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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)

PROFIT WARNING

This announcement is made by the Company pursuant to the inside information provisions under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors of the Company that based on a preliminary review and analysis of the unaudited consolidated management accounts of the Group for the ten month period ended 30 April 2014 and the information currently available to the Board, and without taking into account the estimated gain arising from the Tokopedia Transfer referred to below, it anticipates that the Group's consolidated profit attributable to equity holders of the Company for the year ending 30 June 2014 may be approximately 22% to 27% lower than the Profit Forecast disclosed in the Prospectus.

The main reasons for the Group not being able to meet the Profit Forecast are as follows: (1) the Group's revenue for the year ending 30 June 2014 is expected to be lower than the forecasted revenue used as a basis of calculation for the Profit Forecast mainly due to (a) an unanticipated lower agency payment amount as compared to the amount assumed in the Profit Forecast calculation by approximately 5.3% for agency payment services, which is primarily attributable to a decline in credit card transactions by the Group's customers and (b) an increase in pricing pressure for the provision of agency payment services for credit card transactions as a result of unanticipated increased competitions, thereby resulting in the lower average fee margin of approximately 1.92% from the provision of agency payment services as compared to the assumed average fee margin of approximately 1.96% used in the Profit Forecast calculation and (2) the depreciation of the Japanese yen against the Hong Kong dollar which has had an adverse effect on the Group's consolidated profit attributable to equity holders of the Company for the year ending 30 June 2014 in Hong Kong dollars.

On 13 June 2014, the Company announced that it had transferred its 6.62% interest in PT. Tokopedia to econtext ASIA EC Fund Investment LPS (the “**Tokopedia Transfer**”), which would result in the Group recording a gain of approximately HK\$7.4 million (before deducting any expenses). After taking into account of this estimated gain, the Board anticipates that the Group’s consolidated profit attributable to equity holders of the Company for the year ending 30 June 2014 may be approximately 11% to 17% lower than the Profit Forecast disclosed in the Prospectus.

The information contained in this announcement is based solely on a preliminary review and analysis made by the Board of the unaudited consolidated management accounts of the Group for the ten month period ended 30 April 2014 and the information currently available to the Board, which have not been audited or reviewed by the auditors of the Company. The Company is still ascertaining the Group’s annual results for the year ending 30 June 2014. Details of the Group’s financial information will be disclosed in its annual results announcement for the year ending 30 June 2014 which is expected to be published by the end of September 2014.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by econtext Asia Limited (the “**Company**”) pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) 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 board of the directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that based on a preliminary review and analysis of the unaudited consolidated management accounts of the Company and its subsidiaries (collectively, the “**Group**”) for the ten month period ended 30 April 2014 and the information currently available to the Board, and without taking into account the estimated gain arising from the Tokopedia Transfer referred to below, it anticipates that the Group’s consolidated profit attributable to equity holders of the Company for the year ending 30 June 2014 may be approximately 22% to 27% lower than the forecasted consolidated profit attributable to equity holders of the Company for the year ending 30 June 2014 of not less than HK\$68.1 million (the “**Profit Forecast**”) as disclosed in the prospectus of the Company dated 6 December 2013 (the “**Prospectus**”).

The main reasons for the Group not being able to meet the Profit Forecast are set out below:

- (1) The Group’s revenue for the year ending 30 June 2014 is expected to be lower than the forecasted revenue used as a basis of calculation for the Profit Forecast mainly due to (a) an unanticipated lower agency payment amount as compared to the amount assumed in the Profit Forecast calculation by approximately 5.3% for agency payment services, which is primarily attributable to a decline in credit card transactions by the Group’s customers and (b) an increase in pricing pressure for the provision of agency payment services for credit card transactions as a result of unanticipated increased competitions,

thereby resulting in the lower average fee margin of approximately 1.92% from the provision of agency payment services as compared to the assumed average fee margin of approximately 1.96% used in the Profit Forecast calculation.

- (2) The Profit Forecast was prepared based on certain assumed exchange rates between the Japanese yen and the Hong Kong dollar and the depreciation of the Japanese yen against the Hong Kong dollar as compared to assumed exchange rates has had an adverse effect on the Group's consolidated profit attributable to equity holders of the Company for the year ending 30 June 2014 in Hong Kong dollars.

On 13 June 2014, the Company announced that it had transferred its 6.62% interest in PT. Tokopedia to econtext ASIA EC Fund Investment LPS (the "**Tokopedia Transfer**"), which would result in the Group recording a gain of approximately HK\$7.4 million (before deducting any expenses). After taking into account of this estimated gain, the Board anticipates that the Group's consolidated profit attributable to equity holders of the Company for the year ending 30 June 2014 may be approximately 11% to 17% lower than the Profit Forecast disclosed in the Prospectus.

Outlook for 2014

The directors of the Company (the "**Directors**") are of the view that the online payment service industry will continue to be a fast growing industry with significant opportunities in the emerging markets and developed markets such as Japan will continue to experience stable growth in the next few years. The Directors are also of the view that significant growth in emerging markets is expected to be driven by a continued e-commerce growth and increasing online transaction penetration.

As a leading online payment services and e-commerce solutions provider, the Group intends to increase its market share in Japan by strengthening alliances with key convenience stores and strategic partnerships with reputable credit card companies in Japan. The Group will continue to actively pursue business opportunities with large enterprises through its co-operation with these major credit card companies. While enhancing its strategy for large merchants, the Group also plans to target small to medium merchants to further strengthen its market position in Japan.

Currently, most of the Group's revenue is derived from its operations in Japan. In achieving its aim to be a leading pan-Asian online payment services provider with a comprehensive coverage network, the Group is actively seeking opportunities to expand in other parts of Asia through mergers and acquisitions, investments and/or joint ventures.

The Group also provides a broad range of payment options and intends to expand into offline payment solutions and value added services to enhance product differentiation, strengthen customer relationships and improve Group's profitability.

The Group is expected to record a decrease in its revenue and gross profit on a Hong Kong dollar basis, primarily due to the depreciation of Japanese yen. However, the Group is expected to maintain growth in its revenue and record a stable net profit on a Japanese yen basis for the year ending 30 June 2014 despite an increase in operating expenses, which were mainly attributable to the Company's initial public offering.

The information contained in this announcement is based solely on a preliminary review and analysis of the unaudited consolidated management accounts of the Group for the ten month period ended 30 April 2014 and the information currently available to the Board, which have not been audited or reviewed by the auditors of the Company. The Company is still ascertaining the Group's annual results for the year ending 30 June 2014. Details of the Group's financial information will be disclosed in its annual results announcement for the year ending 30 June 2014 which is expected to be published by the end of September 2014.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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.