

To: Business Editor

[For immediate release]



**鼎豐集團控股有限公司**

Differ group holding company limited

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**Differ Group Holding Company Limited**

(Stock Code: 6878.HK)

**Announces 2018 Annual Results**

**Revenue from Assets Management Business Soared by 506%, Driving  
Turnover to a Record High**

**Position Cultural Tourism Industry as Business Extension, Proactively  
Develop New Business to Explore New Income Streams**

<b><u>Financial Highlights</u></b>	<b>For the twelve months ended 31 December (RMB '000)</b>		
	<b>2018</b>	<b>2017</b>	<b>Change</b>
<b>Turnover</b>	<b>851,809</b>	299,268	184.6%
<b><i>Overview of Major Businesses</i></b>			
Assets Management Business*	<b>715,038</b>	118,053	505.7%
Finance Lease Services	<b>33,610</b>	52,831	-36.3%
Financial Services*	<b>103,161</b>	128,384	-19.6%
<b>Profit</b>	<b>299,276</b>	180,420	+65.9%
Profit attributable to owners of the Company	<b>264,223</b>	174,336	+51.6%
Basic Earnings Per Share (RMB cents)	<b>5.56</b>	4.12	+1.44

\*Asset Management Business including investments on land and properties, value asset, distressed assets and equities

\*Financial Services including express loan services, financial consultancy services, guarantee services and supply chain agency services

[28 March 2019, Hong Kong] **Differ Group Holding Company Limited** (“DFH” or “Company”, Stock code: **6878.HK**, together with its subsidiaries (“Group”)), an integrated financing service provider of short to medium-term financing and financing-related solutions and asset management services in the PRC, was pleased to announce its consolidated annual results for the twelve months ended 31 December 2018 (the “Year”).

In 2018, fearless of the market environment, the Group proactively adjusted the business strategies and recorded satisfactory results again. During the Year, the turnover grew on a large scale by 184.6% YOY to approximately RMB851.8 million. Profit for the Year increased by 65.9% to RMB299.3 million. Profit attributable to owners of the Company for the Year was approximately RMB264.2 million, representing an increase of approximately 51.6% YOY. Earnings per share of the Company for the Year was up to approximately RMB5.56 cents.

During the Year, Asset Management Business has become the main force to drive the business growth, which soared by 505.7% YOY to a turnover of RMB715.0 million. The Acquisition of Differ Cultural Group was completed on 23 January 2018. Differ Cultural Group manages certain residential and commercial property projects, out of which Differ Sky Realm (鼎豐天境) is located in Lishui, the PRC and are scheduled to be completed in phases between 2018 and 2020. Differ Sky Realm is a residential development comprises mostly properties for residential purposes and minor areas for commercial use on the ground floor. The construction works of Phase 1 and 2 of Differ Sky Realm (鼎豐天境) was completed and most of them were sold and delivered to the purchasers in 2018. During the Year, the revenue for the Phase 1 and 2 of Differ Sky Realm (鼎豐天境) amounted to approximately RMB693.7 million. Apart from the Acquisition of Differ Cultural Group, the Group also recorded approximately RMB21.3 million of income generated from disposal of distressed assets, financial income from non-performing loans, income from provision of asset management solutions and rental income.

Besides, the Group also provides financial lease services, mainly to machineries, distant fishing vessels, properties and motor vehicles, as well as financial consultancy services, express loan services, guarantee services and supply chain agency services. During the Year, the Group’s income generated from finance lease services and financial services amounted to RMB33.6 million and RMB103 million respectively. Among which, our Group’s guarantee service income soared by 118.4% to RMB19.4 million. The Group is adopting a prudent approach to approve the application of our guarantee services from potential customers. Although the number of guarantee service decrease, driving by relatively large amount of guarantee fees from certain sizable guarantee customers, the income from guarantee services increased. Furthermore, in light of the tightened

credit control by PRC banks and the strong demand for financing services to SMEs, the demand of our entrusted loan services remained stable. Our entrusted loan service income increased by 1.1% YOY to RMB54.8 million.

During the Year, the Group proactively extended its asset management business. To enhance the asset base, in July 2018, the Group completed the acquisition of 100% of Karhoe Company Limited (“Karhoe”) and its subsidiaries (collectively the “Karhoe Group”) and the sales loan of approximately RMB235.4 million. As the fair value of the Karhoe Group is higher than the consideration, the Group recorded a gain on a bargain purchase in the acquisition of the Karhoe Group of approximately RMB40.1 million.

In addition, the acquisitions of Prime Thrive Limited and its subsidiaries and lands plots in Zhejiang province were completed and approved by the shareholders of the Company respectively in January 2019. The acquisitions have demonstrated that the Group is capable of diversifying its asset classes. It successfully extended its asset classes from non-performing asset to value asset. Given the favorable economy and policies, in-depth experience in handling assets in the similar class by Differ Cultural Group, and the capital appreciation potential of the value assets in the Group’s portfolio, the Board believes that the acquisitions will generate significant returns in the next few years and the Group’s future is promising.

Looking forward, **Mr. HONG Mingxian, Chairman and Executive Director of DFH stated**, “In 2018, the Group has recorded remarkable results in both overall revenue and profit. Outstanding performance would never stop our pace to continuous progress and we keep proactively seeking to develop new business and explore the business opportunities to broaden our income stream. In the first quarter of 2018, the Group has obtained licenses from the Securities and Futures Commission to carry out Type 1 (Dealing in Securities) and Type 9 (Asset Management) regulated activities. The Group has commenced the securities dealing and brokerage services in Hong Kong in second half of 2018. Following the completion of the acquisition of Differ Cultural Group, the property development business in the theme of cultural tourism will be considered as an extension of the Group’s original asset management business and a key link in asset consolidation and asset value enhancement. Meanwhile, the Group is looking for other value assets in PRC continuously. The Board have an optimistic view on our overall business and financial prospects in future. We will continue to actively capture the opportunities presented by the current rapidly changing economic environment in the PRC, further expand our market share and reinforce our leading position to maintain sustainable growth momentum and maximize the value of shareholders.”

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**About Differ Group Holding Company Limited (stock code: 6878.HK)**

Established in 2008, Differ Group Holding Company Ltd. (the Group), started as a financial services company. The Group grew to become a substantial financial institution with businesses spanning from financial services to cultural tourism. The Group was listed in the GEM Board on December 2013, making it the first non-bank financial company on the west coast of the Taiwan Straits listed in the Hong Kong Stock Exchange, and has since transferred its listing to the Main Board on July 2015. The Group's financial services was supported by two main engines, namely, asset management and finance leasing. On top of that, the Group are also armed with the licenses issued by the Securities and Futures Commission of Hong Kong, so that the Group can continue its expansion into overseas businesses in securities trading and asset management. The Group uses its financial expertise to expand its scope of operation beyond financial holding into cultural tourism. The rapid and consistent growth has earned the Group a series of honors and awards. It was ranked 11th in the Forbes "China's Top 100 Most Promising Listed Companies 2015", the "The Most Valuable Financial Company" in Golden Hong Kong Stocks Awards 2017 and 2017 Forbes Asia Best Under A Billion. For details, please visit its website: [www.dfh.cn](http://www.dfh.cn)

Issued by Porda Havas International Finance Communications Group for and on behalf of **Differ Group Holding Company Limited**.

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