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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
IN RELATION TO THE DISPOSAL OF
THE ENTIRE ISSUED SHARE CAPITAL OF
DIFFER NETWORK DEVELOPMENT LIMITED**

THE DISPOSAL

The Board is pleased to announce that on 29 December 2018, the Company and the Purchaser entered into the Agreement, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company at the total Consideration of RMB37,000,000 (equivalent to approximately HK\$42,045,000).

Upon Completion, the Group will cease to have any interest in the Target Group and the financial results of the Target Group will cease to be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATION

As one or more applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but fall below 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting and announcement requirements.

THE DISPOSAL

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THE AGREEMENT

Set out below are the principal terms of the Agreement:

Date : 29 December 2018

Parties : (i) the Company, as the Vendor; and

(ii) Ng Hung Ming, as the Purchaser.

As advised by the Purchaser, the Purchaser is a businessman and Hong Kong resident. As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is Independent Third Party.

Assets to be disposed

Pursuant to the Agreement, the Company has agreed to sell and the Purchaser has agreed to purchase the Sale Share, representing the entire issued share capital of the Target Company.

As at the date of this announcement:

- (i) the Target Company directly holds all issued share capital of the HK Subsidiary;
- (ii) the HK Subsidiary in turn directly holds all issued share capital of PRC Subsidiary A;
- (iii) the PRC Subsidiary A then directly holds all issued share capital of PRC Subsidiary B; and
- (iv) the PRC Subsidiary B directly holds 6.25% interest in the Fund.

Consideration

Pursuant to the Agreement, the Consideration for the sale and purchase of the Sale Share shall be payable by the Purchaser to the Company or its nominees in cash in the following manners:

- (a) the Consideration in the sum of RMB37,000,000 shall be paid by the Purchaser to the Vendor or its nominees within 30 Days after the date of Completion.

The Consideration was determined by the Company and the Purchaser after arm's length negotiations with reference to (i) the unaudited consolidated net asset value of the Target Group as at 20 December 2018; and (ii) the expected potential return of the Fund.

As at the date of the Agreement, the Fund mainly invests in the equity interest of fifteen PRC companies which cover a wide variety of industries, including pharmaceutical and biomedical engineering, investment, energy and natural resources, construction materials, exhibition etc. Among the fifteen PRC companies, certain of which had been listed on the Shenzhen Stock Exchange, Shanghai Stock Exchange and China's new third board; and three companies planned to apply for listing in PRC in 2019. The original acquisition cost of the investment of 6.25% of the Fund is RMB70,000,000. After the completion of the acquisition of 6.25% of Fund in early 2017, the Group has received the dividends and capital return from the Fund of approximately RMB8,750,000 and RMB31,562,500 respectively. As at the date of the Agreement, the book value of 6.25% of the Fund as stated in the management account of the PRC Subsidiary B is RMB38,437,500. The Group expected the return of the Fund will be slow down in future. As such, the Group decided to dispose the Target Group.

As at the date of this announcement, PRC Subsidiary A owes the Creditor the Debt. The Purchaser will repay the Debt within 30 days to the Creditor after the date of Completion.

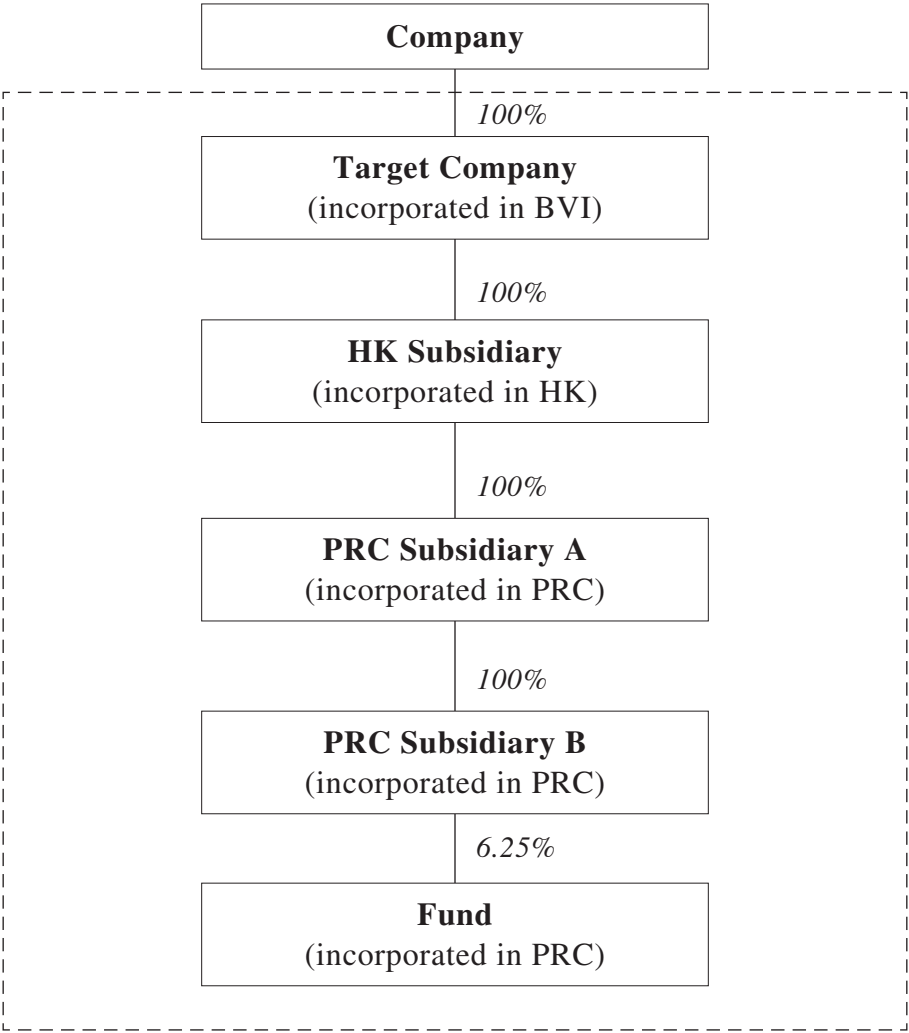
Completion

The Completion shall take place upon signing of the Agreement. The Completion has taken place on the date of this announcement.

Upon the Completion, the Target Company, HK Subsidiary, PRC Subsidiary A and PRC Subsidiary B will cease to be subsidiaries of the Company. The financial results of the Target Group will cease to be consolidated into the financial results of the Group.

INFORMATION ON THE TARGET GROUP

The following diagram illustrates the shareholding structure of the Target Group as at the date of this announcement:



Note:

 Target Group

Target Company

The Target Company is a company incorporated in the BVI with limited liability on 12 August 2015. The principal business of the Target Company is investment holding. As at the date of this announcement, the Target Company is directly wholly-owned by the Company.

HK Subsidiary

The HK Subsidiary is a company incorporated in Hong Kong with limited liability on 19 August 2015. The principal business of the HK Subsidiary is investment holding. As at the date of this announcement, the HK Subsidiary is directly wholly-owned by the Target Company.

PRC Subsidiary A

The PRC Subsidiary A is a company established in the PRC with limited liability on 5 December 2018, whose principal business is business consultancy. As at the date of this announcement, PRC Subsidiary A is directly wholly-owned by HK Subsidiary. Save for the interest in PRC Subsidiary B, PRC Subsidiary A has no other asset and operation since its incorporation in all material respects.

PRC Subsidiary B

The PRC Subsidiary B is a company established in the PRC with limited liability on 27 October 2016, whose principal business is provision of financial consultancy service and investment of Fund. As at the date of this announcement, PRC Subsidiary B is directly wholly-owned by PRC Subsidiary A.

Fund

The Fund is a limited partnership established in the PRC on 8 July 2010, with the purpose of achieving capital appreciation through making equity investments in and dispositions of, quality PRC companies. As at the date of this announcement, PRC Subsidiary B is directly wholly-owned 6.25% interest in the Fund.

Financial information of the Target Group

Set out below is the audited consolidated financial information of the Target Group, excluding the PRC Subsidiary A, which is incorporated on 5 December 2018, for each of the two financial years ended 31 December 2016 and 2017, the consolidated turnover and consolidated net profit (before and after taxation) of the Target Group, excluding the PRC Subsidiary A, which is incorporated on 5 December 2018, are as follows:

	For the year ended 31 December 2016 RMB'000 (audited)	For the year ended 31 December 2017 RMB'000 (audited)
Turnover	6,108	33,188
Profit before taxation	6,084	32,822
Profit after taxation	5,145	27,899

As at 31 December 2016 and 31 December 2017, the audited consolidated net assets value of the Target Group, excluding the PRC Subsidiary A, which is incorporated on 5 December 2018, was approximately RMB5,145,000 and RMB84,033,000 respectively.

REASONS OF AND BENEFITS FOR THE DISPOSAL

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

Based on (i) the preliminary assessment on the financial information of the Target Group as at 20 December 2018 and (ii) the Consideration, it is estimated that the Company will realise an unaudited gain on the Disposal of approximately RMB31,776,000 (equivalent to approximately HK\$36,109,000) before tax and consideration of other transaction costs as a result of the Disposal. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to a final audit to be performed by the auditors of the Company.

It is currently intended that the net proceeds from the Disposal will be applied as: (i) lending to the Group's customers and acquisition of valuable assets in the ordinary and usual course of the Group's business; and (ii) general working capital of the Group.

The Board is of the view that the Disposal offers an opportunity for the Group to dispose of its interest in the Fund to realise the gain arising from holding of the interest in the Fund. The Board is of the view the Transaction will enable the Group to reallocate the financial resources for and direct its focus on other existing business of the Group.

Based on the above, the Board is of the view that the terms of the Agreement and the Consideration are fair and reasonable and on normal commercial terms and that the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Disposal exceeds 5% but all relevant percentage ratios in respect of the Disposal are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Agreement”	the sale and purchase agreement dated 29 December 2018 entered into between the Company and the Purchaser in respect of the Acquisition
“associate”	has the meaning as ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Differ Group Holding Company Limited (鼎豐集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board (Stock Code: 6878)
“Completion”	completion of the Disposal pursuant to the terms and conditions of the Agreement
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	RMB37,000,000 (equivalent to approximately HK\$42,045,000), being the consideration for the Disposal payable by the Purchaser under the Agreement
“Creditor”	Xiamen Differ Dai Investment Consulting Company Limited* (廈門市鼎豐貸投資諮詢有限公司), a limited liability company established in the PRC, which is indirect wholly-owned by the Company, whose principal business is provision of express loan services

“Debt”	RMB33,289,000(equivalent to approximately HK\$37,828,000) owed by PRC Subsidiary A to the Creditor as at the date of this announcement
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of Sale Shares by the Company to the Purchaser pursuant to the terms and conditions of the Agreement
“Fund”	Zhongnan Chengzhang (Tianjin Shi) Equity Investment Fund Partnership Limited (Limited Partnership)* (中南成長(天津市)股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on 8 July 2010
“Group”	the Company and its subsidiaries
“HK Subsidiary”	Differ Wealth Management Limited (鼎丰財富管理有限公司), a limited liability company established in Hong Kong, which is wholly-owned by the Target Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	Main Board of the Stock Exchange
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan
“PRC Subsidiary A”	Xiamen Rui De Shen Business Consultancy Limited*(廈門瑞德信商務諮詢有限公司), a limited liability company established in the PRC, which wholly-owned by the HK Subsidiary

“PRC Subsidiary B”	Ganzhou Wen Ding Business Consulting Company Limited* (贛州市問鼎商務諮詢有限公司), a limited liability company established in the PRC, which is wholly-owned by the PRC Subsidiary A
“Purchaser”	Ng Hung Ming (吳鴻銘), a businessman and a resident of Hong Kong
“Sale Shares”	the entire issued share capital of the Target Company which is fully paid
“Share(s)”	the ordinary share(s) of HK\$0.0025 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Differ Network Development Limited (鼎豐網絡發展有限公司), a company incorporated in the BVI with limited liability
“Target Group”	collectively, the Target Company, HK Subsidiary, PRC Subsidiary A and PRC Subsidiary B
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

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

Hong Kong, 29 December 2018

* *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.*

In this announcement, translation of RMB into HK\$ is based on the exchange rate of HK\$1: RMB0.88. 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.

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. LAM Kit Lam and Mr. ZENG Haisheng.

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

If there is any inconsistency in this announcement between the Chinese and English versions and the English version shall prevail.