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DIFFER GROUP HOLDING COMPANY LIMITED

鼎豐集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8056)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

The Board is pleased to announce that on 26 June 2014, the Entrusted Loan Agreement was entered into among Differ VC (as the entrusting party), the Lending Bank (as the entrusted party and the lender) and the Customer (as the borrower). Pursuant to the Entrusted Loan Agreement, Differ VC has entrusted the Lending Bank with an amount of RMB25,000,000 for the purpose of lending the same to the Customer for a period from 26 June 2014 to 25 December 2014.

IMPLICATIONS UNDER THE GEM LISTING RULES

As at the date of the Entrusted Loan Agreement, a Previous Entrusted Loan Agreement, which was entered into among the same parties on 6 June 2014, remained outstanding. In respect of the Previous Entrusted Loan Agreement, the loan principal was RMB25,000,000 and the loan period was from 6 June 2014 to 5 December 2014.

The aggregate amount of the Entrusted Loan and the Previous Entrusted Loan is RMB50,000,000.

The Previous Entrusted Loan Agreement alone did not constitute a notifiable transaction (as defined under the GEM Listing Rules). However, in respect of the aggregate amount of the Entrusted Loan and the Previous Entrusted Loan, certain applicable percentage ratios under Rule 19.07 of the GEM Listing Rules were more than 5% but less than 25%. As such, the Transaction constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

As the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules in respect of the aggregate amount of the Entrusted Loan and the Previous Entrusted Loan exceeds 8%, the Transaction is also subject to the general disclosure obligations under Rule 17.15 of the GEM Listing Rules. The information required to be disclosed pursuant to Rule 17.15 of the GEM Listing Rules in respect of the Transaction is disclosed in this announcement.

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Summarised below are the principal terms of the Entrusted Loan Agreement:

ENTRUSTED LOAN AGREEMENT

| | | |
|--------------------------------------|---|------------------------------------------------------------------------------------------------------------------|
| Date of the Entrusted Loan Agreement | : | 26 June 2014 |
| Entrusting party | : | Differ VC |
| Entrusted party | : | The Lending Bank |
| Borrower | : | The Customer |
| Principal | : | RMB25,000,000 (equivalent to approximately HK\$31,250,000) |
| Interest rate | : | 1.8% per month |
| Loan period | : | From 26 June 2014 to 25 December 2014 |
| Repayment | : | The Customer shall repay the interests on a monthly basis and the principal amount at the end of the loan period |

PREVIOUS ENTRUSTED LOAN AGREEMENT

As at the date of the Entrusted Loan Agreement, a Previous Entrusted Loan Agreement, which was entered into among the same parties on 6 June 2014, remained outstanding. In respect of the Previous Entrusted Loan Agreement, the loan principal was RMB25,000,000 and the loan period was from 6 June 2014 to 5 December 2014.

The aggregate amount of the Entrusted Loan and the Previous Entrusted Loan is RMB50,000,000.

Summarised below are the principal terms of the Previous Entrusted Loan Agreement:

| | | |
|-----------------------------------------------|---|------------------------------------------------------------------------------------------------------------------|
| Date of the Previous Entrusted Loan Agreement | : | 6 June 2014 |
| Entrusting party | : | Differ VC |
| Entrusted party | : | The Lending Bank |
| Borrower | : | The Customer |
| Principal | : | RMB25,000,000 (equivalent to approximately HK\$31,250,000) |
| Interest rate | : | 1.8% per month |
| Loan period | : | From 6 June 2014 to 5 December 2014 |
| Repayment | : | The Customer shall repay the interests on a monthly basis and the principal amount at the end of the loan period |

SECURITY AND GUARANTEES

The Entrusted Loan and the Previous Entrusted Loan are secured by the pledge of the equity rights from two shareholders of the Customer which is valued by an independent valuer at approximately RMB63,500,000 (equivalent to HK\$79,375,000);

SOURCE OF FUNDING

The Entrusted Loan and the Previous Entrusted Loan were funded by the Group’s internal resources.

INFORMATION ON THE CUSTOMER

The Customer is a limited liability company established in the PRC and is principally engaged in textile industry in the PRC.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Customer and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

INFORMATION ON THE LENDING BANK

The Lending Bank is a local branch of a PRC commercial bank principally engaged in the provision of a range of banking services and related financial services.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Lending Bank and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

INFORMATION ON THE GROUP AND DIFFER VC

The Group is a provider of short to medium-term financing and financing-related solutions in Fujian Province and is principally engaged in the provision of (i) financing guarantee services, (ii) pawn loans, (iii) financial consultation services, (iv) entrusted loans and (v) finance lease services.

Differ VC is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. Differ VC is principally engaged in the entrusted loan business of the Group.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE TRANSACTION

Taking into account the principal business activities of the Group, the Transaction is in the ordinary and usual course of business of the Group.

The terms of the Entrusted Loan Agreement and Previous Entrusted Loan Agreement (including the principal amounts, the interest rates and the loan periods) were negotiated on an arm's length basis between Differ VC and the Customer based on, among other things, the financing needs requested by the Customer, the quality and value of the security and guarantees provided, and the Group's assessment on the source of funds for repayment and the business conditions and creditworthiness of the Customer. The Directors are of the view that the Entrusted Loan Agreement and Previous Entrusted Loan Agreement were entered into on normal commercial terms in accordance with the Group's approval procedures. Taking into account the approval procedures undertaken by the Group and that interest income is expected to be generated as a result of the entering into of the Entrusted Loan Agreement and the Previous Entrusted Loan Agreement, the Directors consider that the terms of the Transaction are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

The Previous Entrusted Loan Agreement alone did not constitute a notifiable transaction (as defined under the GEM Listing Rules). However, in respect of the aggregate amount of the Entrusted Loan and the Previous Entrusted Loan, certain applicable percentage ratios under Rule 19.07 of the GEM Listing Rules were more than 5% but less than 25%. As such, the Transaction constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

As the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules in respect of the aggregate amount of the Entrusted Loan and the Previous Entrusted Loan exceeds 8%, the Transaction is also subject to the general disclosure obligations under Rule 17.15 of the GEM Listing Rules. The information required to be disclosed pursuant to Rule 17.15 of the GEM Listing Rules in respect of the Transaction is disclosed in this announcement.

DEFINITIONS

In this announcement, the following terms shall have the meanings set out below unless the context requires otherwise:

| | |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board” | the board of Directors |
| “Company” | Differ Group Holding Company Limited |
| “Customer” | 廈門倫輝貿易有限公司 (Xiamen Lun Hui Trading Limited), a limited liability company established in the PRC which is principally engaged in textile industry in the PRC |
| “Differ VC” | 廈門市鼎豐創業投資有限公司 (Xiamen Differ Venture Capital Company Limited), an indirect wholly-owned subsidiary of the Company |
| “Director(s)” | The director(s) of the Company |
| “Entrusted Loan Agreement” | the entrusted loan agreement dated 26 June 2014 entered into among Differ VC (as the entrusting party), the Lending Bank (as the entrusted party and the lender) and the Customer (as the borrower) in relation to the granting of the Entrusted Loan to the Customer |
| “Entrusted Loan” | the entrusted loan in the amount of RMB25,000,000 (equivalent to approximately HK\$31,250,000) granted by Differ VC to the Customer through the Lending Bank pursuant to Entrusted Loan Agreement |
| “Fujian Province” | 福建省 (Fujian Province), a province on the southeast coast of the PRC |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Lending Bank” | a local branch of a PRC commercial bank |

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|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “PRC” | the People’s Republic of China, for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| “Previous Entrusted Loan” | the entrusted loan in the amount of RMB25,000,000 (equivalent to approximately HK\$31,250,000) granted by Differ VC to the Customer through the Lending Bank pursuant to the Previous Entrusted Loan Agreement |
| “Previous Entrusted Loan Agreement” | the entrusted loan agreement dated 6 June 2014 entered into among Differ VC (as the entrusting party), the Lending Bank (as the entrusted party and the lender) and the Customer (as the borrower) in relation to the granting of the Previous Entrusted Loan to the Customer |
| “Shareholder(s)” | shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Transaction” | the granting of the Previous Entrusted Loan and Entrusted Loan |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “RMB” | Renminbi, the lawful currency of the PRC |

By order of the Board of
Differ Group Holding Company Limited
HONG Mingxian
Chairman and Executive Director

Hong Kong, 26 June 2014

In this announcement, translation of RMB into HK\$ is based on the exchange rate of HK\$1:RMB0.8. No representation is made that any amounts in RMB and HK\$ can be or could have been converted at the above exchange rate or any other rates.

In this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail.

As at the date of this announcement, the executive Directors are Mr. HONG Mingxian, Mr. NG Chi Chung and Mr. CAI Huatan; the non-executive Directors are Mr. CAI Jianfeng and Mr. WU Qinghan; and the independent non-executive Directors are Mr. CHAN Sing Nun, Mr. TSANG Hin Man Terence and Mr. ZENG Haisheng.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the Company’s website at www.dfh.cn.