quite some time to come. The latest data show that there are over 900 million mobile phone users in China with over 95% of family penetration rate. The number of people accessing internet through their mobile phones is higher than 477 million, at the very top in the world. According to DCCI, about 80% of users are using mobile phones at a price under RMB 2,000; most users are using mobile phones at the price of around RMB 1,200 within the domestic market. Analysys International also indicates that non-smart phone is still occupied over 77% of China mobile phone retail market in 2010.

At the same time, the Secure Payment Industry Alliance (established in October, 2010) led by Alipay not only offers a payment channel but also works on cultivation of business models. This payment system is said to offer revenue sharing to all parties involved, which means that apart from application developers, chipset makers, system providers and device manufactures are all making profits. The ratio of revenue share will depend on the involvement; therefore it encourages all players within the industry to participate pro-actively.

There are more than 100 companies, including Qualcomm, MTK, Samsung, Motorola and mobile application developers such as UC, Taobao, etc., going to join the Secure Payment Industry Alliance. "We endeavor to solve mobile payment problems, to bring a transparent profit sharing model for all parties, and to promote the development for the whole industry," said Stephen Zhu of Alipay.

About Alipay Corporation

Alipay started its mobile payment business since 2009. The Alipay mobile client is already being widely used on various platforms such as Android, iPhone, Symbian, Windows Mobile, Java, BlackBerry, etc., (please visit <http://mobile.alipay.com/download.htm>). In addition, Alipay also established the Secure Payment Industry Alliance for mobile Internet in October 2010 and started providing "Secure Payment" service, which has been close integrated with TaoBao and UC (April 2011) in terms of in-app purchase.

As of now, Alipay has been receiving 300 thousands of mobile payment transactions daily. It facilitates 15 million mobile visitors on Taobao daily and helps turn 80% of online retail into reality.

About iaSolution Inc.

Founded in 2000, iaSolution focuses its business on middleware solutions on embedded system, including the global leading Java ME technologies, the well-known M2M Java programming environment, and the WAC compliant products. In 2004, iaSolution was merged with Aplix Corporation to be its wholly owned subsidiary serving business in Greater China, Korea and

America since 2004. (*Aplix Corporation decided to move into a holding company structure and changed its name to GAIA Holdings Corporation as of April 1, 2011.)

For more information, please visit <http://www.iasolution.net>