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Digital Garage

Digital Garage, Inc.

(incorporated under the laws of Japan)



econtext Asia Limited

環亞智富有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 1390)

JOINT ANNOUNCEMENT

PROPOSAL TO PRIVATISE ECONTEXT ASIA LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 673 OF THE COMPANIES ORDINANCE

DESPATCH OF SCHEME DOCUMENT

Financial Adviser to Digital Garage, Inc.

NOMURA

Nomura International (Hong Kong) Limited

Financial Adviser to econtext Asia Limited

Daiwa
Capital Markets

Daiwa Capital Markets Hong Kong Limited

**Independent Financial Adviser
to the Independent Board Committee
of econtext Asia Limited**

OPTIMA
CAPITAL

Optima Capital Limited

The Scheme Document, including further details of the Proposal, the Scheme of Arrangement, an explanatory statement, the expected timetable relating to the Proposal, the recommendation of the Independent Board Committee, the letter of advice from the independent financial adviser, notices of the Court Meeting and the GM, forms of proxy, as well as other particulars required by the Takeovers Code, has been despatched to the Shareholders on Thursday, 2 April 2015.

The Shareholders and/or potential investors should be aware that the implementation of the Proposal is subject to the conditions set out in the Scheme Document being fulfilled or waived, as applicable, and thus the Proposal may or may not become effective. Accordingly, they are advised to exercise caution when dealing in the Shares.

INTRODUCTION

Reference is made to the joint announcement dated 26 February 2015 made by the Offeror and the Company in relation to the proposal to privatise the Company by way of a scheme of arrangement under section 673 of the Companies Ordinance (the “**Joint Announcement**”). Reference is also made to the joint announcement dated 18 March 2015 issued jointly by the Offeror and the Company in relation to the extension of time for the despatch of the Scheme Document.

Unless otherwise defined or the context otherwise requires, capitalised terms referred to herein shall have the meanings given to them in the Joint Announcement.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document, including further details of the Proposal, the Scheme of Arrangement, an explanatory statement, the expected timetable relating to the Proposal, the recommendation of the Independent Board Committee, the letter of advice from the Independent Financial Adviser (as defined below), notices of the Court Meeting and the GM, forms of proxy, as well as other particulars required by the Takeovers Code, has been despatched to the Shareholders on Thursday, 2 April 2015.

RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee, comprising Mr. Toshio Kinoshita, Mr. Takao Nakamura and Mr. Toshiyuki Fushimi, all being independent non-executive Directors, to advise the Independent Shareholders in connection with the Proposal.

The Board, with the approval of the Independent Board Committee, has appointed Optima Capital Limited as the independent financial adviser (the “**Independent Financial Adviser**”) to advise the Independent Board Committee in connection with the Proposal. The Scheme Document includes, inter alia, a letter from the Independent Financial Adviser giving its advice and recommendation to the Independent Board Committee on the Proposal. The recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser are both set out in the Scheme Document.

The Shareholders are urged to read and consider carefully the Scheme Document, including the recommendation of the Independent Board Committee and the recommendation of the Independent Financial Adviser to the Independent Board Committee, before deciding on how to vote in relation to the resolutions relating to the Scheme of Arrangement which will be proposed at the Court Meeting and the GM.

In the letter from the Independent Financial Adviser contained in the Scheme Document, the Independent Financial Adviser considers the terms of the Proposal to be fair and reasonable as far as the Independent Shareholders are concerned. Accordingly, the Independent Financial Adviser recommends the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolutions which will be proposed at the Court Meeting and the GM to approve and implement the Scheme of Arrangement.

Having considered the terms of the Proposal, and having taken into account the opinion of the Independent Financial Adviser and, in particular, the factors, reasons and recommendation as set out in the letter from the Independent Financial Adviser, the Independent Board Committee considers that the terms of the Proposal are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolutions which will be proposed at the Court Meeting and the GM to approve and implement the Scheme of Arrangement.

COURT MEETING AND GM

The Court Meeting and the GM are scheduled to be held at 10:00 a.m. and 10:30 a.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned) respectively on Thursday, 23 April 2015, at Gloucester Room II, 3rd Floor, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong. Notices of the Court Meeting and the GM are set out in the Scheme Document and are available on the websites of the Hong Kong Exchanges and Clearing Limited and the Company. For the purposes of these meetings, dealings in the Shares are expected to be suspended from 9:00 a.m. on Thursday, 23 April 2015 until the release of the results of these meetings.

CLOSURE OF REGISTER OF MEMBERS

It is proposed that the register of members of the Company will be closed from Thursday, 16 April 2015 to Thursday, 23 April 2015 (both days inclusive) (or such other dates as may be notified to the Shareholders by way of announcement(s)) for the purposes of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the GM. In order to qualify to attend and vote at the Court Meeting and the GM, all duly completed relevant forms of transfer accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Investor Services Limited at Level 22, Hopewell Centre 183 Queen's Road East, Hong Kong, by not later than 4:30 p.m. on Wednesday, 15 April 2015.

Subject to the resolution having been passed at the GM, the last day for dealings in the Shares on the Hong Kong Stock Exchange will be Tuesday, 26 May 2015. The Record Time for the purpose of determining the entitlement of the Scheme Shareholders under the Scheme of Arrangement is anticipated to be 4:00 p.m. on Wednesday, 3 June 2015. To qualify for entitlements under the Scheme of Arrangement, all duly completed instruments of transfer accompanied by the relevant share certificates must be lodged with Tricor Investor Services Limited by not later than 4:30 p.m. on Friday, 29 May 2015.

CONDITIONS OF THE PROPOSAL

The Proposal is subject to the satisfaction or waiver, as applicable, of the conditions as set out in the section entitled “Conditions of the Proposal and the Scheme of Arrangement” in the explanatory statement appearing on pages 56 to 60 of the Scheme Document. All of the conditions will have to be fulfilled or waived, as applicable, on or before Tuesday, 18 August 2015 (or such later date as the Offeror and the Company may agree or (to the extent applicable) as the High Court may direct and as may be permitted under the Takeovers Code), otherwise, and subject to the requirements of the Takeovers Code, the Scheme of Arrangement will lapse. Assuming that all of these conditions are fulfilled or, as applicable, waived, it is expected that the Scheme of Arrangement will become effective on Wednesday, 3 June 2015 (the “**Effective Date**”), and the listing of the Shares on the Hong Kong Stock Exchange is expected to be withdrawn at 9:00 a.m. on Thursday, 4 June 2015 pursuant to Rule 6.15 of the Listing Rules.

EXPECTED TIMETABLE

Shareholders should note that the timetable, which is mainly dependent on the date of the High Court hearing, is subject to change and is indicative only. Further announcements will be made in the event that there is any change to the timetable.

Hong Kong time

Latest time for lodging transfers of the Shares in order to be entitled to attend and vote at the Court Meeting and the GM.	4:30 p.m. on Wednesday, 15 April 2015
Closure of register of members for determination of entitlement to attend and vote at the Court Meeting and the GM (<i>Note 1</i>)	Thursday, 16 April 2015 to Thursday, 23 April 2015 (both days inclusive)
Latest time for lodging forms of proxy in respect of: the Court Meeting (<i>Note 2</i>).	10:00 a.m. on Tuesday, 21 April 2015
the GM (<i>Note 2</i>)	10:30 a.m. on Tuesday, 21 April 2015

Hong Kong time

Suspension of trading of the Shares (<i>Note 3</i>)	9:00 a.m. on Thursday, 23 April 2015
Court Meeting (<i>Notes 2, 4</i>)	10:00 a.m. on Thursday, 23 April 2015
GM (<i>Notes 2, 4</i>)	10:30 a.m. on Thursday, 23 April 2015 (or as soon as the Court Meeting has been concluded or adjourned)
Announcement of the results of the Court Meeting and the GM posted on the website of the Hong Kong Stock Exchange.	by 7:00 p.m. on Thursday, 23 April 2015
Resumption of trading of Shares	9:00 a.m. on Friday, 24 April 2015
Expected latest time for trading of Shares on the Hong Kong Stock Exchange.	4:00 p.m. on Tuesday, 26 May 2015
Suspension of trading of the Shares pending withdrawal of listing	9:00 a.m. on Wednesday, 27 May 2015
Latest time for lodging transfers of the Shares in order to qualify for entitlements under the Scheme of Arrangement.	4:30 p.m. on Friday, 29 May 2015
Register of members of the Company closed for determining entitlements to qualify under the Scheme of Arrangement (<i>Note 5</i>).	from Saturday, 30 May 2015 onwards
High Court hearing of the petition for the sanction of the Scheme of Arrangement (<i>Note 6</i>).	Tuesday, 2 June 2015
Announcement of the result of the High Court hearing, the expected Effective Date and the expected date of withdrawal of the listing of the Shares on the Hong Kong Stock Exchange posted on the website of the Hong Kong Stock Exchange.	by 7:00 p.m. on Tuesday, 2 June 2015

Hong Kong time

Record Time	4:00 p.m. on Wednesday, 3 June 2015
Effective Date (<i>Note 6</i>)	Wednesday, 3 June 2015
Announcement of, among other things, the Effective Date and the withdrawal of the listing of the Shares on the Hong Kong Stock Exchange posted on the website of the Hong Kong Stock Exchange.	Wednesday, 3 June 2015
Withdrawal of the listing of the Shares on the Hong Kong Stock Exchange becomes effective	9:00 a.m. on Thursday, 4 June 2015
Cheques for the cash payment under the Proposal to be despatched on or before.	Friday, 12 June 2015

Notes:

- (1) The register of members of the Company will be closed during such period for the purpose of determining entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the GM. For the avoidance of doubt, this period of closure is not for determining entitlements of Scheme Shareholders under the Scheme of Arrangement.
- (2) The pink form of proxy in respect of the Court Meeting and the white form of proxy in respect of the GM should be completed and signed in accordance with the instructions respectively printed thereon and should be lodged with the share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event by the times and dates stated above. In the case of the pink form of proxy in respect of the Court Meeting, it may alternatively be handed to the chairman of the Court Meeting at the Court Meeting if it is not so lodged. The white form of proxy for the GM must be lodged no later than the time and date stated above in order for it to be valid. Completion and return of the forms of proxy will not preclude a member from attending and voting in person at the relevant meeting or any adjournment thereof if he so wishes. In such event, the relevant form of proxy shall be deemed to have been revoked.
- (3) Trading of the Shares will be suspended from 9:00 a.m. on Thursday, 23 April 2015 pending publication of an announcement of the results of the Court Meeting and the GM. Trading of the Shares is expected to resume at 9:00 a.m. on the trading day following the announcement of these results.
- (4) If a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time after 7:00 a.m. on the date of the Court Meeting and the GM, the Court Meeting and the GM will be postponed. The Company will post an announcement on the respective websites of the Hong Kong Exchanges and Clearing Limited and the Company to notify members of the date, time and venue of the rescheduled meetings.
- (5) The register of members of the Company will be closed during such period for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme of Arrangement.
- (6) The Scheme of Arrangement shall become effective when it is sanctioned (with or without modification) by the High Court and an office copy of the order of the High Court, together with the minute and the return containing the particulars required by Section 230 of the Companies Ordinance, are delivered to and registered by the Registrar of Companies in compliance with the procedural requirements of Section 230 and Section 673 of the Companies Ordinance in relation to the reduction of the issued share capital of the Company and the Scheme of Arrangement, respectively.

OVERSEAS SCHEME SHAREHOLDERS

The Scheme Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if the Scheme Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

The making of the Proposal to those Scheme Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions where such Scheme Shareholders are located. Such Scheme Shareholders should inform themselves about and observe any applicable legal and regulatory requirements of their own jurisdictions. It is the responsibility of any overseas Scheme Shareholders wishing to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

In the event that the receipt of the Scheme Document by overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the shareholders of the Offeror), the Scheme Document will not be despatched to such overseas Scheme Shareholders.

The Offeror reserves the right to make arrangements in respect of Scheme Shareholders who are not resident in Hong Kong in relation to the terms of the Proposal. Such arrangements may include notifying any matter in connection with the Proposal to the Scheme Shareholders having a registered overseas address by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction within which such persons are resident. The notice will be deemed to have been sufficiently given, despite any failure by such Scheme Shareholders to receive or see that notice.

WARNING

The Shareholders and/or potential investors should be aware that the implementation of the Proposal is subject to the conditions set out in the Scheme Document being fulfilled or waived, as applicable, and thus the Proposal may or may not become effective. Accordingly, they are advised to exercise caution when dealing in the Shares.

By Order of the board of directors of

By Order of the Board

Digital Garage, Inc.

econtext Asia Limited

Mr. Yasuyuki Rokuyata

Mr. Takashi Okita

Director and Chief Operations Officer

Executive Director and Chief Executive Officer

Hong Kong, 2 April 2015

As at the date of this announcement, the board of directors of the Offeror comprises Mr. Kaoru Hayashi, as representative director; Mr. Yasuyuki Rokuyata, Mr. Naohiko Iwai, Mr. Makoto Soda, Mr. Keizo Odori, Mr. Masashi Tanaka and Mr. Joi Okada as directors; and Mr. Joichi Ito, Mr. Kenji Fujiwara and Mr. Emi Omura as outside directors.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than that relating to the Company, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement, other than those expressed by the Company, have been arrived at after due and careful consideration and there are no facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to the Company, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by the Company, have been arrived at after due and careful consideration and there are no facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.