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econtext Asia Limited
環亞智富有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1390)

VOLUNTARY ANNOUNCEMENT
TRANSFER OF 6.62% INTEREST IN PT. TOKOPEDIA

On 3 June 2014, the Company entered into the Share Sale and Purchase Agreement with EC Fund in relation to the Transfer of 178 shares, which represents approximately 6.62% interest in PT. Tokopedia at a total consideration of approximately US\$2,647,000 (equivalent to approximately HK\$20,528,000).

The general partners of EC Fund are VeriTrans and SBI Investment. VeriTrans is a subsidiary of the Company. SBI Investment is a subsidiary of SBI Holdings, which owns together with its affiliates 33.3% of JJ-Street, an indirect subsidiary of the Company.

This is a voluntary announcement made by the Company.

INTRODUCTION

On 3 June 2014, the Company entered into the Share Sale and Purchase Agreement with EC Fund in relation to the Transfer of 178 shares, which represents approximately 6.62% interest, being the Company's entire interest in PT. Tokopedia at a total consideration of approximately US\$2,647,000 (equivalent to approximately HK\$20,528,000). After the Transfer, the Company will not hold any direct interest in PT. Tokopedia, but will hold approximately 3.31% indirect interest through EC Fund.

THE SHARE SALE AND PURCHASE AGREEMENT

The principal terms of the Share Sale and Purchase Agreement are as set out below:

Date

3 June 2014

Parties

- (1) The Company as vendor; and
- (2) EC Fund as purchaser

Subject Matter

The Company has agreed to sell and transfer to EC Fund, and EC Fund has agreed to purchase from the Company, all of the Company's shares in PT. Tokopedia, being 178 shares of PT. Tokopedia. The number of PT. Tokopedia's issued shares in total is 2,690 shares.

Consideration

The consideration for the Transfer is approximately US\$2,647,000 (equivalent to approximately HK\$20,528,000), which shall be settled by EC Fund to the Company by wire transfer of immediately available funds to the bank account specified by the Company on the Closing Date.

Conditions

The Share Sale and Purchase Agreement shall take effect after being signed by both parties and is subject to the approval of the relevant regulatory authorities in Indonesia.

Basis of consideration

The consideration was arrived at after arm's length negotiation between the parties by making reference to the Valuation Report prepared by an Independent Third Party. The appraised value of 178 shares of PT. Tokopedia, which was determined on a discounted cashflow basis with reference to the Valuation Report, is approximately US\$2,647,000.

FINANCIAL IMPACTS FROM THE TRANSFER

Based on the acquisition cost for 178 shares in PT. Tokopedia of US\$730,791.46 (approximately HK\$5,700,173), the Group will recognise an estimated gain of approximately US\$958,000 (approximately HK\$7,430,000), which is calculated after taking into account that the Group will hold approximately 3.31% indirect interest in PT. Tokopedia through EC Fund.

INFORMATION OF THE PARTIES

The Group is principally engaged in online payment services, advertising related services and other e-commerce services.

EC Fund is a limited partnership established in Japan, the purpose of which is to invest in (i) Japanese e-commerce companies targeting emerging markets in Asia, (ii) Asian e-commerce companies, and (iii) other Japanese limited partnerships of similar purposes.

The general partners of EC Fund are VeriTrans and SBI Investment. VeriTrans is a subsidiary of the Company. SBI Investment is a subsidiary of SBI Holdings, which owns together with its affiliates 33.3% of JJ-Street, an indirect subsidiary of the Company.

REASON FOR AND BENEFITS OF THE TRANSFER

EC Fund was established for the purpose of making investments in Japanese e-commerce companies targeting emerging markets in Asia and Asian e-commerce companies. The main focus of EC Fund will be to invest in e-commerce businesses including online marketplace and to develop and support such businesses that will open up more opportunities for online payment businesses. PT. Tokopedia was incorporated in Indonesia as an operator of e-commerce platform. Though the Group's primary focus will continue to be online payment services, advertising related services and other e-commerce services, as the main focus of EC Fund includes investing in Asian e-commerce companies, PT. Tokopedia is a suitable investment for EC Fund which will be in accordance with the purpose of EC Fund. As this is the first investment to be made by EC Fund, selection of a good investment will attract potential investors of EC Fund. In addition, the Group will recognise a gain on transfer of PT. Tokopedia to EC Fund, while it will still indirectly hold approximately 3.31% interest in PT. Tokopedia. The Directors therefore consider that to transfer PT. Tokopedia to EC Fund will help development of e-commerce business and will be beneficial to both the Group and EC Fund.

The Directors are of the view that the Transfer has been negotiated at arm's length, entered into on normal commercial terms, and that the terms of the Transfer are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

As all the applicable percentage ratios (as defined under the Listing Rules) for the Transfer are less than 5%, the Transfer does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors;
“Closing Date”	the day of the closing under the Share Sale and Purchase Agreement to be separately agreed by the Company and EC Fund, which shall be no later than 10 days from the date that EC Fund is informed of the approval by the relevant regulatory authorities in Indonesia;

“Company”	econtext Asia Limited, a company incorporated under the laws of Hong Kong, the shares of which are listed and traded on the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“EC Fund”	econtext ASIA EC Fund Investment LPS, established under the laws of Japan whose general partners are VeriTrans and SBI Investment;
“Group”	the Company and/or its subsidiaries from time to time;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	a person(s) or a company(ies) who or which is/are not connected (within the meaning under the Listing Rules) with any directors, chief executives or substantial shareholders (within the meaning under the Listing Rules) of the Company or any of its subsidiaries or any of their respective associate(s) (within the meaning under the Listing Rules);
“Indonesia”	the Republic of Indonesia;
“JJ-Street”	JJ-Street Inc. (formerly known as Shareee-china, Inc.), a company incorporated under the laws of Japan and an indirect subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PT. Tokopedia”	PT. Tokopedia, a company incorporated under the laws of Indonesia in which the Company owns an approximately 6.62% interest;
“SBI Holdings”	SBI Holdings, Inc., a company incorporated under the laws of Japan, the shares of which are listed and traded on Tokyo Stock Exchange and the Stock Exchange and a substantial shareholder of JJ-Street;
“SBI Investment”	SBI Investment Co., Ltd, a company incorporated under the laws of Japan and a subsidiary of SBI Holdings;
“Share Sale and Purchase Agreement”	the share sale and purchase agreement dated 3 June 2014 entered into between the Company and EC Fund in relation to sale and purchase of 178 shares in PT. Tokopedia;
“Shareholders”	the shareholders of the Company;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Transfer”	the transfer from the Company to EC Fund, of 178 shares of PT. Tokopedia held by the Company representing approximately 6.62%, being the Company’s entire interest in PT. Tokopedia;
“US\$”	United States dollars, the lawful currency of the United States of America;
“Valuation Report”	the valuation report in respect of shares of PT. Tokopedia prepared by the Independent Third Party valuer;
“VeriTrans”	VeriTrans Inc., a company incorporated under the laws of Japan and a subsidiary of the Company; and
“%”	percent

By order of the Board
econtext Asia Limited
Kaoru Hayashi
Chairman

Hong Kong, 13 June 2014

As at the date of this announcement, the Board comprises Kaoru Hayashi (Chairman), Takashi Okita, Tomohiro Yamaguchi and Keizo Odori as executive Directors; Joi Okada and Adam David Lindemann as non-executive Directors; and Mamoru Ozaki, Toshio Kinoshita and Takao Nakamura as independent non-executive Directors.