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# **Digital Garage Group's econtext ASIA to establish VeriTrans Shanghai, a joint venture to provide online settlement service in China's local currency**

~Online payment solutions for local Japanese and foreign establishments~

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econtext ASIA Ltd. (Head Office: Hong Kong, Chairman: Kaoru Hayashi / CEO: Takashi Okita, henceforth, "econtext ASIA"), Digital Garage Group's online settlement business leader, is in the process of establishing VeriTrans Shanghai Co., Ltd. (henceforth, "VeriTrans Shanghai") through a joint venture with Shanghai CardInfoLink Data Service Co., Ltd. (Head Office: Shanghai, China, President and CEO: James Zhao, henceforth, "CIL"), a provider of settlement services in China. The newly established company will be operating out of Shanghai and offering Chinese RMB-based online settlement solutions, mainly targeting local establishments of Japanese and other foreign affiliations. First in the case, econtext ASIA began with Indonesia to provide online settlement solutions in local currency through its Indonesian affiliate. VeriTrans Shanghai would be the second in the case for econtext ASIA in offering local currency-based payment services outside Japan in Asia.

For the first time in Japan in January 2009, econtext ASIA's subsidiary, VeriTrans Inc. (Head Office: Shibuya-ku, Tokyo, Chairman: Kaoru Hayashi / CEO: Takashi Okita, henceforth "VeriTrans"), an online settlement solutions provider, began offering an online settlement service to China UnionPay debit card holders of over 3.5 billion issued cards in Japanese currency. VeriTrans has supported Japan-based e-commerce businesses to remotely operate in China through a variety of e-commerce related services it offers, examples of which include the operation of Buy-J.com, a China UnionPay-abled online shopping mall targeted at Chinese consumers. With the rapid growth of Chinese e-commerce market nowadays, however, an increasing number of Japanese and other foreign affiliated e-commerce operators are incorporating locally in China to penetrate the market directly. Along with the trend, econtext ASIA has taken the path of partnering up with CIL, a locally-established settlement solution provider, to jointly establish and operate VeriTrans Shanghai as a vehicle to provide online settlement solutions in the Chinese CNY to the local establishments of Japanese and other foreign affiliations.\*

With the establishment of VeriTrans Shanghai, the high quality settlement solutions that VeriTrans has cultivated in Japan will become locally accessible to those Japanese and other foreign affiliated businesses for their advancement in e-commerce in China. Those e-commerce operators who currently subscribe to VeriTrans online settlement services in Japan may begin using the same settlement service at once and in the local Chinese currency by taking simple and easy steps. econtext ASIA is dedicated to walk with Japanese and other foreign businesses in penetrating Asian e-commerce markets by providing local

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consumer-friendly and widely acceptable online settlement solutions.

*\*Note: VeriTrans Shanghai was initially incorporated solely by CIL. As a result of the Joint Venture Agreement, econtext ASIA will acquire 50% of the issued and outstanding stock of VeriTrans Shanghai upon approval of the Chinese authorities.*

### **【Joint Company】**

Company Name	VeriTrans Shanghai Co., Ltd.
Date of Joint Venture Agreement	June 2013
Head Office	Shanghai, People's Republic of China
Capital	CNY 6.25 million (tentative; incl. capital reserve)
Shareholders	econtext ASIA (50%), CIL (50%)

【econtext ASIA】 <http://www.econtext.asia/>

econtext ASIA was established in Hong Kong in September 2012 as an intermediate holding company with a function of the headquarters to Digital Garage Group's payment segment operations that include VeriTrans, a Japan's leading credit card payment service provider, and ECONTEXT, a Japan's leading cash payment provider specializing in convenience store payments. econtext ASIA also holds an interest in PT. Midtrans, a company established in Indonesia through alliances with a local conglomerate and other partners with an aim to provide electronic payment service and infrastructure in Indonesia.

【CIL】 <http://www.cardinfoLink.com/>

Shanghai CardInfoLink Data Service Co., Ltd. is a Chinese settlement service provider established in 2010, offering settlement, marketing and consultation services to Chinese and foreign banks and other settlement providers. One of its founding members has also been a founding member of China UnionPay's International division, with extensive knowledge and experience in UnionPay's branding strategy, business regulations and system design. Mr. Zhao, CEO, worked for 10 years at Reuters and MasterCard prior to founding the China UnionPay's International division, and keeps rich personal connections in the banking and credit card industries.