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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 ACQUISITION OF DISTRESSED ASSET

The Board is pleased to announce that following the commencement of the Group's distressed asset management business as announced by the Company on 5 January 2015, the Group has secured an opportunity in relation to the Acquisition.

On 8 January 2015 (after trading hours), Differ VC (as the purchaser) and the Vendor entered into the Agreement, pursuant to which the Vendor agreed to sell and Differ VC agreed to purchase the Distressed Asset at the consideration of RMB35,000,000. The full amount of the consideration has been paid by Differ VC to the Vendor in cash upon the signing of the Agreement.

As certain applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 19.06 of the GEM Listing Rules.

BACKGROUND

The Board is pleased to announce that following the commencement of the Group's distressed asset management business as announced by the Company on 5 January 2015, the Group has secured an opportunity in relation to the Acquisition.

On 8 January 2015 (after trading hours), Differ VC (as the purchaser) and the Vendor entered into the Agreement, pursuant to which the Vendor agreed to sell and Differ VC agreed to purchase the Distressed Asset at the consideration of RMB35,000,000. The full amount of the consideration has been paid by Differ VC to the Vendor in cash upon the entering into of the Agreement.

THE AGREEMENT

Date

8 January 2015

Parties

- (i) Differ VC (as the purchaser), being an indirect wholly-owned subsidiary of the Company;
- (ii) the Vendor (as the vendor), being a limited liability company established in the PRC which is an independent third party and is principally engaged in distribution and retailing of sporting goods and leisure goods in the PRC; and

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Asset to be acquired

Pursuant to the Agreement, the Vendor agreed to sell and Differ VC agreed to purchase the Distressed Asset, being all rights in relation to the enforcement of the pledge of the Collateral in connection with certain non-performing debts owed by the Debtor, including the right to enjoy first priority in receiving all proceeds from the disposal of the Collateral.

The Collateral is an industrial property previously pledged by the Debtor (an independent third party) to the Original Creditor in securing certain debts. In July 2014, the Original Creditor initiated legal action against the Debtor at Fujian Provincial People's High Court (福建省高級人民法院) due to the failure in repayment on the part of the Debtor. As of the date of this announcement, such legal action was still being processed.

In September 2014, the Original Creditor sold certain non-performing debts (including the Distressed Asset) to the Vendor. Pursuant to the Agreement, the Vendor further sold the Distressed Asset to Differ VC.

The enforcement of the pledge of the Collateral and the disposal of the Collateral are subject to the completion of all legal procedures arising from the aforementioned legal action initiated by the Original Creditor against the Debtor. The Original Creditor has agreed in writing that it shall actively cooperate with Differ VC in this connection and that it shall transfer all proceeds from the disposal of the Collateral to Differ VC once the related enforcement and disposal procedures are completed.

Based on the Group's internal assessment having regard to the quality of the Collateral and the recent market transactions of similar properties in the vicinity of the Collateral, the market value of the Collateral is estimated to be approximately RMB45,000,000, which is also the amount expected to be recovered by the Group after successfully completing all legal procedures in relation to the enforcement of the pledge of the Collateral.

Consideration

The consideration for the Acquisition is RMB35,000,000, which was arrived at after arm's length negotiation between Differ VC and the Vendor having regard to the market value of the Collateral and the legal procedures required to enforce the pledge of the Collateral.

The full amount of the consideration has been paid by Differ VC to the Vendor in cash upon the entering into of the Agreement.

Completion

The completion of the Agreement has taken place upon the entering into of the Agreement. Upon completion, the full amount of the consideration has been paid by Differ VC to the Vendor and all rights and title in relation to the Distressed Asset have been transferred from the Vendor to Differ VC.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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. In addition, as disclosed in the announcement of the Company dated 5 January 2015, the Group has recently commenced the distressed asset management business.

Since the commencement of the distressed asset management business, the Group has been actively exploring opportunities to acquire distressed assets from banks or other entities in Fujian Province. The Directors consider that the Acquisition represents an attractive opportunity for the Group to develop its distressed asset management business and to profit from the disposal of the Collateral after all related legal procedures are completed.

The Directors consider that the Acquisition is in the ordinary and usual course of its distressed asset management business, and that the terms of the Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER GEM LISTING RULES

As certain applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 19.06 of the GEM Listing Rule.

DEFINITIONS

In this announcement, the following terms shall have the meanings set opposite them unless the context requests otherwise:

“Acquisition”	the acquisition of the Distressed Asset by Differ VC pursuant to the Agreement
“Agreement”	the agreement dated 8 January 2015 and entered into between Differ VC (as the purchase) and the Vendor in relation to the Acquisition
“Board”	the board of Directors
“Collateral”	an industrial property located in Fujian Province which was previously pledged by the Debtor to the Original Creditor in securing certain debts
“Company”	Differ Group Holding Company Limited, a company incorporated in the Cayman Islands and the Shares of which are listed on GEM with stock code 8056
“Debtor”	an independent third party who owes certain debts to the Original Creditor and who has previously pledged the Collateral to the Original Creditor in securing such debts
“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
“Distressed Asset”	all rights in relation to the enforcement of the pledge of the Collateral in connection with certain non-performing debts owed by the Debtor, including the right to enjoy first priority in receiving all proceeds from the disposal of the Collateral
“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
“Original Creditor”	a local branch of a PRC commercial bank
“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
“Vendor”	a limited liability company established in the PRC which is an independent third party and is principally engaged in distribution and retailing of sporting goods and leisure goods in the PRC
“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, 8 January 2015

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 Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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.