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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: 6878)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 29 December 2019, the Loan Master Agreement was entered into among Differ Dai and Ganzhou Hao Sheng (collectively, as the lenders) and the Customer (as the borrower). Pursuant to the Loan Master Agreement, Differ Dai and Ganzhou Hao Sheng agreed to provide loans with an aggregate amount up to RMB380,000,000 to the Customer of 24 months. In order to grant loans under the Loan Master Agreement, separate loan agreements or entrusted loan agreements should be entered into among Differ Dai, Ganzhou Hao Sheng and the Customer. During any time within the period of the Loan Master Agreement, the aggregate outstanding loan balance granted to the Customer by Differ Dai and Ganzhou Hao Sheng under the loan agreements or entrusted loan agreements entered pursuant to the Loan Master Agreement shall not exceed RMB380,000,000, being the Loan Cap.

IMPLICATIONS UNDER THE LISTING RULES

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of the Loan Cap were more than 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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LOAN MASTER AGREEMENT

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

Date of the Loan Master Agreement	:	29 December 2019
Lenders	:	Differ Dai and Ganzhou Hao Sheng
Borrower	:	The Customer
Loan Cap	:	Up to RMB380,000,000 (equivalent to approximately HK\$422,222,000)
Interest rate	:	12.0% per annum
Loan period	:	24 months
Repayment	:	Customer shall repay the interests on a monthly basis and the principal amount at the end of the loan period
Early repayment	:	Customer shall have an option at any time to make repayment of the whole or part of the loan and the relevant interests after the date of loan drawdown subject to Customer giving Differ Dai and Ganzhou Hao Sheng not less than five days advance notice in writing

SECURITY AND GUARANTEES

The Loan Master Agreement is secured by:

- i) the pledge of construction land use rights in the PRC at market value of approximately RMB341,000,000 (equivalent to HK\$378,889,000);

- ii) the pledge of the equity rights from a shareholder who owned 99% of the shares of the Customer at fair value of approximately RMB216,000,000 (equivalent to HK\$240,000,000); and
- iii) personal guarantee by a shareholder who owned 99% of the shares of the Customer.

SOURCE OF FUNDING

The Loan Master Agreement is 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 investment and management of assets and investment advisory service in the PRC.

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

INFORMATION ON THE GROUP, DIFFER DAI AND GANZHOU HAO SHENG

The Group is a provider of short to medium-term financing and financing-related solutions in PRC and is principally engaged in the provision of (i) asset management business (including investment in properties, equities and distress assets), (ii) finance lease services and (iii) financial services (including express loan services, financial consultancy services, guarantee services and supply chain services).

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

Ganzhou Hao Sheng is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. Ganzhou Hao Sheng is principally engaged in the express 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 Loan Master Agreement (including the principal amounts, the interest rates and the loan periods) were negotiated on an arm's length basis between the Group 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 Loan Master 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 Loan Master 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 LISTING RULES

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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”	廈門豪豐投資有限公司 (Xiamen Hao Feng Investment Company Limited), a limited liability company established in the PRC which is principally engaged in investment and management of assets and investment advisory service in the PRC. The Customer is owned as to 99% by Hong Youyi (洪友誼) and as to 1% by Zhang Beichen (張北辰). The Customer and its ultimate beneficial owners are independent third parties of the Company
“Differ Dai”	廈門市鼎豐貸投資諮詢有限公司(Xiamen Differ Dai Investment Consulting Company Limited), an indirect wholly-owned subsidiary of the Company
“Director(s)”	The director(s) of the Company
“Ganzhou Hao Sheng”	贛州市豪晟投資管理有限公司 (Ganzhou Hao Sheng Investment Management Company Limited), an indirect wholly-owned subsidiary of the Company
“Loan Cap”	the loan cap of RMB380,000,000 (equivalent to approximately HK\$422,222,000) pursuant to the Loan Master Agreement

“Loan Master Agreement”	the master agreement dated 29 December 2019 entered into among Differ Dai, Ganzhou Hao Sheng and the Customer, pursuant to which Differ Dai and Ganzhou Hao Sheng agreed to provide loans with an aggregate amount up to RMB380,000,000 (equivalent to approximately HK\$422,222,000)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 loans under the Loan Master 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, 29 December 2019

In this announcement, translation of RMB into HK\$ is based on the exchange rate of HK\$1:RMB0.90. 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 and Mr. NG Chi Chung; the non-executive Directors are Mr. CAI Huatan and Mr. WU Qinghan; and the independent non-executive Directors are Mr. CHAN Sing Nun, Mr. LAM Kit Lam and Mr. CHEN Naike.