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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 THIRD QUARTER  
ENDED 31 MARCH 2015**

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 May 2015 (2:30 p.m. Hong Kong time), the Company's controlling shareholder, Digital Garage will announce its financial results for its fiscal third quarter ended 31 March 2015.

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 third quarter ended 31 March 2015 (the “**DG’s Quarterly Financial Results**”) on or around 13 May 2015 (2:30 p.m. Hong Kong time). On the same day, Digital Garage will post the explanatory materials for the DG’s Quarterly Financial Results (the “**DG’s Explanatory Materials for Quarterly Financial Results**”) on its website. In addition, Digital Garage will file the quarterly securities report for its fiscal third quarter ended 31 March 2015 (the “**DG’s Quarterly Securities Report**”) on 14 May 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 Explanatory Materials for Quarterly Financial Results 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/150513\\_dg\\_tanshin.pdf](http://www.garage.co.jp/ja/ir/library/pdf/150513_dg_tanshin.pdf)

DG’s Explanatory Materials for Quarterly Financial Results (in Japanese):

[http://www.garage.co.jp/ja/ir/library/pdf/150513\\_dg.pdf](http://www.garage.co.jp/ja/ir/library/pdf/150513_dg.pdf)

DG’s Explanatory Materials for Quarterly Financial Results (in English):

[http://www.garage.co.jp/en/ir/library/pdf/150513\\_dg\\_en.pdf](http://www.garage.co.jp/en/ir/library/pdf/150513_dg_en.pdf)

DG’s Quarterly Securities Report (in Japanese):

[http://www.garage.co.jp/ja/ir/library/pdf/150514\\_dg\\_houkoku.pdf](http://www.garage.co.jp/ja/ir/library/pdf/150514_dg_houkoku.pdf)

\* *Digital Garage will post DG’s Quarterly Financial Results on its website by 2:30 p.m. Hong Kong time.*

The financial results of Digital Garage and its consolidated subsidiaries, including those contained in the DG’s Quarterly Financial Results, the DG’s Explanatory Materials for Quarterly Financial Results 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 Explanatory Materials for Quarterly Financial Results 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 Explanatory Materials for Quarterly Financial Results 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 third quarter financial results (Consolidated)

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

“Payment segment provides payment solutions for e-commerce. VeriTrans Inc. and ECONTEXT, Inc., providers of payment services in Japan, recorded solid performance and attained the steadily growth in the number of data transactions and agency payment amount along with the expansion of domestic e-commerce market. Meanwhile, Digital Garage determined to acquire whole share in econtext Asia Limited (“**econtext Asia**”), which is an Asian strategic subsidiary incorporated in Hong Kong and acts as the headquarters for the payment segment. The shares of econtext Asia were listed on The Stock Exchange of Hong Kong Limited in December 2013; however, Digital Garage decided to make econtext Asia its wholly-owned subsidiary since Digital Garage determined that it is necessary to restructure Digital Garage group's investment/acquisition strategy in the Asian region and to make timely decisions as the rapid growth of e-commerce market in the Asian region is greater than anticipated at the time of the listing of the shares of econtext Asia. The acquisition procedure is expected to be completed by the end of the fiscal year under review.

As a result, the net sales were approximately JP¥10,758 million for the nine months ended 31 March 2015 (increased by approximately JP¥651 million or approximately 6.4% compared to the same period of the last year).

Operating income was approximately JP¥987 million for the nine months ended 31 March 2015 (increased by approximately JP¥108 million or approximately 12.4% compared to the same period of the last year).”

## Extract of DG's Explanatory Materials for Quarterly Financial Results

— Released by Digital Garage and prepared under JGAAP —

### 1. Investment Highlights

Payment segment: approval of the scheme of arrangement of making econtext Asia Limited a wholly-owned subsidiary and solid growth of payment services

- Acquisition of whole share in econtext Asia Limited is in progress
- Continued favourable performance of convenience store and credit card payment services in Japan due to the expansion of e-commerce market in Japan
- Alliance with major platformers such as Rakuten, Line and Recruit to expand payment services

### 2. Consolidated condensed statement of profit or loss for the nine months ended 31 March 2015

Payment segment

(JP¥ in Million)

	9 months ended 31 March		Year-on-year change		Annual forecast FY2015.6	9 month progress towards the annual forecast
	2014	2015	%	Amount		
Net sales	10,107	10,758	+6.4	+651	15,500	69%
Operating income	878	987	+12.4	+108	1,450	68%

### 3. Consolidated condensed statement of financial position as at 31 March 2015

(JP¥ in Million)

	As at 30 June 2014	As at 31 March 2015	Change	Major reason for change
Receivables	8,596	<b>11,112</b>	+2,515	Payment-business-related items
Money held in trust	889	<b>3,269</b>	+2,380	Payment-business-related items
Deposits	16,434	<b>20,744</b>	+4,310	Payment-business-related items

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

“Continued favourable performance of convenience store and credit card payment services in Japan due to the expansion of e-commerce market in Japan

— Scheme of arrangement of making econtext Asia Limited a wholly-owned subsidiary was approved and the related costs were recorded —”

	Fiscal year ended June 2014				Fiscal year ending June 2015		
	JP¥ in Million				JP¥ in Million		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Payment segment							
Net sales	3,277	3,326	3,503	3,346	3,421	3,661	3,675
Operating income	203	260	415	322	316	273	397

**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 Explanatory Materials for Quarterly Financial Results 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 May 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.*