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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)**

**INSIDE INFORMATION  
RESULTS OF THE CONTROLLING SHAREHOLDER,  
DIGITAL GARAGE, INC.  
FOR THE FISCAL SECOND QUARTER  
ENDED 31 DECEMBER 2014**

This announcement is issued pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Listing Rules.

On or around 13 February 2015 (2:30 p.m. Hong Kong time), the Company's controlling shareholder, Digital Garage will announce its financial results for its fiscal second quarter ended 31 December 2014.

This announcement is issued by econtext Asia Limited (the "**Company**") pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Company's controlling shareholder, Digital Garage, Inc. ("**Digital Garage**"), is a company listed on the Japan Association of Securities Dealers Automated Quotation (the "**JASDAQ**") in Japan. As at the date of this announcement, Digital Garage beneficially owns approximately 58.50% of the issued shares in the capital of the Company.

Digital Garage publishes quarterly and annual results announcements (hereinafter collectively referred to as the "**DG's Disclosures**") with information about its payment segment which is operated by the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**"), including periodic financial results released by Digital Garage

pursuant to the requirements under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended). Digital Garage's financial reports are available in the public domain.

Although companies listed on the JASDAQ are not subject to a mandatory requirement to publish forecasts or estimates, the practice of issuing forecasts or estimates on both an annual and quarterly basis is positively encouraged by the JASDAQ. Most of companies listed on the JASDAQ routinely disclose forecasts on net sales, operating income, ordinary income, net income, net income per share and dividend per share.

Digital Garage will announce and file its financial results for its fiscal second quarter ended 31 December 2014 (the “**DG’s Quarterly Financial Results**”) on or around 13 February 2015 (2:30 p.m. Hong Kong time). On the same day (4:00–5:00 p.m. Hong Kong time), Digital Garage will hold Q2 of FY2015 Financial Results Briefing for Analysts/Institutional Investors and post the presentation material for the results briefing (the “**DG’s Results Briefing**”) on its website. In addition, Digital Garage will file the quarterly securities report for its fiscal second quarter ended 31 December 2014 (the “**DG’s Quarterly Securities Report**”) on 16 February 2015. If you wish to review the DG’s Quarterly Financial Results prepared by Digital Garage, which are filed with the JASDAQ, the DG’s Results Briefing and the DG’s Quarterly Securities Report, please visit the followings:

DG’s Quarterly Financial Results (in Japanese):

[http://www.garage.co.jp/ja/ir/library/pdf/150213\\_dg\\_tanshin.pdf](http://www.garage.co.jp/ja/ir/library/pdf/150213_dg_tanshin.pdf)

DG’s Results Briefing (in Japanese):

[http://www.garage.co.jp/ja/ir/library/pdf/150213\\_dg\\_ppt.pdf](http://www.garage.co.jp/ja/ir/library/pdf/150213_dg_ppt.pdf)

DG’s Results Briefing (in English)\*:

[http://www.garage.co.jp/en/ir/library/pdf/2qoffyeJune30-2015\\_e.pdf](http://www.garage.co.jp/en/ir/library/pdf/2qoffyeJune30-2015_e.pdf)

DG’s Quarterly Securities Report (in Japanese):

[http://www.garage.co.jp/ja/ir/library/pdf/150216\\_dg\\_houkoku.pdf](http://www.garage.co.jp/ja/ir/library/pdf/150216_dg_houkoku.pdf)

\* *English translation of DG’s Results Briefing will be released on or after 16 February 2015.*

The financial results of Digital Garage and its consolidated subsidiaries, including those contained in the DG’s Quarterly Financial Results, the DG’s Results Briefing and the DG’s Quarterly Securities Report have been prepared in accordance with the generally accepted accounting principles of Japan (“**JGAAP**”), which are different from the Hong Kong Financial Reporting Standards (“**HKFRS**”) that the Group is subject to the preparation and presentation of its consolidated financial results and related financial information. As such, the financial results and related information set forth in the DG’s Quarterly Financial Results, the DG’s Results Briefing and the DG’s Quarterly Securities Report are not directly comparable to the financial results and related financial information that the Company discloses as a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. In particular, goodwill is amortised within 20 years using a straight-line method under JGAAP, on the other hand, goodwill is not amortised but tested for impairment under HKFRS; revenue for a service is recognised when the service is rendered under JGAAP, on the other hand, revenue for a service is recognised when it is probable that the economic benefits will flow to the Group and when revenue can be measured reliably under HKFRS; a certain intangible assets, including a customer list, are not separately recognised upon a business combination under JGAAP, however, such intangible assets may be separately

recognised and amortised under HKFRS; and the gain on change in equity ownership recorded to extraordinary income under JGAAP while such gain is not recognised as extraordinary income but is credited to equity under HKFRS.

In addition to the differences between JGAAP and HKFRS, the difference in entities comprising Digital Garage's consolidation and the Group's consolidation makes the financial results and related information set forth in the DG's Quarterly Financial Results, the DG's Results Briefing and the DG's Quarterly Securities Report not directly comparable to the financial results and related financial information that the Company discloses. For example, any inter-company transactions between Digital Garage and the Group would be eliminated for the DG's Quarterly Financial Results but remain recorded for the Group's quarterly financial results.

### **Extract of the DG's Quarterly Financial Results**

— Released by Digital Garage and prepared under JGAAP —

The fiscal year ending 30 June 2015, the second quarter financial results (Consolidated)

#### 1. *Analyses of Results of Operations, Financial Position and Cash Flows*

“Payment segment provides payment solutions for e-commerce. The payment segment achieved the growth in net sales and operating income compared to the same period last year as VeriTrans Inc. and ECONTEXT, Inc., providers of payment services in Japan, attained the steadily growth in the number of data transactions and agency payment amount and as econtext Asia Limited's initial public offering expense was no longer incurred in the period under review.

In Asian region, the payment segment agreed to co-invest in Sen Do Technology Joint Stock Company (Headquarters: Ho Chi Minh City, Vietnam) who operates the online marketplace called “Sendo” that provides with a wide range of goods targeting twenty-to thirty-year-old young people in Vietnam, which is expected to achieve further economic development. Accordingly, the payment segment will engage in supporting the growth of the entire e-commerce market in Vietnam.

As a result, the net sales were approximately JP¥7,082 million for the six months ended 31 December 2014 (increased by approximately JP¥479 million or approximately 7.3% compared to the same period of the last year).

Operating income was approximately JP¥590 million for the six months ended 31 December 2014 (increased by approximately JP¥126 million or approximately 27.4% compared to the same period of the last year).”

## Extract of the DG's Results Briefing

— Released by Digital Garage and prepared under JGAAP —

### 1. Investment Highlights

Payment segment: domestic growth and steady Asia expansion

- Net sales and operating income for the second quarter of the year ending 30 June 2015 increased by 7% and 27% respectively
- Continued favorable in terms of convenience store and credit card payment services in Japan due to the expansion of e-commerce market in Japan
- Accelerated the expansion of businesses in Asian countries including Indonesia, China and India. Entered into a subscription agreement to co-invest in a joint stock company in Vietnam.

### 2. Payment segment's quarterly financial results

“Both net sales and operating income for the payment segment increased due to the expansion of domestic e-commerce market and the absence of econtext Asia Limited's initial public offering expense.

— Achieved net sales growth of 7% and operating income growth of 27% on a year-on-year basis —”

	FY2013.6		FY2014.6		FY2015.6
	JP¥ in Million		JP¥ in Million		JP¥ in Million
	1H	2H	1H	2H	1H
Payment segment					
Net sales	7,984	6,428	6,603	6,850	<b>7,082</b>
Adjustment for irregular fiscal year for VeriTrans Inc.*	<u>(1,980)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Adjusted net sales	6,004	6,428	6,603	6,850	<b>7,082</b>
Operating income	789	514	463	738	<b>590</b>
Adjustment for irregular fiscal year for VeriTrans Inc.*	<u>(223)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Adjusted operating income	566	514	463	738	<b>590</b>

\* The financial results for the payment segment for the 1H of FY2013.6 includes the financial results of VeriTrans Inc. for April through June 2012 due to the irregular fiscal year that Digital Garage used for the consolidation of VeriTrans Inc..

3. Balance sheet (Consolidated) as at 31 December 2014

(JP¥ in Million)	As at 30 June 2014	As at 31 December 2014	Change	Major reason for change
Receivables	8,596	14,469	+5,872	Payment-business-related items
Money held in trust	889	1,068	+179	Payment-business-related items
Deposits	16,434	25,496	+9,062	Payment-business-related items

4. Business review and outlook — Payment segment

(JP¥ in Million)

		Net sales	Operating income
FY2014.6	1H (July–December) Actual results	6,603	463
FY2015.6	1H (July–December) Actual results	7,082	590
FY2015.6	Annual results forecast	15,500	1,450

5. Payment segment highlights

- “Service expansion to five countries” (Japan, Indonesia, China, India and Vietnam)
- “Number of online payment transactions\*: 90.22 million (+8.0% year-on-year, 1H)”
- “Online payment transaction amount\*\*: 471.4 billion Japanese yen (+19.0% year-on-year, 1H)”

Quarterly online payment transaction amount

	FY2013.6		FY2014.6		FY2015.6
	JP¥ in billion		JP¥ in billion		JP¥ in billion
	1H	2H	1H	2H	1H
VeriTrans Inc.	233.4	269.2	269.7	283.8	320.6
ECONTEXT, Inc.	111.4	121.6	126.5	137.3	150.8
Total	<u>344.8</u>	<u>390.7</u>	<u>396.2</u>	<u>421.1</u>	<u>471.4</u>

\* Number of payment transaction is on a gross basis

\*\* Payment transaction amount includes agency payment amount and data transaction amount

6. NaviPlus highlights

- “Expanded its customer base further as a leading recommendation service provider in Japan”
- “Expansion of NaviPlus overall marketing tool introduction”
  - “Introduction results: more than 600 websites”
  - “Number of server request became more than 1.5 billion per month”

**The DG’s Disclosures contain forward-looking information. Digital Garage has full and independent discretion as to the determination of such forward-looking information by considering factors which Digital Garage considers appropriate and relevant for its reporting and disclosure purposes. Forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, the Company’s results may differ from those expressed in any forward-looking statements made by Digital Garage, including the DG’s Disclosures. In light of the risks and uncertainties, the inclusion of forward-looking information in this announcement should not be regarded as representations by the board of directors of the Company (the “Board”) or the Company that the plans and objectives will be achieved. The Company’s shareholders, potential investors and readers are advised not to place undue reliance on the contents of the DG’s Quarterly Financial Results, the DG’s Results Briefing and the DG’s Quarterly Securities Report and to exercise caution in dealing in the securities of the Company.**

By order of the Board  
**econtext Asia Limited**  
**Kaoru Hayashi**  
*Chairman*

Hong Kong, 13 February 2015

*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 Toshio Kinoshita, Takao Nakamura and Toshiyuki Fushimi as independent non-executive directors.*