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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 27 November 2014, the Finance Lease Agreement was entered into between Differ Lease (as the lessor) and the Customer (as the lessee). Pursuant to the Finance Lease Agreement, Differ Lease has agreed, among other things, (i) to purchase certain machineries from the Customer at an aggregate consideration of approximately RMB50,000,000 (equivalent to approximately HK\$62.5 million); (ii) to lease such machineries back to the Customer immediately afterwards for a period of approximately 2 years for a series of rental payments payable by the Customer to Differ Lease on a monthly basis in an aggregate amount over the entire lease period of approximately RMB58,473,000 (equivalent to approximately HK\$73.09 million); and (iii) to transfer the ownership of such machineries to the Customer after the end of the lease period at a nominal consideration of RMB100.

IMPLICATIONS UNDER THE GEM LISTING RULES

As certain applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the aggregate amount of financing provided by Differ Lease to the Customer pursuant to the Finance Lease Agreement were more than 5% but less than 25%, 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 financing provided by Differ Lease to the Customer pursuant to the Finance Lease Agreement 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.

PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

The Board is pleased to announce that on 27 November 2014, the Finance Lease Agreement was entered into between Differ Lease (as the lessor) and the Customer (as the lessee). Pursuant to the Finance Lease Agreement, Differ Lease has agreed, among other things, (i) to purchase certain machineries from the Customer at an aggregate consideration of approximately RMB50,000,000 (equivalent to approximately HK\$62.5 million); (ii) to lease such machineries back to the Customer immediately afterwards for a period of approximately 2 years for a series of rental payments payable by the Customer to Differ Lease on a monthly basis in an aggregate amount over the entire lease period of approximately RMB58,473,000 (equivalent to approximately HK\$73.09 million); and (iii) to transfer the ownership of such machineries to the Customer after the end of the lease period at a nominal consideration of RMB100.

Summarised below are the principal terms of the Finance Lease Agreement:

FINANCE LEASE AGREEMENT

Date of the Finance Lease Agreement	:	27 November 2014
Lessor	:	Differ Lease
Lessee	:	The Customer
Amount of financing provided by Differ Lease to the Customer (i.e. the aggregate purchase prices of the machineries)	:	Approximately RMB50,000,000 (equivalent to approximately HK\$62.5 million)
Aggregate amount of rental payment (inclusive of handling fee and value-added tax)	:	Approximately RMB58,473,000 (equivalent to approximately HK\$73.09 million)
Lease period	:	24 months
Ownership of the leased property after the end of lease period	:	To be transferred to the Customer at a nominal consideration of RMB100 (equivalent to approximately HK\$125)

Based on the aforesaid terms of the Finance Lease Agreement, it is expected that an internal rate of return of approximately 13.4% (annualised) will be derived as a result of the Transaction.

SECURITY AND GUARANTEES

The Customer has agreed to provide the following additional security and guarantees to Differ Lease under the Finance Lease Agreement:

- (i) a cash deposit in the amount of RMB10,000,000 to be provided and pledged by the Customer to Differ Lease;
- (ii) personal guarantees of 6 individuals who are related to the Customer; and
- (iii) the pledge of a property in the PRC which is valued by an independent valuer at approximately RMB1,000,000.

Pursuant to the Finance Lease Agreement, the Customer has also agreed to purchase insurance for property all risks (財產一切險) as well as the risks of robbery of property (財產盜搶險) in respect of the machineries involved in the Finance Lease Agreement with Differ Lease as the beneficiary covering at least the entire lease period.

SOURCE OF FUNDING

The Transaction was partly funded by the net proceeds from the Placing (as defined in the prospectus of the Company dated 3 December 2013) and partly 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 transportation and engineering business 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 GROUP AND DIFFER LEASE

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 Lease is a wholly foreign-owned enterprise established in the PRC and an indirect wholly-owned subsidiary of the Company. Differ Lease is principally engaged in the finance lease 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 Finance Lease Agreement (including the amount of financing provided, the amount of rental payments and the lease periods) were negotiated on an arm's length basis between Differ Lease and the Customer based on, among other things, the financing needs requested by the Customer, the type of machineries involved, the quality and value of the security and guarantees provided, and the Group's assessment on the source of funds for rental payments and the business conditions and creditworthiness of the Customer. The Directors are of the view that the Finance Lease Agreement was 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 Finance Lease 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

As certain applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the aggregate amount of financing provided by Differ Lease to the Customer pursuant to the Finance Lease Agreement were more than 5% but less than 25%, 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 financing provided by Differ Lease to the Customer pursuant to the Finance Lease Agreement 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”	福建景發吊裝有限公司 (Fujian Jingfa Lifting Co., Ltd), a limited liability company established in the PRC which is principally engaged in transportation and engineering business in the PRC
“Differ Lease”	廈門市鼎豐融資租賃有限公司 (Xiamen Differ Financial Leasing Company Limited), an indirect wholly-owned subsidiary of the Company

“Director(s)”	the director(s) of the Company
“Finance Lease Agreement”	the finance lease agreement dated 27 November 2014 entered into between Differ Lease (as the lessor) and the Customer (as the lessee) in relation to the granting of the finance lease service by Differ Lease to the Customer
“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
“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
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the granting of an aggregate amount of approximately RMB50,000,000 (equivalent to approximately HK\$62.5 million) of financing by Differ Lease to the Customer pursuant to the Finance Lease Agreement
“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, 27 November 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.