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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)**

## **ANNOUNCEMENT OF FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2015**

### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**”) of Differ Group Holding Company Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.*

## **FINANCIAL HIGHLIGHTS**

- Turnover of the Group for the three months ended 31 March 2015 was approximately RMB30,564,000 (2014: RMB19,028,000), representing an increase of approximately 60.6% as compared with the corresponding period in 2014.
- Profit attributable to owners of the Company for the three months ended 31 March 2015 was approximately RMB17,002,000 (2014: RMB10,405,000), representing an increase of approximately 63.4% as compared with the corresponding period in 2014.
- Earnings per share of the Company for the three months ended 31 March 2015 was approximately RMB1.70 cents (2014: RMB1.04 cents).
- The Directors do not recommend the payment of any dividend for the three months ended 31 March 2015.

## FIRST QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 31 March 2015 together with the comparative figures for the corresponding period in 2014.

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Three months ended 31 March	
		2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
	Notes		
Revenue	3	30,564	19,028
Other income	3	415	363
Employee benefit expenses		(2,627)	(2,312)
Depreciation and amortisation expenses		(661)	(514)
Operating lease expenses		(312)	(90)
Other expenses		<u>(4,159)</u>	<u>(2,323)</u>
<b>Profit before income tax</b>	4	<b>23,220</b>	14,152
Income tax expense	5	<u>(6,218)</u>	<u>(3,747)</u>
<b>Profit for the period attributable to the owners of the Company</b>		<b><u>17,002</u></b>	<b><u>10,405</u></b>
<b>Other comprehensive income attributable to the owners of the Company that may be reclassified to profit or loss in subsequent periods</b>			
– Exchange differences on translating foreign operation		(41)	(137)
– Change in fair value of available-for-sale financial assets		<u>6,855</u>	<u>–</u>
<b>Total comprehensive income for the period attributable to the owners of the Company</b>		<b><u>23,816</u></b>	<b><u>10,268</u></b>
<b>Earnings per share – Basic and diluted (RMB cents)</b>	7	<b><u>1.70</u></b>	<b><u>1.04</u></b>

## NOTES

### 1. CORPORATE AND GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 4 December 2012. The Company's shares have been listed on the GEM of the Stock Exchange since 9 December 2013. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Group is located at 23rd Floor, Tower 11, 166 Tapu East Road, Xiamen, the People's Republic of China (the "PRC").

The companies comprising the Group underwent a group restructuring exercise (the "Reorganisation") to rationalise the Group's structure in preparation for the listing of the shares of the Company on GEM of the Stock Exchange. Further details of the Reorganisation were set out in the prospectus (the "Prospectus") of the Company dated 3 December 2013.

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are provision of guarantee services, pawn loan services, financial consultation services, entrusted loan services, finance lease services and distressed assets management services in the PRC.

### 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2015 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and include applicable disclosures required by the GEM Listing Rules.

The functional currency of the Company is Hong Kong Dollar ("HK\$"). The unaudited condensed consolidated financial statements are presented in Renminbi ("RMB") since most of the companies comprising the Group are operating in RMB environment and the functional currency of most of the companies comprising the Group is RMB.

The accounting policies used in the preparation of the unaudited consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2014 except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for annual periods beginning on 1 January 2015. The effect of the adoption of these standards, amendments and interpretations was not material to the Group's results of operations or financial position.

### 3. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents income from the Group's principal activities, net of value-added tax. Revenue and other income recognised during the period are as follows:

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2015</b>	2014
	<b>(Unaudited)</b>	(Unaudited)
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue		
Interest income		
– Pawn loan services	<b>4,155</b>	3,635
– Entrusted loan services	<b>9,902</b>	6,732
Consultancy service income	<b>9,223</b>	1,982
Income from guarantee services	<b>4,005</b>	3,980
Income from finance lease service	<b>3,279</b>	2,699
	<b>30,564</b>	19,028
	<b>30,564</b>	19,028
Other income		
Bank interest income	<b>364</b>	361
Others	<b>51</b>	2
	<b>415</b>	363
	<b>415</b>	363

### 4. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2015</b>	2014
	<b>(Unaudited)</b>	(Unaudited)
	<b>RMB'000</b>	<b>RMB'000</b>
Depreciation of property, plant and equipment	<b>559</b>	412
Amortisation of prepaid land lease	<b>102</b>	102
Employee benefit expenses (including Directors' remuneration)	<b>2,209</b>	1,908
Salaries	<b>108</b>	97
Pension scheme contributions – defined contribution plans	<b>310</b>	307
Other benefits	<b>2,627</b>	2,312
	<b>2,627</b>	2,312
Operating lease charges in respect of properties	<b>312</b>	90
	<b>312</b>	90

## 5. INCOME TAX EXPENSE

	Three months ended	
	31 March	
	2015	2014
	(Unaudited)	(Unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax – PRC	<b>6,218</b>	3,747

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2014: Nil).

Enterprise income tax arising from subsidiaries operated in the PRC for the period was calculated at 25% (2014: 25%) of the estimated assessable profits during the period.

## 6. DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 31 March 2015 (2014: Nil).

## 7. EARNINGS PER SHARE

The calculations of basic earnings per share for the three months ended 31 March 2015 and 2014 are based on the profit attributable to owners of the Company of approximately RMB17,002,000 and RMB10,405,000 respectively and on the 1,000,000,000 ordinary shares issued throughout the three months ended 31 March 2015 and 2014.

Diluted earnings per share is the same as the basic earnings per share because the Group had no potential ordinary shares during the periods.

## 8. UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Capital reserve <i>RMB'000</i>	Merger reserve <i>RMB'000</i>	Available- for-sale financial assets revaluation reserve <i>RMB'000</i>	Statutory reserve <i>RMB'000</i>	Translation reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>
For the three months ended 31 March 2015 (Unaudited)									
At 1 January 2015	7,800	137,515	277,562	7	-	15,026	256	142,382	580,548
Profit for the period	-	-	-	-	-	-	-	17,002	17,002
Other comprehensive income for the period									
- Exchange differences on translating foreign operation	-	-	-	-	-	-	(41)	-	(41)
- Change in fair value of available-for-sale financial assets	-	-	-	-	6,855	-	-	-	6,855
Total comprehensive income for the period	-	-	-	-	6,855	-	(41)	17,002	23,816
Transfer to statutory reserve	-	-	-	-	-	1,628	-	(1,628)	-
At 31 March 2015	<u>7,800</u>	<u>137,515</u>	<u>277,562</u>	<u>7</u>	<u>6,855</u>	<u>16,654</u>	<u>215</u>	<u>157,756</u>	<u>604,364</u>
For the three months ended 31 March 2014 (Unaudited)									
At 1 January 2014	7,800	137,515	277,562	7	-	7,402	532	76,993	507,811
Profit for the period	-	-	-	-	-	-	-	10,405	10,405
Other comprehensive income for the period									
- Exchange differences on translating foreign operation	-	-	-	-	-	-	(137)	-	(137)
Total comprehensive income for the period	-	-	-	-	-	-	(137)	10,405	10,268
Transfer to statutory reserve	-	-	-	-	-	1,043	-	(1,043)	-
At 31 March 2014	<u>7,800</u>	<u>137,515</u>	<u>277,562</u>	<u>7</u>	<u>-</u>	<u>8,445</u>	<u>395</u>	<u>86,355</u>	<u>518,079</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

As an integrated financing service provider, the Group mainly provide short to medium-term financing and financing-related solutions in Fujian Province. During the three months ended 31 March 2015, the revenue was mainly derived from the provision of (i) guarantee services, (ii) pawn loan services, (iii) financial consultation services, (iv) entrusted loan services and (v) finance lease services to our customers.

### FINANCIAL REVIEW

#### *Revenue*

The revenue increased from approximately RMB19.0 million for the three months ended 31 March 2014 to approximately RMB30.6 million for the three months ended 31 March 2015, representing an increase of approximately RMB11.6 million or 60.6%. The increase was attributable to the net effect of the following reasons:

#### *Guarantee services*

We mainly provided the financing guarantee services during the three months ended 31 March 2015 and 2014. Our Group's guarantee service income was approximately RMB4.0 million for the three months ended 31 March 2015 and 2014. Our Group continued to expand our financing guarantee services in our home market in Fujian Province. The slight increase in income from our guarantee services was mainly attributable to the increase in number of financing guarantee contracts with revenue contribution from 118 contracts for the three months ended 31 March 2014 to 122 contracts for the three months ended 31 March 2015.

#### *Pawn loan services*

Our Group's pawn loan service income increased by 14.3% from approximately RMB3.6 million for the three months ended 31 March 2014 to approximately RMB4.2 million for the three months ended 31 March 2015. During the three months ended 31 March 2015, approximately RMB6.1 million (being part of the net profit of Fujian Differ Pawn Company Limited ("Differ Pawn") for the year ended 31 December 2014) was kept by Differ Pawn as capital for the development of pawn loan business. The increase in pawn loan service income was mainly attributable to the increase in outstanding pawn loan receivables from approximately RMB40.2 million as at 31 March 2014 to RMB46.3 million as at 31 March 2015.



#### *Financial consultation services*

The financial consultation service income of our Group increased from approximately RMB2.0 million for the three months ended 31 March 2014 to approximately RMB9.2 million for the three months ended 31 March 2015. Same as last year, most of our consultancy service income was derived from financial consultation services where we charged our customers 2.5% to 3.0% of the amount of financing obtained by our customers as a result of our consultation (“Project Based Consultation Services”). The increase in financial consultation services income was mainly due to the fact that we had more successful and large Project Based Consultation Services during the three months ended 31 March 2015.

#### *Entrusted loan services*

Our Group’s entrusted loan service income increased by 47.1% from approximately RMB6.7 million for the three months ended 31 March 2014 to approximately RMB9.9 million for the three months ended 31 March 2015. There was strong demand for funds from small and medium enterprises in the first quarter of 2015. The increase of entrusted loan service income was mainly due to the increase in number of entrusted loan contracts with revenue contribution from 8 contracts for the three months ended 31 March 2014 to 11 contracts for the three months ended 31 March 2015.

#### *Finance lease services*

For the three months ended 31 March 2015 and 2014, our Group’s finance lease service income was approximately RMB3.3 million and RMB2.7 million respectively. By making use of proceeds from the listing, the Group provided more financing to our finance lease customers throughout the year 2014. After starting the finance lease arrangements, our Group should receive a series of monthly rental payments over the finance lease period (2 to 3 years). Therefore more finance lease service income was generated during the three months ended 31 March 2015.

#### *Other income*

For the three months ended 31 March 2015 and 2014, our Group’s other income were approximately RMB0.4 million and RMB0.4 million respectively. It mainly represented the bank interest income.

#### *Employee benefit expenses*

The employee benefit expenses increased from approximately RMB2.3 million for the three months ended 31 March 2014 to approximately RMB2.6 million for the three months ended 31 March 2015, representing an increase of approximately RMB0.3 million or 13.6%. Our Group’s employee benefit expenses mainly comprised staff salaries, directors’ emoluments and other benefits. The increase in employee benefit expenses was mainly attributable to the increase in staff salaries as our Group hired more staff for business expansion.

### *Other expenses*

The other expenses increased from approximately RMB2.3 million for the three months ended 31 March 2014 to approximately RMB4.2 million for the three months ended 31 March 2015, representing an increase of approximately RMB1.9 million or 79.0%. The increase in other expenses was mainly attributable to (i) the increase of business and other taxes due to the increase in revenue generated from our businesses and (ii) the increase of legal and professional fees due to application for transfer of listing of the Company's shares from GEM to the Main Board of the Stock Exchange.

### *Profit for the period attributable to the owners of the Company*

Our Group's profit for the three months ended 31 March 2015 was approximately RMB17.0 million, representing an increase of approximately RMB6.6 million, or 63.4%, from approximately RMB10.4 million for the three months ended 31 March 2014.

## **OUTLOOK**

We expected that the PRC economic situation will continue to grow in 2015 and we believe the financing needs in PRC will remain strong in 2015. We will continue monitoring the ongoing market development of our existing businesses such as guarantee, loan and consultancy services.

In addition, the Group commenced its distressed asset management business in January 2015. The Group actively seeks opportunities to acquire distressed assets (such as non-performing loans receivables or other distressed debts) from banks or other entities in Fujian Province at attractive prices. After acquiring the distressed assets, the Group will assume the pre-existing rights and obligations between the banks and the debtors and will then formulate plans to achieve recovery based on the Group's targets on profit, cash flow, cost and return on investment as well as the circumstances pertaining to each individual distressed asset. As of the date of this announcement, the Group has acquired 2 distressed assets at total consideration of RMB50 million and recorded the fair value gains of approximately RMB6.9 million during the period ended 31 March 2015.

Besides, as disclosed in the Company's announcement dated 8 December 2014, the Company has been conducting preliminary studies on several businesses, including P2P, internet microfinance business and money lending business in Hong Kong (collectively, the "Potential New Businesses"). As of the date of this announcement, the preliminary studies of such Potential New Business are still in progress.

Furthermore, in order to increase our capital to capture the business opportunities, the Company has entered into a placing agreement to issue bonds with an aggregate principal amount of up to HK\$100 million (the "Placing"). The net proceeds from the issue of bonds will be utilised for the Group's business development including, in particular, for lending to the Group's customers in the ordinary and usual course of the Group's business of the provision of various types of short to medium term financing as well as for the general working capital of the Group. As of the date of this announcement, the Placing is still in progress.

In conclusion, our Directors have an optimistic view on our overall business and financial prospects for 2015.

### **ADVANCE TO AN ENTITY**

Pursuant to Rule 17.15 of the GEM Listing Rules, a general disclosure obligations arises where an advance to an entity from the Group exceeds 8% of the total assets of the Group. Pursuant to Rule 17.22 of the GEM Listing Rules, details of advances as defined under Rule 17.15 of the GEM Listing Rules which remained outstanding as at 31 March 2015 were as follow:

- 1) Entrusted loan agreement dated 24 October 2014 (“**Entrusted Loan Agreement A**”)

Entrusted Loan Agreement A was granted by Xiamen Differ Venture Capital Company Limited (“**Differ VC**”), an indirect wholly-owned subsidiary of the Company to 廈門九天豪杰實業有限公司 (Xiamen Jiu Tian Hao Jie Industrial Limited) (“Customer A”) through the lending bank pursuant to which Differ VC has entrusted the lending bank with an amount of RMB50,000,000 for the purpose of lending the same to Customer A for a term of 6 months.

The principal terms of Entrusted Loan Agreement A are as follows:

Principal amount:	RMB50,000,000
Interest rate:	1.8% per month
Loan period:	as mentioned above
Repayment:	Customer A shall repay the interests on a monthly basis and the principal amount at the end of the loan period

Security and guarantees:

- (i) the pledge of a piece of residential land in the PRC which is valued by an independent valuer at approximately RMB137,831,000;
- (ii) personal guarantees of one individual; and
- (iii) corporate guarantee of two companies which are principally engaged in real estate development in the PRC.

2) Finance lease agreement dated 27 November 2014 (the “**Finance Lease Agreement**”)

The Finance Lease Agreement was entered into between Xiamen Differ Financial Leasing Company Limited (“**Differ Lease**”) (as the lessor) and 福建景發吊裝有限公司 (Fujian Jingfa Lifting Co., Ltd) (“**Customer B**”) (as the lessee). Pursuant to the Finance Lease Agreement, Differ Lease has agreed among other things, (i) to purchase certain machineries from Customer B at an aggregate consideration of approximately RMB50,000,000; (ii) to lease such machineries back to Customer B immediately afterwards for a period of approximately 2 years for a series of rental payments payable by the Customer B to Differ Lease on a monthly basis; and (iii) to transfer the ownership of such machineries to Customer B at the end of the lease period at a nominal consideration of RMB100.

The principal terms of Finance Lease Agreement are as follows:

Amount of financing provided by Differ Lease to Customer B:	RMB50,000,000
Aggregate amount of rental payment (inclusive of handling fee and value-added tax):	RMB58,473,000
Lease period:	24 months
Ownership of the leased property at the end of lease period:	To be transferred to the Customer B at a nominal consideration of RMB100
Internal rate of return:	13.4% (annualized)

Security and guarantees:

Customer B has provided the following security and guarantees to Differ Lease under the Finance Lease Agreement:

- (i) a cash deposit in the amount of RMB10,000,000 received by Differ Lease;
- (ii) personal guarantees of 6 individuals who are related to the Customer B.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2015, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

### Long positions in shares of the Company (the "Shares")

Name of Director	Capacity/nature of interest	Number of Shares	Percentage of interests
Mr. Hong Mingxian ("Mr. Hong")	Interest of spouse ( <i>note 1</i> )	450,000,000 Shares	45%
Mr. Cai Huatan ("Mr. Cai")	Interest of controlled corporation ( <i>note 2</i> )	300,000,000 Shares	30%

#### Notes:

1. These Shares were held by Expert Corporate Limited, which was wholly and beneficial owned by Ms. Shi Hongjiao ("Ms. Shi"). By virtue of the SFO, Mr. Hong, being the spouse of Ms. Shi, is deemed to be interested in the 450,000,000 Shares under the SFO.
2. These Shares were held by Ever Ultimate Limited, which was wholly and beneficial owned by Mr. Cai. By virtue of the SFO, Mr. Cai is deemed to be interested in the 300,000,000 Shares under the SFO.

## **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 31 March 2015, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the following persons or companies (other than the Directors or the chief executive of the Company) had an interest or short position in the Shares and underlying Shares which was discloseable under Division 2 & 3 of Part XV of the SFO and recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

### **Long positions in Shares**

<b>Name</b>	<b>Capacity/nature of interest</b>	<b>Number of Shares</b>	<b>Percentage of interests</b>
Expert Corporate Limited	Beneficial owner ( <i>note 1</i> )	450,000,000 Shares	45%
Ms. Shi Hongjiao	Interest of controlled corporation ( <i>note 1</i> )	450,000,000 Shares	45%
Mr. Hong Mingxian	Interest of spouse ( <i>note 2</i> )	450,000,000 Shares	45%
Ever Ultimate Limited	Beneficial owner ( <i>note 3</i> )	300,000,000 Shares	30%
Mr. Cai Huatan	Interest of controlled corporation ( <i>note 3</i> )	300,000,000 Shares	30%

#### *Notes:*

1. These Shares were held by Expert Corporate Limited, which was wholly and beneficial owned by Ms. Shi. By virtue of the SFO, Ms. Shi is deemed to be interested in the 450,000,000 Shares under the SFO.
2. Mr. Hong is the spouse of Ms. Shi.
3. These Shares were held by Ever Ultimate Limited, which was wholly and beneficial owned by Mr. Cai. By virtue of the SFO, Mr. Cai is deemed to be interested in the 300,000,000 Shares under the SFO.

## **SHARE OPTION SCHEME**

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. The Scheme was adopted by the Company on 26 November 2013, the principal terms of which are set out in the paragraph headed “Share Option Scheme” under the section headed “Statutory and General Information” of the Prospectus. No share options were granted, exercised or cancelled by the Company under the Scheme during the three months ended 31 March 2015 and there were no outstanding share options under the Scheme as at 31 March 2015.

## **PURCHASE, SALE OR REDEMPTION OF THE SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the three months ended 31 March 2015.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings. The Company has also made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the three months ended 31 March 2015.

## **DIRECTORS’ INTERESTS IN A COMPETING BUSINESS**

As at 31 March 2015, none of the Directors who are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group and any other conflicts of interest, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

## **INTEREST OF COMPLIANCE ADVISER**

As notified by the Company’s compliance adviser, Messis Capital Limited (the “Compliance Adviser”), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 2 December 2013 effective on 9 December 2013, the date of the listing neither the Compliance Adviser nor its directors, employees or associates had any interests in relation to the Company as at 31 March 2015 which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## AUDIT COMMITTEE

The audit committee of the Company currently comprises three independent non-executive directors, namely Mr. Chan Sing Nun (chairman of audit committee), Mr. Tsang Hin Man Terence and Mr. Zeng Haisheng. The Group's unaudited consolidated results for the three months ended 31 March 2015 have been reviewed by the audit committee. The Board is of the opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the GEM Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

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

Hong Kong, 5 May 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 will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at [www.hkexnews.hk](http://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](http://www.dfh.cn).*