

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)

Differ Group Holdings Limited Announces 2019 Annual Results
Continued growth of asset management business drives record turnover
Cultural Tourism industry as an extension of business territory
Actively develop new businesses and broaden revenue sources

<u>Financial Highlights</u>	For the twelve months ended 31 December (RMB '000)		
	2019	2018	Change
Turnover	2,251,841	844,500	166.6%
<i>Overview of Major Businesses</i>			
Assets Management Business*	777,613	715,038	8.8%
Finance Lease Services & Financial Services *	144,634	129,462	11.7%
Trading of Commodities	1,329,594		
Profit	336,131	290,427	15.7%
Profit attributable to owners of the Company	335,503	255,728	31.2%
Basic Earnings Per Share (RMB cents)	5.32	5.38	-1.1%

[Hong Kong, March 31, 2020] Differ Group Holdings Limited ("Differ" or "Company") and its subsidiaries ("Group" ", Stock code: 6878.HK) today is pleased to announce its consolidated annual results for the twelve months ended December 31, 2019 (the "year ").

In 2019, the Group grasped the economic situation in China, proactively adjusted its business strategy, and achieved satisfactory results again. During the year, the overall turnover of the group increased significantly by 166.6% to approximately RMB2.25 billion from the same period last year. Profit for the year jumped 15.7% to approximately RMB340 million. The profit attributable to the company owner for the year rose 31.2% to RMB340 million Basic earnings per share were 5.32 cents.

During the year under review, the development of asset management business continued to grow, and the revenue of asset management business reached approximately RMB780 million, a surge of 8.8% YOY. The Group's property sales contributed mainly by Differ Sky Realm (鼎豐天境), Chuzhoufu City (處州府城) and She People Ancient Town (畚鄉古城) (formerly known as Phoenix Ancient Town 鳳凰古鎮), all of which are located in Lishui, China. Differ Sky Realm (鼎豐天境) is a residential development project mainly composed of residential properties, with a small area on the ground floor for commercial use.

During the year ended 31 December 2019, most of the remaining portion of Phase 1 and Phase 2 of Differ Sky Realm (鼎豐天境) and over 90% of the property at Differ Sky Realm (鼎豐天境) Phase 3 were sold to buyers. Differ Sky Realm (鼎豐天境)'s revenue for the year ended December 31, 2019 was approximately RMB490 million.

The prefectural capital city of Lishui City is a commercial and cultural development project with the theme of cultural tourism. The development has a total site area of approximately 74,721 square meters and a total floor area of approximately 97,929 square meters. The construction of the prefectural capital city was completed in 2019, and the revenue for the year ended December 31, 2019 was approximately RMB53 million.

In addition, the She People Ancient Town (畚鄉古城) in Jingning Town, Zhejiang is a commercial and cultural development project with a total site area of approximately 173,934 square meters and a total floor area of approximately 311,585 square meters. The construction of She People Ancient Town (畚鄉古城) was completed in December 2019, and a small part of it has been delivered to buyers in 2019. The income of She People Ancient Town (畚鄉古城) for the year ended 31 December 2019 was

approximately RMB 220 million.

The Group also recorded approximately RMB 12 million in financing and rental income from the sale of special assets, non-performing loans during the year. With strict approval management and an efficient and sound risk management system, the Group recorded a low bad debt ratio of only 0.6% in 2019. On the other hand, since the Group completed the acquisition of Differ Cultural Travel, relying on Differ Cultural Travel's deep experience in handling similar types of assets, the capital appreciation potential of the value assets held by the Group, and the Group is gradually exploring more Multi-value asset projects, management believes that these projects will bring significant sustainable returns to the Group in the coming years.

In terms of financial services and finance lease services, the business's turnover in 2019 was RMB 140 million, an increase of 11.7% YOY. Financial consultancy services increased from approximately RMB 3.4 million in 2018 to approximately RMB 37 million in 2019, an increase of 980.4% YOY, mainly due to the increase in demand for financial consultancy services, so the income from financial consultancy services also increased. Money lending recorded interest income of approximately RMB 51 million, an increase of 137.2% YOY. The Group has been committed to developing diversified financial services and providing customers with comprehensive financial wealth management services, such as entrusted loans, guarantee services, supply chain agency services and financial consultancy services. Since 2018, the Group has been licensed by the Hong Kong Securities Regulatory Commission to carry out Type 1 (securities trading) and Type 9 (providing asset management) regulated activities, and will continue to carry out related businesses to create differentiated financial products for overseas customers and Provide diversified financial services. Among them, the financial and securities services revenue in 2019 was approximately RMB 3.22 million, a YOY increase of 1098.1%.

With regard to the financial lease services business, with the strategic adjustments made by the Group's business and the coordination effect on resource allocation, the Group will grasp the latest policies in early 2020, create financing cooperation opportunities for key domestic financing projects, and broaden the Group's revenue sources.

On the other hand, the Group believes that the experience of engaging in supply chain agency services has given the Group an advantage in identifying and sourcing different products, and further believes that the existing customer base and network of supply

chain agency services has enabled the Group to find buyers and the seller has an advantage. Based on the above, the Group concludes that engaging in the trading of commodities business under the new business model represents a business transformation shifted from supply chain agency services, providing the Group with an opportunity to diversify its revenue sources. As of December 31, 2019, total revenue from trading of commodities business was approximately RMB 1.33 billion.

Looking forward, **Mr. HONG Mingxian, Chairman and Executive Director of DFH stated,** "The strong development of the Group's asset management and financial services business will gradually establish Differ's leading advantages in the asset management and financial services sector in Greater China and further enrich its business. To expand the customer base. We will continue to establish close cooperative relationships with financial institutions and banks to capture the huge business opportunities brought by favorable national policies. In 2020, the Group has assessed the overall impact of the COVID-19 on the Group's operations and has taken all feasible and effective measures to limit and maintain the controllable impact. In the future, we will take advantage of the trend and actively inject new elements and develop new momentum on the basis of the existing business structure, further expand market share and consolidate the leading position, and build a comprehensive and comprehensive Financial service platforms and diversified asset management blueprints to enhance overall value and shape core advantages to create value for customers and shareholders. "

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. The Group was rewarded “Forbes Asia Best Under A Billion” in Forbes and Capital Weekly - The Listed Enterprise Excellence Awards in 2019 - result announcement For details, please visit its website: www.dfh.cn