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DIFFER GROUP AUTO LIMITED
鼎豐集團汽車有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 6878)

SUPPLEMENTAL ANNOUNCEMENT – INSIDE INFORMATION
(1) DELAY IN PUBLICATION OF
2023 ANNUAL RESULTS ANNOUNCEMENT; AND
(2) CONTINUED SUSPENSION OF TRADING

This announcement is made by the board of directors (the “**Board**”) of Differ Group Auto Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and Rule 13.49(3) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 28 March 2024 (the “**Announcement**”) in relation to, among others, the delay in publication of the 2023 Annual Results and possible delay in despatch of the 2023 Annual Report. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

SUPPLEMENTAL INFORMATION

The Board would like to provide further information to its shareholders and potential investors regarding the delay in publication of the 2023 Annual Results. As disclosed in the Announcement, the Auditors need more time to complete their audit procedures and collect all the necessary supporting documents. This was due to the reason that the key financial staff of automobile e-commerce business in the PRC, Mr. Zhang, was injured during the first quarter of 2024. Though the Auditors commenced their audit for the automobile e-commerce business companies in early January 2024, however, in view of Mr. Zhang’s unexpected injury indirectly caused the financial information of automobile e-commerce business in the PRC were not able to be ready for the 2023 audit as scheduled. He started to provide the requested information and documents to Auditors in late March 2024. Under the circumstances, the Auditors have just commenced the audit work of automobile e-commerce business in the PRC at that time. In addition, till to the date of this announcement, the Auditors are still unable to obtain certain confirmations

from the Group's banks, customers, suppliers and third parties. Further, in view of the current difficult financial condition in the Mainland China that indicates the Group might not be able to recover certain loans and receivables from its borrowers and customers. The management of the Company is still communicating their basis for the impairment of such loan and receivables with the Auditors. Except for these significant issues, the directors confirm that there are no other significant procedures and confirmations remained outstanding up to the date of this letter.

In addition, the Group had incurred a significant net loss attributable to the shareholders of the Company and a net operating cash outflow for the year ended 31 December 2023. As of the date of 31 December 2023, the Group's current liabilities exceeded its current assets excluding inventories of properties under development which are illiquid in nature. The Group was in default in most of the borrowings as at 31 December 2023 and up to the date of this announcement due to the events of default of late or overdue payment of loan principal and interest or cross-default with other borrowings, which, as a consequence, would be immediately repayable if and when requested by the lenders.

Moreover, the Company was served with a winding-up petition from a corporate bond holder issued with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region for the winding-up of the Company under the provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) under Companies Winding-up Proceedings No. 266 of 2023. The above conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. Except for the material uncertainty relating to the going concern of the Group, there are no unresolved audit issue identified by the Auditors up to the date of this announcement.

The Company has been using its best endeavors to prepare the consolidated financial statements of the Group and working closely with the Auditors to provide all the required information and documents for completing the audit procedures as soon as possible. Save as the disclosed above and as at the date hereof, the Company and Auditors confirmed that there are no any unresolved audit issues. The 2023 Annual Results Announcement is expected to be published on or before early May 2024.

Pursuant to Rule 13.49(3) of the Listing Rules, if the Company is unable to publish the 2023 Annual Results Announcement within the prescribed timeframe, it must announce its results for the financial year based on financial results which have yet to be agreed with the Auditors (so far as the information is available), those results must have been reviewed by the issuer's audit committee, not later than three (3) months after the end of the financial year of the Company (i.e. on or before 31 March 2024). The Board, after due and careful consideration, is of the view that it would not be appropriate for the Company to publish the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 at this stage as such management accounts may not accurately reflect the financial performance and/or position of the Group and the publication of the unaudited management accounts could cause confusion and may be misleading to the Shareholders and potential investors of the Company.

Further announcement(s) will be published by the Company to inform the Shareholders and its potential investors of any material development on the aforesaid matters in due course.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 2 April 2024 and will remain suspended pending the publication of the 2023 Annual Results by the Company.

Shareholders and potential investors of the Company should exercise caution when investing and dealing in the securities of the Company.

By order of the Board
Differ Group Auto Limited
Ng Chi Chung
Chairman and Executive Director

Hong Kong, 17 April 2024

As at the date of this announcement, the executive Directors are Mr. NG Chi Chung, Dr. FENG Xiaogang and Mr. TONG Lu; the non-executive Directors are Mr. KANG Fuming and Mr. XU Yiwei; and the independent non-executive Directors are Mr. CHAN Sing Nun, Mr. LAM Kit Lam and Ms. CHUANG Yin Lam.