
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

The history of our Company can be traced back to 1997 with the establishment of one of our principal operating subsidiaries, VeriTrans, to provide online payment processing solutions for e-commerce companies. Our other principal operating subsidiary, ECONTEXT, was established as a joint venture between Digital Garage, Lawson Inc., Mitsubishi Corporation and TIS Inc. (formerly known as Toyo Information Systems Co., Ltd) in 2000 to provide a convenience store-based payment and fulfillment platform.

History of VeriTrans

VeriTrans was incorporated under the name CyberCash K.K. on April 24, 1997 under the laws of Japan by CyberCash Japan, BV with an initial issued share capital of ¥10,000,000. CyberCash K.K. was established to provide online payment processing solutions for e-commerce companies.

On May 12, 1997, the entire issued share capital of CyberCash K.K. was transferred from CyberCash Japan, BV to CyberCash Japan, CV.

On April 24, 2002, CyberCash K.K. changed its name to VeriTrans Co., Ltd.

On July 1, 2003, CyberCash Japan, CV transferred its entire interest in VeriTrans to Softbank Finance and a former employee of VeriTrans. On December 16, 2003, Softbank Finance transferred its entire interest in VeriTrans to Finance All, Inc. ("**Finance All**") and Finance All became the largest shareholder of VeriTrans.

On October 5, 2004, VeriTrans was listed on the Hercules market (formerly known as the Nasdaq Japan Market), which catered for growth stock, of the Osaka Securities Exchange with stock code 3749. At the time of listing, Finance All was the largest shareholder of VeriTrans with a 45.8% interest. On July 1, 2005, VeriTrans Co., Ltd. changed its name to SBI VeriTrans Co., Ltd. The Hercules market was subsequently merged with the JASDAQ in October 2010 and the listing of VeriTrans was transferred to the JASDAQ on October 12, 2010 with stock code 3749.

On March 1, 2006, Finance All was merged into SBI Holdings and SBI Holdings became the largest shareholder of VeriTrans with a 45.8% interest.

On August 11, 2011, SBI Holdings acquired the entire issued share capital of VeriTrans from the then existing shareholders by way of share exchange. VeriTrans was delisted from the JASDAQ on July 27, 2011 and became a wholly-owned subsidiary of SBI Holdings. According to the announcement of SBI Holdings dated February 24, 2011, VeriTrans was delisted from JASDAQ in order to integrate it with the settlement business carried out by SBI Holdings and to strengthen the operation of VeriTrans.

Pursuant to a share transfer agreement dated March 29, 2012 between SBI Holdings, Wheel, Inc. ("**Wheel**") and Digital Garage, Wheel acquired the entire issued share capital of VeriTrans from SBI Holdings for a consideration of ¥13 billion, based on arm's length negotiations between SBI Holdings and Digital Garage with reference to a valuation conducted by an independent appraiser based on discounted cashflow and market comparable valuation methods. VeriTrans became a wholly-owned subsidiary of Wheel on April 26, 2012. Wheel was then a wholly-owned subsidiary of Digital Garage and was subsequently renamed as DG Payment Holdings, Inc. ("**DG Payment**"). Prior to the

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

transfer, the management team of VeriTrans consisted of five directors and one statutory auditor. One of the directors and the statutory auditor resigned following the transfer and an additional four directors and a statutory auditor were appointed to VeriTrans by the Digital Garage Group.

VeriTrans is one of the market leaders in the online payment solutions industry in Japan with well established infrastructure and clientele. The acquisition of VeriTrans by the Digital Garage Group formed a strategic synergy with ECONTEXT to strengthen the business and market position of the Digital Garage Group in the online payment business in Japan and to complement the Group's expansion plan in Asia. According to the announcement of SBI Holdings dated March 29, 2012, in light of the network of investor possessed by Digital Garage and its proven track record in the internet business, the disposal of VeriTrans to Digital Garage would allow VeriTrans to further expand its settlement service business in Japan and the rest of Asia and was considered by SBI Holdings to be in the best interest of VeriTrans.

Mr. Takashi Okita, our executive Director and Chief Executive Officer, was formerly a director and executive officer of SBI Holdings from 2008 to 2012 and a non-executive director of SBI Holdings from 2012 to June 2013. SBI Holdings and its affiliates are currently shareholders of JJ-Street, with an aggregate shareholding of 33.3%. VeriTrans also provides online settlement services to subsidiaries of SBI Holdings for various websites operated by such subsidiaries and the transactions are conducted on normal commercial terms. Please see the section headed "Connected Transactions — Exempt Continuing Connected Transactions" in the document for further details.

On May 1, 2012, SBI VeriTrans Co., Ltd. changed its name to VeriTrans Inc. On May 29, 2012, Mr. Kaoru Hayashi, Mr. Takashi Okita and Mr. Tomohiro Yamaguchi, who are our executive Directors, acquired 162, 112 and 50 common shares of VeriTrans, respectively, from DG Payment. The aggregate shareholding of these Management Shareholders amounts to 0.2% of the issued share capital of VeriTrans.

On March 31, 2013, three directors of VeriTrans, Mr. Makoto Soda, Mr. Masashi Tanaka and Mr. Kiyotaka Harada, who were originally nominated by Digital Garage and appointed to specifically assist with matters relating to the integration of VeriTrans and ECONTEXT under the Digital Garage Group, completed their assignment and vacated their respective directorships permanently. As of the Latest Practicable Date, Mr. Makoto Soda and Mr. Masashi Tanaka are directors of Digital Garage and Mr. Kiyotaka Harada is an executive director of ECONTEXT. A further two directors, namely Mr. Kohei Akao and Mr. Hiroshi Shino, vacated their directorships on the same date and remained as members of the management of VeriTrans. Due to the increased significance of VeriTrans within the group, Mr. Akao and Mr. Shino were re-appointed as directors of VeriTrans on October 22, 2013. Our Directors and the [●] are of the view that the vacation of directorship by these five individuals had no adverse effect on the operations of VeriTrans. The management of VeriTrans now comprises six directors, being Mr. Kaoru Hayashi, Mr. Takashi Okita, Mr. Tomohiro Yamaguchi, Mr. Kohei Akao, Mr. Hiroshi Shino and Mr. Keizo Odori, and one statutory auditor, being Mr. Yoshitaka Sakai.

On November 20, 2012, DG Payment was absorbed into Digital Garage by way of a simplified absorption-type merger under the Japanese Companies Act and VeriTrans became a direct subsidiary of Digital Garage.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The key milestones in the history and development of VeriTrans are as set out below:

- 1997 Incorporated as CyberCash K.K. in Japan on April 24, 1997 by CyberCash Japan, BV
 Entire issued share capital transferred to CyberCash Japan, CV
- 1998 Launched Japan's first secure internet-based credit card settlement service
- 2000 Began distribution of SSL Server Certificates in alliance with VeriSign Japan
 Launched our second generation online payment service known as "BuySmart"
- 2001 Launched "Credit All-in-One" agency payment service
- 2002 Changed its name to VeriTrans Co., Ltd.
- 2003 CyberCash Japan CV transferred its entire interest in VeriTrans to Softbank Finance Corporation and a former employee of VeriTrans
 Softbank Finance transferred its entire interest in VeriTrans to Finance All and Finance All became the largest shareholder
- 2004 Listed on the Hercules market of the Osaka Securities Exchange (which later became the JASDAQ)
 Implemented 3-D Secure internet identity authentication technology
 Kotohako was incorporated in Japan by third parties on September 15, 2004 for the establishment of search engine business
- 2005 Changed its name to SBI VeriTrans Co., Ltd.
 Granted the right by JIPDEC to use "PrivacyMark"
 Became compliant with Payment Card Industry Data Security Standard (PCI DSS) version 1.0
- 2006 Finance All merged into SBI Holdings and SBI Holdings became the largest shareholder
 eCURE was incorporated in Japan as a joint venture among VeriTrans and two Independent Third Parties on November 1, 2006 for the establishment of internet security business
 Coolpat was incorporated in Japan by third parties on June 27, 2006 for the establishment of internet payment and settlement business
 Launched VeriTrans' eMoney settlement service (formerly known as "VeriTrans eMoney"), and became the first provider of such service for Suica

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- 2007 Received certification for the PCI DSS version 1.1
- Acquired the entire issued share capital of eCURE
- 2009 Became the first Japanese online payment service provider registered with Visa's Registry Program, a registry of online payment service providers that comply with PCI-DSS
- Launched "UnionPay Net Settlement Service" targeted towards consumers in China in alliance with Sumitomo Mitsui Card
- iResearch Japan was incorporated in Japan as a 66.7% owned subsidiary of VeriTrans on November 5, 2009 to provide research services
- 2010 Launched our third generation online payment service, "VeriTrans 3G"
- NaviPlus was incorporated in Japan on January 21, 2010 as a 90% owned subsidiary of VeriTrans and the search recommendation engine business was segregated from VeriTrans into NaviPlus
- Received the "Grand Prix" prize in the PaaS category of the ASP/SaaS/ICT Outsourcing Awards
- 2011 Hercules market was merged with the JASDAQ and the listing was transferred to the JASDAQ
- Entire issued share capital was acquired by SBI Holdings
- Delisted from the JASDAQ
- Acquired the entire issued share capital of Coolpat
- JJ-Street was incorporated in Japan on January 14, 2011 as a 50% owned joint venture for the establishment of our internet advertising business
- 2012 Entire issued share capital was acquired by Wheel (subsequently renamed as Digital Garage Payment Holdings, Inc.) and became part of the Digital Garage Group
- Changed its name to VeriTrans Inc.
- Acquired the entire issued share capital of Kotohako
- Launched IVR (or Interactive Voice Response) payment solution service in Japan
- 99.8% of the issued share capital transferred to our Company
- 2013 Kotohako merged into NaviPlus and ceased to be a separate legal entity

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

History of ECONTEXT

ECONTEXT was incorporated on May 29, 2000 under the laws of Japan with an initial issued share capital of ¥400,000,000. Upon incorporation, the issued share capital of ECONTEXT was held by Digital Garage as to 34%, Lawson Inc. as to 46%, Mitsubishi Corporation as to 10% and TIS Inc. as to 10%.

On January 3, 2003, ECONTEXT carried out a capital reduction whereby every eight shares were combined into one share and the share capital of ECONTEXT was reduced to ¥88,650,000.

On January 30, 2003, Digital Garage subscribed for an additional 3,100 shares of ECONTEXT and became the largest shareholder of ECONTEXT with a 77.9% shareholding.

On June 23, 2005, ECONTEXT was listed on the Hercules market of the Osaka Securities Exchange with stock code 2448.

In order to strengthen the marketing know-how and system development of ECONTEXT and to take advantage of the technology know-how possessed by other subsidiaries within the Digital Garage group, ECONTEXT was merged into Digital Garage by way of a merger and acquisition agreement dated August 27, 2008 between Digital Garage and ECONTEXT, which was duly approved at the annual meetings of shareholders of Digital Garage and ECONTEXT held on September 26, 2008 and September 25, 2008, respectively. Pursuant to the merger and acquisition agreement, each shareholder of ECONTEXT was entitled to be issued 0.61 shares of Digital Garage for every share it held in ECONTEXT. ECONTEXT was delisted from the then Hercules market of the Osaka Securities Exchange on October 21, 2008. ECONTEXT was merged into Digital Garage and ceased to be a separate legal entity effective as of October 27, 2008.

The key milestones in the history and development of ECONTEXT are as set out below:

2000	Incorporated in Japan on May 29, 2000 by Digital Garage, Lawson Inc., Mitsubishi Corporation and TIS Inc.
2003	Digital Garage subscribed for additional shares and became the largest shareholder
2005	Listed on the Hercules market of the Osaka Securities Exchange (which later became the JASDAQ)
2008	Merged into Digital Garage and delisted from the Hercules market
2012	Demerged from Digital Garage and incorporated under the laws of Japan on October 1, 2012

Entire issued share capital transferred to our Company

Other operating subsidiaries

Coolpat

Coolpat was incorporated in Japan on June 27, 2006 by five third party individuals. Pursuant to a share transfer agreement dated February 18, 2011 between VeriTrans and five other third party individuals, the entire issued share capital of Coolpat was transferred to VeriTrans on February 18, 2011 for an aggregate consideration of ¥54,993,480, which was determined by the fair value of

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Coolpat on a discounted cashflow basis with reference to a valuation conducted by an Independent Third Party.

The issued share capital of Coolpat is ¥1,000,000, all of which is now owned by VeriTrans.

The principal business of Coolpat is the provision of infrastructure and technology support for internet payment and settlement businesses.

eCURE

eCURE was incorporated in Japan on November 1, 2006 by VeriTrans, Sanwa Comtech K.K. and C4 Technology, Inc.

Pursuant to a share transfer agreement dated July 24, 2007 between VeriTrans, Sanwa Comtech K.K. and C4 Technology, Inc., the entire issued share capital eCURE was transferred to VeriTrans on July 24, 2007 for an aggregate consideration of ¥20,000,000, which was determined based on the fair value of eCURE with reference to the then market price of VeriTrans (eCURE then became a 100% subsidiary of VeriTrans comprising its entire information security segment).

The issued share capital of eCURE is ¥75,000,000, all of which is now owned by VeriTrans.

The principal business of eCURE is the provision of internet security services, including sale of website authentication, safety check and security consulting services.

iResearch Japan

iResearch Japan was incorporated in Japan on November 5, 2009. The issued share capital of iResearch Japan is ¥30,000,000 and its shares are owned by VeriTrans as to 66.7% and Topstart as to 33.3%.

The principal business of iResearch Japan is the provision of research services, including internet research, data collection and analysis and other services.

NaviPlus

NaviPlus was incorporated in Japan on January 21, 2010. The issued share capital of NaviPlus is ¥145,000,000 and its shares are owned by VeriTrans as to 95% and Appirits Inc., an Independent Third Party, as to 5%.

The principal business of NaviPlus is the provision of a recommendation engine, customer review platform and e-commerce services including service support, advertising support and analysis support.

JJ-Street

JJ-Street was incorporated in Japan under the name Shareee-china on January 14, 2011. Shareee-china changed its name to JJ-Street on June 28, 2013. The issued share capital of JJ-Street is ¥100,000,000 and its shares are owned by VeriTrans as to 50%. The remaining shares are held by e-machitown Co., Ltd., as to 16.7% and SBI Holdings and its affiliates as to 33.3%.

The principal business of JJ-Street is the operation of an information website, JJ-Street.com, targeted mainly at Chinese-speaking visitors in Japan.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

See the section headed “Appendix V—Statutory and General Information—A. Further Information About Our Group—Changes in the share capital of our subsidiaries” in this document for further details on the above subsidiaries.

Other investments

PT. Tokopedia

PT. Tokopedia was incorporated in Indonesia on February 6, 2009 with an issued share capital of Rp.600 million (approximately HK\$384,000) divided into 600 shares of Rp.1,000,000 (approximately HK\$640) each. The shares of PT. Tokopedia are owned by us as to 6.62% and the remaining shares are held by its founders and other investors all of which are Independent Third Parties.

The principal business of PT. Tokopedia is the operation of an online e-commerce platform.

PT. Midtrans

PT. Midtrans was incorporated in Indonesia on January 9, 2012 with an issued share capital of Rp.23,114 million (approximately HK\$14.8 million) divided into 2,600,000 shares of Rp.8,890 (approximately HK\$5.7) each. The shares of PT. Midtrans are owned by us as to 23%, PT Mitra Dutamas as to 42% and PT Mitratama Grahaguna as to 25% (both are subsidiaries of Midplaza Holdings) and BEENOS ASIA PTE. LTD. (a subsidiary of Netprice.com, Ltd.) as to 10%, all of which are Independent Third Parties.

The principal business of PT. Midtrans is the provision of online payment processing services to online merchants in Indonesia.

VeriTrans Shanghai

VeriTrans Shanghai was incorporated in December 11, 2012. The issued share capital of VeriTrans Shanghai is RMB200,000 (approximately HK\$254,000), which is owned by us and Shanghai CardInfoLink, an Independent Third Party, as to 50% each. We do not consolidate the results of VeriTrans Shanghai as we do not have control over its board of directors.

The principal business of VeriTrans Shanghai is to offer data processing services and software to Chinese online merchants and to online merchants outside China seeking to sell products and services in China.

ECAA

ECAA was established as an incorporated association (*shadan-hojin*) under the laws of Japan on November 18, 2011. As of the Latest Practicable Date, ECAA had 75 members, all of which engage in e-commerce infrastructure business and are Independent Third Parties and 20 of which consist of voting members that pay membership fees. Mr. Takashi Okita, our executive Director and chief executive officer, is a representative of ECAA.

The main purpose of the establishment of ECAA is the provision of comprehensive solutions and support to online merchants operating in the e-commerce markets in Asia through the cooperation and exchange of information among its members.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Citrus Singapore and Citrus India

Citrus Singapore was incorporated in July 15, 2013. Citrus Singapore is owned by us as to 15.59% and the remaining shares are held by its founders and other investors, all of which are Independent Third Parties. Citrus Singapore is not engaged in any operations other than acting as an investment holding company of Citrus India. Citrus India was incorporated in April 28, 2011. Citrus India is owned by Citrus Singapore as to 70% and the remaining shares are held by its founders and other investors, all of which are Independent Third Parties. The primary business of Citrus India is to offer online payment solutions, including without limitation, processing of online transactions settled via payment by credit or debit cards, or bill payment service as well as providing outsourcing services to other online payment related companies that are principally located in India. We do not consolidate the results of Citrus Singapore or Citrus India as we do not have control over their respective board of directors.

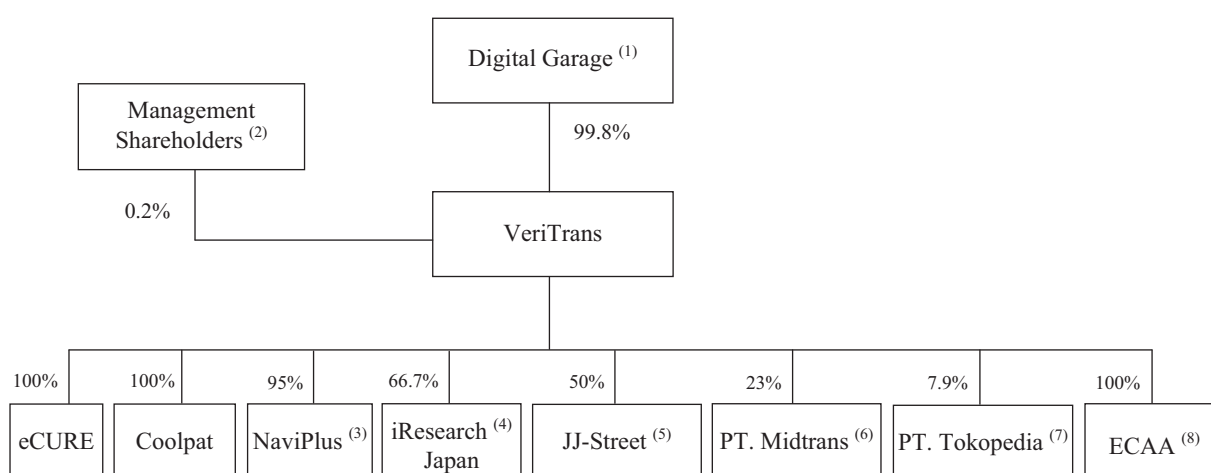
Confirmation

Our Directors confirm that, to the best of their knowledge, Digital Garage, VeriTrans and ECONTEXT, and their respective directors, had been in compliance with all applicable rules and regulations of, and were not subject to any disciplinary action by, the Osaka Securities Exchange during their respective listing on the Hercules market, subsequently the JASDAQ, and there are no matters that need to be brought to the attention of [●].

Our Directors further confirm that all the transfer of shares referred to in this section were properly and legally completed and settled in accordance with the internal or external legal advice or assurances obtained by our Group at the relevant time.

The Group intends to expand both its domestic and international businesses by establishing a leading position in emerging, high growth and mature e-commerce markets throughout Asia, including Hong Kong and China.

The following chart illustrates our shareholding structure immediately prior to the Reorganization:



Notes:

(1) Includes ECONTEXT, which was merged into Digital Garage with effect from October 27, 2008.

(2) The management shareholders are Mr. Kaoru Hayashi, Mr. Takashi Okita and Mr. Tomohiro Yamaguchi and their shareholdings in VeriTrans are 0.10%, 0.07% and 0.03%, respectively.

(3) The remaining shares are held by Appirits Inc., which is an Independent Third Party.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (4) *The remaining shares are held by Topstart Holdings Ltd.*
- (5) *The remaining shares are held by e-machitown Co., Ltd., an Independent Third Party as to 16.7% and SBI Holdings, Inc. and its affiliates as to 33.3%.*
- (6) *The remaining shares are held by PT. Mitra Dutamas as to 42%, PT. Mitratama Grahaguna as to 25% and BEENOS ASIA PTE. LTD. as to 10%, all of which are Independent Third Parties.*
- (7) *The remaining shares are held by its founders and other investors, all of which are Independent Third Parties.*
- (8) *ECAA is an incorporated association (shadan-hojin) established under the laws of Japan and all its members are Independent Third Parties.*

REORGANIZATION

The businesses comprising our Group underwent the Reorganization, details of which are set out below. No regulatory approvals were required in respect of the Reorganization.

Incorporation of the Company

Our Company was incorporated on September 10, 2012 with an authorized share capital of HK\$100,000,000 divided into 10,000,000 shares of HK\$10.00 each, all of which were issued in the name of Digital Garage. On December 1, 2012, the share capital of our Company was increased from HK\$100,000,000 to HK\$6,492,939,640 by the creation of 639,293,964 ordinary shares of HK\$10.00 each.

Demerger of ECONTEXT from Digital Garage

In order to segregate the payment business segment within the Digital Garage Group, ECONTEXT was demerged from Digital Garage on October 1, 2012 and incorporated under the laws of Japan with an initial issued share capital of ¥100,000,000. The entire issued share capital of ECONTEXT was then held by Digital Garage. The business of ECONTEXT formerly operated by Digital Garage's business division under the name ECONTEXT Company was transferred from Digital Garage to ECONTEXT at book value.

Transfer of interests in VeriTrans and ECONTEXT to our Company

On December 1, 2012, 100% of the issued share capital in ECONTEXT and 99.8% of the issued share capital in VeriTrans were transferred to our Company by Digital Garage in consideration for the issue by our Company of 152,323,491 shares credited as fully paid to Digital Garage. As a result of these transfers, our Company became the holding company of VeriTrans, ECONTEXT and the other businesses operated by our Group. Digital Garage remained the sole shareholder of our Company.

Acquisition of Kotohako by NaviPlus

Kotohako was incorporated in Japan on September 15, 2004 by Japan Asia Investment Co., Ltd., Tsukuba Technology Co., Ltd. and six other third party individuals. Pursuant to a share transfer agreement dated December 13, 2012 between NaviPlus, a subsidiary of VeriTrans, and Japan Asia Investment Co., Ltd., Tsukuba Technology Co., Ltd. and six other third party individuals, the entire issued share capital of Kotohako, being ¥63,500,000, was transferred to NaviPlus on December 28, 2012 for an aggregate consideration of ¥217,080,000, which was determined on a discounted cashflow basis and Kotohako became a wholly-owned subsidiary of NaviPlus.

The principal business of Kotohako is the provision of search and recommendation engines for e-commerce businesses.

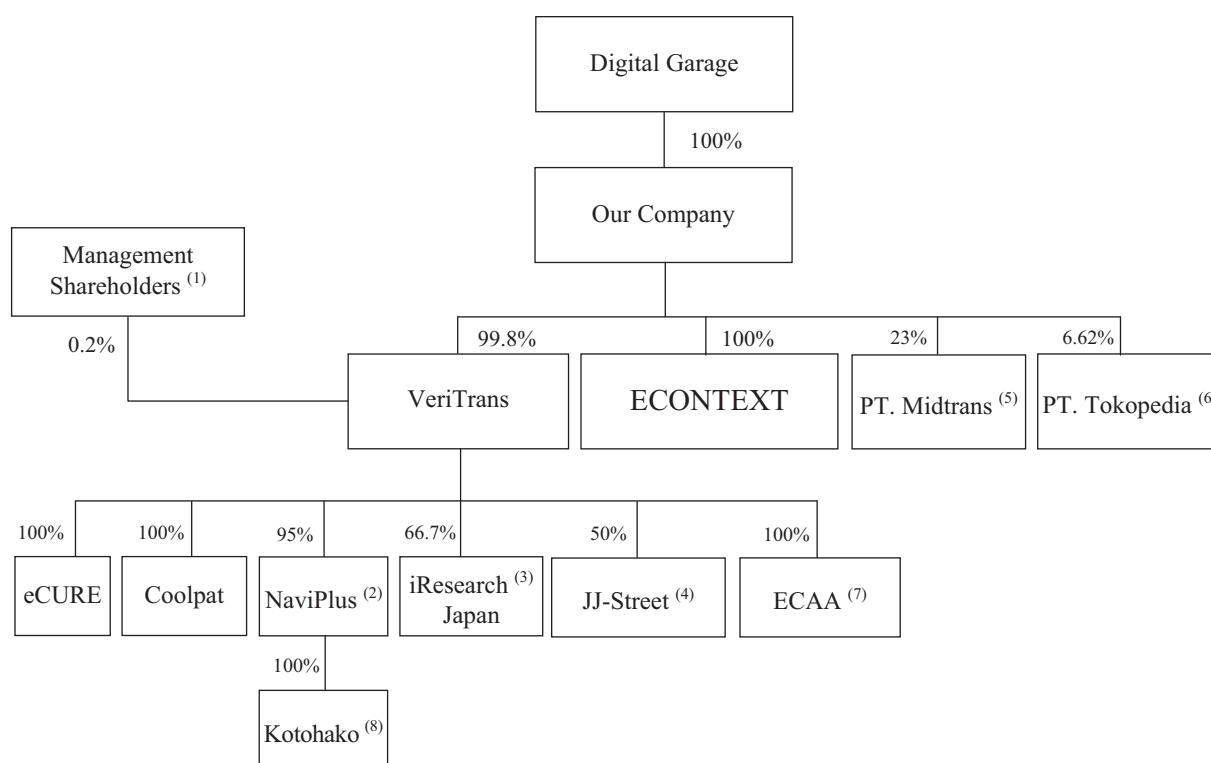
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Transfer of interests in PT. Midtrans and PT. Tokopedia to our Company

On March 15, 2013, VeriTrans transferred its entire interest in PT. Midtrans, being 598,000 shares of Rp.8,890 each (approximately 23% of the share capital of PT. Midtrans), to our Company for a consideration of Rp. 5,316 million (approximately HK\$3.4 million), which was determined on a discounted cashflow basis with reference to a valuation conducted by an Independent Third Party. Our Company became a shareholder of PT. Midtrans with a 23% interest.

On May 2, 2013, VeriTrans transferred its entire interest in PT. Tokopedia, being 178 shares of Rp.1,000,000 (approximately HK\$640) each (approximately 7.9% of the then issued share capital of PT. Tokopedia), to our Company for a consideration of US\$730,791.46 (approximately HK\$5,700,173), which was determined on a discounted cashflow basis with reference to a valuation conducted by an Independent Third Party. Following other changes in the shareholding structure of PT. Tokopedia and the issue of new shares, our Company's interest in PT. Tokopedia was reduced to 6.62%.

The following chart illustrates our shareholding structure immediately following the completion of the Reorganization:



Notes:

- (1) The Management Shareholders are Mr. Kaoru Hayashi, Mr. Takashi Okita and Mr. Tomohiro Yamaguchi and their shareholdings in VeriTrans are 0.10%, 0.07% and 0.03%, respectively.
- (2) The remaining shares are held by Appirits Inc., which is an Independent Third Party.
- (3) The remaining shares are held by Topstart Holdings Ltd.
- (4) The remaining shares are held by e-machitown Co., Ltd., an Independent Third Party as to 16.7% and SBI Holdings, Inc. and its affiliates as to 33.3%.
- (5) The remaining shares are held by PT. Mitra Dutamas as to 42%, PT. Mitratama Grahaguna as to 25% and BEENOS ASIA PTE. LTD. as to 10%, all of which are Independent Third Parties.

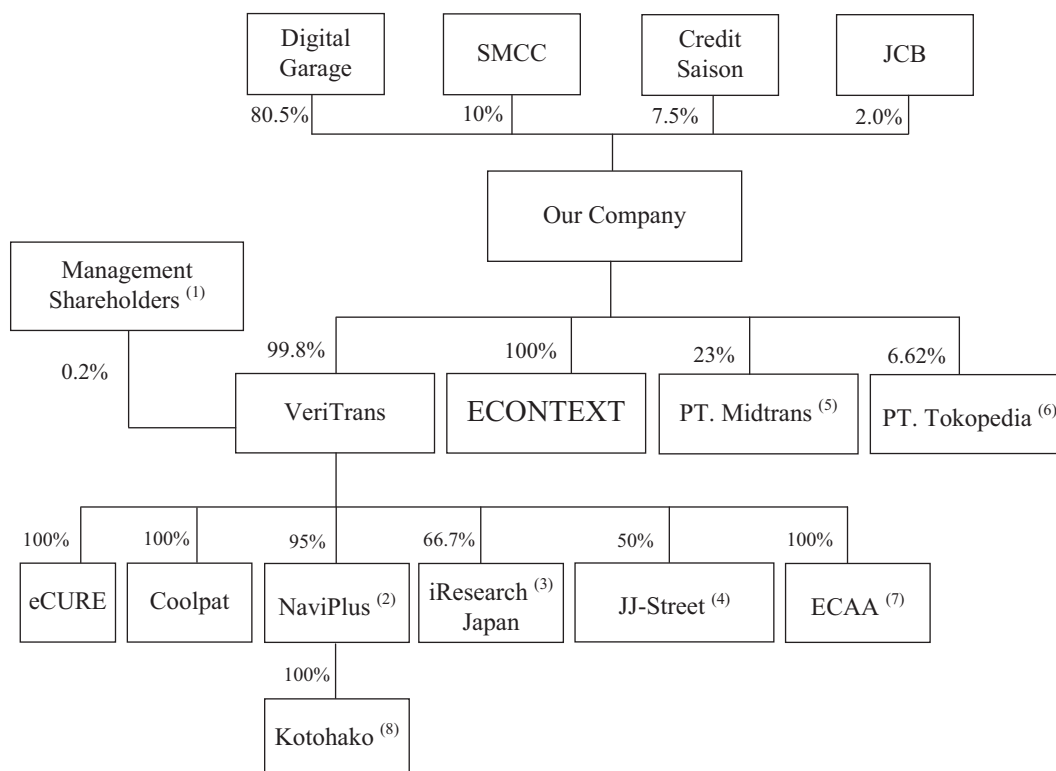
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (6) The remaining shares are held by its founders and other investors, all of which are Independent Third Parties.
- (7) ECAA is an incorporated association (shadan-hojin) established under the laws of Japan and all its members are Independent Third Parties.
- (8) Kotohako was incorporated by third parties and its entire issued share capital was transferred to NaviPlus on December 28, 2012.

SALE OF SHARES

In early 2013, with a view to strengthen the shareholding structure of our Company, our Controlling Shareholder, Digital Garage, entered into separate sale and purchase agreements with SMCC, Credit Saison and JCB (the “Buyers” and each a “Buyer”) pursuant to which an aggregate of 19.5% of the then issued and outstanding share capital of our Company was sold by Digital Garage to the Buyers. Our Company was not a party to the agreements between Digital Garage and the Buyers.

The following chart illustrates our shareholding structure immediately following the completion of the share acquisitions by the Buyers:



Notes:

- (1) The Management Shareholders are Mr. Kaoru Hayashi, Mr. Takashi Okita and Mr. Tomohiro Yamaguchi and their shareholdings in VeriTrans are 0.10%, 0.07% and 0.03%, respectively.
- (2) The remaining shares are held by Appirits Inc., which is an Independent Third Party.
- (3) The remaining shares are held by Topstart Holdings Ltd.
- (4) The remaining shares are held by e-machitown Co., Ltd. as to 16.7% and SBI Holdings, Inc. and its affiliates as to 33.3%.
- (5) The remaining shares are held by PT. Mitra Dutamas as to 42%, PT. Mitratama Grahaguna as to 25% and BEENOS ASIA PTE. LTD. as to 10%, all of which are Independent Third Parties.
- (6) The remaining shares are held by its founders and other investors, all of which are Independent Third Parties.
- (7) ECAA is an incorporated association (shadan-hojin) established under the laws of Japan and all its members are Independent Third Parties.
- (8) Kotohako was incorporated by third parties and its entire issued share capital was transferred to NaviPlus on December 28, 2012.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Business and capital alliance with the Buyers

The Directors are of the view that SMCC, Credit Saison and JCB are reputable Japanese credit card companies and will strengthen the shareholder base of our Company.

SMCC, Credit Saison and JCB are credit card merchant acquirers which provide services to the Group. SMCC and JCB were major suppliers of the Group during the [●]. [●] the section headed "Our Business—Vendor Relationships" in this document.

We have entered into business and capital alliance agreements with each of SMCC, Credit Saison and JCB pursuant to which we agreed to work together to explore potential future business opportunities in relation to settlement services. The strategic alliance with the Buyers is expected to provide new business opportunities for the Group both domestically and internationally.

The salient terms of the business and capital alliance agreements are set out below:

Business and capital alliance agreement with SMCC

Date : February 27, 2013

Term : From the date of signing until such time that SMCC ceases to hold any of our Shares, subject to prior termination on written notice by either party in certain circumstances such as a breach by the other party that is not cured within 10 days of notification.

Summary of potential alliance : (a) *Business alliance*

Upon SMCC becoming a shareholder of the Company, the parties shall discuss the following areas of business alliance:

- as to the settlement business in Japan, formulating and implementing strategies to attract new customers and increase the usage of credit cards by merchant customers and consumers
- as to the oversea business carried out by the parties, formulating and implementing strategies to utilize the businesses, customers and services and other assets possessed by the parties

(b) Alliance regarding merchant customers

The parties also agreed on the following alliance regarding merchant customers:

- with respect to the subsidiaries of the Company which carry out settlement agency business, the Company shall cause such subsidiaries to use their best commercially reasonable effort to lead their existing and future clients to SMCC for the application of the SMCC brand and the entering into the agreements with the merchant customers
- for so long as this agreement stays in full force, SMCC and the Company, through its subsidiaries, shall each make its best commercially reasonable effort to maintain the agreements regarding the above merchant customers

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

(c) Secondment of officers and employees

The Company shall discuss in good faith with SMCC in accepting the secondment of officers and employees designated by SMCC to the Company or its subsidiaries.

Business and capital alliance agreement with Credit Saison

- Date : March 29, 2013
- Term : From the date of signing until such time that Credit Saison ceases to hold any of our Shares, subject to prior termination on written notice by either party in certain circumstances such as a breach by the other party that is not cured within 10 days of notification.
- Summary of potential alliance : Upon Credit Saison becoming a shareholder of the Company, the parties shall discuss the following areas of business alliance:
- formulating and implementing strategies to utilize the businesses, customers and services and other assets possessed by the parties in Asia
 - formulating and implementing strategies to expand and accelerate the businesses carried out by the parties in Japan
 - developing and formulating new schemes for the settlement business in order to bring new value to customers and merchant customers

Business and capital alliance agreement with JCB

- Date : April 26, 2013
- Term : From the date of signing until such time that JCB ceases to hold any of our Shares, subject to prior termination on written notice by either party in certain circumstances such as a breach by the other party that is not cured within 10 days of notification
- Summary of potential alliance : Upon JCB becoming a shareholder of the Company, the parties shall discuss the following potential areas of business alliance:
- (a) In Japan*
- VeriTrans providing JCB and its partner companies who use JCB's credit card transaction system with payment settlement products and services developed by VeriTrans for smartphones
 - Collaboration between JCB and VeriTrans with respect to the promotion and expansion of the JCB brand using VeriTrans' products and services
 - The Company making efforts to enhance JCB's sales in the Company's merchant customer base

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

(b) *Internationally*

- The Company making efforts to promote and expand the JCB brand among its merchant customer base and through the settlement businesses operated by the Company and its other partner companies
- The Company making efforts to develop and provide JCB with any products or services that are useful to expand JCB's business, utilizing the Group and its partner companies

(c) *Through JCN*

Subject to certain exceptions, we shall use commercially reasonable efforts to do the following with respect to merchant customers of VeriTrans transacting through JCN:

- to propose the JCB brand to any new merchant customers who apply for VeriTrans' services, and enter into a "JCB member shop agreement" with such merchants, as well as obtain any ancillary consents from such customers
- with respect to existing merchant customers using JCN, to maintain the use of JCN services in respect of the connections between such merchants and credit card companies
- to use JCN services for any new merchant customers as the connection between such merchants and credit card companies
- for existing merchant customers that do not use JCN services, to change the connection between those merchants and credit card companies to a connection using JCN's services (excluding via the 2G network)

RECENT INVESTMENT AND CHANGES TO OUR CORPORATE STRUCTURE

Merger of Kotohako into NaviPlus

Pursuant to a merger and acquisition agreement dated July 24, 2013 between NaviPlus and Kotohako, Kotohako was merged into NaviPlus and ceased to be a separate legal entity with effect from September 1, 2013.

Investment in VeriTrans Shanghai

On June 25, 2013, the Company and Shanghai CardInfoLink entered into a Subscription Agreement and the Company subscribed for RMB100,000 (approximately HK\$126,582) of issued share capital of VeriTrans Shanghai for a consideration of RMB3,128,562.38 (approximately HK\$3,932,677), which was determined on an asset-based approach with reference to a valuation conducted by an Independent Third Party, and the Company became a shareholder of VeriTrans Shanghai with a 50% interest in November 2013.

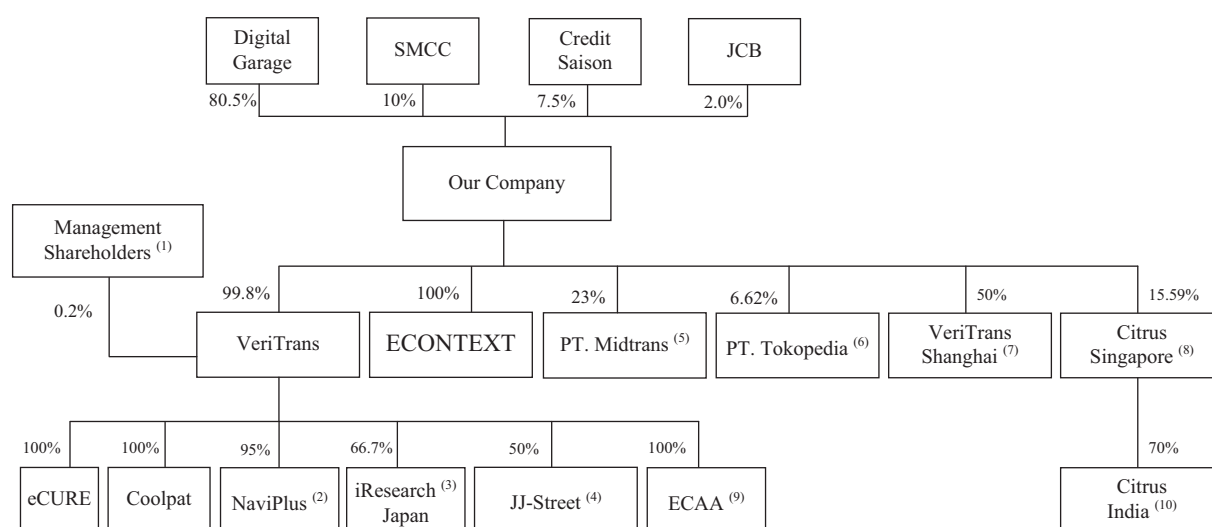
Our PRC legal advisors have advised us that the establishment of, and the investment of the Company in, VeriTrans Shanghai have been duly approved by the competent authorities in the PRC, and that there are no applicable restrictions on foreign ownership of VeriTrans Shanghai.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Investment in Citrus India through Citrus Singapore

In October 2013, we entered into an agreement to acquire a 15.59% interest in Citrus Singapore for a consideration of US\$4,599,999.90 (approximately HK\$35.9 million), which was determined on an arm's length basis with reference to a valuation conducted by an Independent Third Party. We acquired the 15.59% interest in Citrus Singapore in November 2013. Citrus Singapore owns 70% of the shares of Citrus India.

The following chart illustrates our shareholding structure immediately following the completion of the investment in VeriTrans Shanghai and in Citrus India through Citrus Singapore:



Notes:

- (1) The Management Shareholders are Mr. Kaoru Hayashi, Mr. Takashi Okita and Mr. Tomohiro Yamaguchi and their shareholdings in VeriTrans are 0.10%, 0.07% and 0.03%, respectively.
- (2) The remaining shares are held by Appirits Inc., which is an Independent Third Party. Kotohako was merged into NaviPlus and ceased to be a separate legal entity with effect from September 1, 2013.
- (3) The remaining shares are held by Topstart Holdings Ltd.
- (4) The remaining shares are held by e-machitown Co., Ltd. as to 16.7% and SBI Holdings, Inc. and its affiliates as to 33.3%.
- (5) The remaining shares are held by PT. Mitra Dutamas as to 42%, PT. Mitratama Grahaguna as to 25% and BEENOS ASIA PTE. LTD. as to 10%, all of which are Independent Third Parties.
- (6) The remaining shares are held by its founders and other investors, all of which are Independent Third Parties.
- (7) The remaining shares are held by Shanghai CardInfoLink, which is an Independent Third Party.
- (8) The remaining shares are held by its founders and other investors, all of which are Independent Third Parties.
- (9) ECAA is an incorporated association (shadan-hojin) established under the laws of Japan and all its members are Independent Third Parties.
- (10) The remaining shares are held by its founders and other investors, all of which are Independent Third Parties.

CAPITAL REDUCTION

Pursuant to written resolutions of the Shareholders passed on August 9, 2013 in accordance with section 58 of the Companies Ordinance, the issued share capital of the Company was reduced from HK\$1,623,234,910 divided into 162,323,491 shares of par value HK\$10.00 each to HK\$1,623,234.91 divided into 162,323,491 shares of par value HK\$0.01 each by cancelling the paid

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

up capital of the Company to the extent of HK\$9.99 on each issued share of the Company. The amount arising from the reduction, being HK\$1,621,611,675.09, was credited to the share premium account of the Company. The reduction of the capital of the Company became effective on October 22, 2013. In addition, the authorized share capital of the Company was reduced from HK\$6,492,939,640 divided into 649,293,964 shares of par value HK\$10.00 each to HK\$6,492,393.64 divided into 649,293,964 shares of par value HK\$0.01 each.