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DIFFER GROUP AUTO LIMITED

鼎豐集團汽車有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6878)

FURTHER CHANGE IN USE OF PROCEEDS

References are made to (i) the announcements of Differ Group Auto Limited (the “**Company**”) dated 19 December 2023 and 29 February 2024, and the circular of the Company dated 26 January 2024 (the “**Circular**”) in relation to, among others, the placing of new Shares under Specific Mandate; and (ii) the announcement of the Company dated 19 July 2024 in relation to, among others, the change in use of proceeds from the Placing. Unless otherwise defined, capitalised terms used herein shall have the same meanings as used in the Circular.

PREVIOUS CHANGE IN USE OF PROCEEDS

As disclosed in the announcement of the Company dated 29 February 2024, the net proceeds from the Placing, after deducting the placing commission and other related expenses incurred in relation to the Placing, amount to approximately HK\$13.6 million. In the announcement of the Company dated 19 July 2024, the Company announced certain changes in the intended the net proceeds from the Placing in the following manner:

- (i) approximately HK\$6.3 million for the costs for the implementation of the Scheme after the Scheme has become effective; and
- (ii) approximately HK\$7.3 million for the general working capital of the Company for the period from March 2024 to December 2025.

As disclosed in the announcement of the Company dated 20 June 2023, the Company was served with a winding-up petition issued with the High Court for the winding-up of the Company under the provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong) under Companies Winding-up Proceedings No. 266 of 2023 on 20 June 2023. In the circumstances, the Company has to apply to the High Court for a validation order to use the proceeds from the Placing.

FURTHER CHANGE IN USE OF PROCEEDS

Reference is made to the announcement of the Company dated 17 October 2024 in relation to, among others, the proposed Scheme of Arrangement of the Company. In order to maintain the basic level of operation of the Company before the implementation of the proposed Scheme of Arrangement, the Board had resolved to change the use of net proceeds further such that all the net proceeds from the Placing amount to approximately HK\$13.6 million will be used for the general working capital for the Company.

As at the date of this announcement, the amount of unutilized proceeds from the Placing is approximately HK\$4.4 million.

The Company has applied to the High Court and the High Court has approved the validation order for the change in the use of proceeds from the Placing.

WARNING

The proposed transactions contemplated under the Proposed Restructuring (including the Scheme) may or may not be fulfilled and are subject to conditions precedent of the Scheme, approval by the Shareholders (if necessary), creditors of the Company, regulators and the Court. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

By Order of the Board
Differ Group Auto Limited
FENG Xiaogang
Executive Director

Hong Kong, 21 November 2024

As at the date of this announcement, the executive Directors are Dr. FENG Xiaogang and Mr. TONG Lu; the non-executive Director is Mr. KANG Fuming; and the independent non-executive Directors are Mr. CHAN Sing Nun, Mr. LAM Kit Lam and Ms. CHUANG Yin Lam.