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 AND ADVANCE TO AN ENTITY

PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

Reference is made to the announcements of the Group in relation to the Previous Entrusted Loan Agreements dated 26 October 2015 and 8 January 2016, respectively.

The Board is pleased to announce that on 20 April 2016, the Entrusted Loan Master Agreement was entered into among Differ VC, Differ Dai and the Customers. Pursuant to the Entrusted Loan Master Agreement, Differ VC and Differ Dai agreed to provide entrusted loans with an aggregate amount up to RMB180,000,000 to the Customers through the Lending Bank for a period of 24 months. In order to grant loans under the Entrusted Loan Master Agreement, separate entrusted loan agreements will be entered into among Differ VC and/or Differ Dai, the Lending Bank and the Customers. During any time within the period of the Entrusted Loan Master Agreement, the aggregate outstanding loan balance granted to the Customers by Differ VC and Differ Dai under (i) the entrusted loan agreements entered pursuant to the Entrusted Loan Master Agreement; and (ii) the Previous Entrusted Loan Agreements, shall not exceed RMB180,000,000, being the Entrusted Loan Cap.

IMPLICATIONS UNDER THE LISTING RULES

The Previous Entrusted Loan Agreements, which constitute a notifiable transaction (as defined under the Listing Rules) itself had been announced on 26 October 2015 and 8 January 2016. In respect of the Entrusted Loan Cap under the Entrusted Loan Master Agreement, certain applicable percentage ratios under Rule 14.07 of the Listing Rules were more than 5% but less than 25%. As such, 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.

As the assets ratio as defined under Rule 14.07(1) of the Listing Rules in respect of the Entrusted Loan Cap under the Entrusted Loan Master Agreement exceeds 8%, the Transaction is also subject to the general disclosure obligations under Rule 13.13 of the Listing Rules. The information required to be disclosed pursuant to Rule 13.13 of the Listing Rules in respect of the Transaction is disclosed in this announcement.

PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

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Prior to entering into the Entrusted Loan Master Agreement, Differ VC, the Lending Bank and Customer A entered into the Previous Entrusted Loan Agreements on 26 October 2015 and 8 January 2016, respectively. As at the date of this announcement, the outstanding balance of loan principal under the Previous Entrusted Loan Agreements was RMB98,700,000.

Immediately after entering into the Entrusted Loan Master Agreement, Differ VC (as the entrusting party), the Lending Bank (as the entrusted party and the lender) and Customer A (as the borrower) entered into the Entrusted Loan Agreement A under the Entrusted Loan Master Agreement. Pursuant to the Entrusted Loan Agreement A, Differ VC has entrusted the Lending Bank with an amount of RMB40,300,000 for the purpose of lending the same to Customer A for a period of 12 months.

On the same day, after entering into the Entrusted Loan Master Agreement, Differ VC (as the entrusting party), the Lending Bank (as the entrusted party and the lender) and Customer B (as the borrower) entered into the Entrusted Loan Agreement B under the Entrusted Loan Master Agreement. Pursuant to the Entrusted Loan Agreement B, Differ VC has entrusted the Lending Bank with an amount of RMB20,370,000 for the purpose of lending the same to Customer B for a period of 12 months.

The Customers are beneficially owned by the same shareholders and thus the transactions contemplated under the Entrusted Loan Master Agreement should be aggregated pursuant to Rule 14.23 of the Listing Rules.

ENTRUSTED LOAN MASTER AGREEMENT

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

Date of the Entrusted Loan Master Agreement	:	20 April 2016
Entrusting parties	:	Differ VC and Differ Dai
Entrusted party	:	The Lending Bank
Borrowers	:	The Customers
Entrusted Loan Cap	:	Up to RMB180,000,000 (equivalent to approximately HK$214,286,000)
Interest rate	:	17.0% per annum
Loan period	:	24 months

ENTRUSTED LOAN AGREEMENT A

Summarised below are the principal terms of the Entrusted Loan Agreement A:

Date of the Entrusted Loan Agreement A	:	20 April 2016
Entrusting party	:	Differ VC
Entrusted party	:	The Lending Bank
Borrower	:	Customer A
Principal	:	RMB40,300,000 (equivalent to approximately HK$47,976,000)
Interest rate	:	17.0% per annum
Loan period	:	12 months
Repayment	:	Customer A shall repay the interests on a monthly basis and the principal amount at the end of the loan period

ENTRUSTED LOAN AGREEMENT B

Summarised below are the principal terms of the Entrusted Loan Agreement B:

Date of the Entrusted Loan Agreement B	:	20 April 2016
Entrusting party	:	Differ VC
Entrusted party	:	The Lending Bank
Borrower	:	Customer B
Principal	:	RMB20,370,000 (equivalent to approximately HK$24,250,000)
Interest rate	:	17.0% per annum
Loan period	:	12 months
Repayment	:	Customer B shall repay the interests on a monthly basis and the principal amount at the end of the loan period

PREVIOUS ENTRUSTED LOAN AGREEMENTS

The Previous Entrusted Loan Agreements, which were entered into among Differ VC, the Lending Bank and Customer A on 26 October 2015 and 8 January 2016, respectively, remained outstanding as at the date of the Entrusted Loan Master Agreement. As at the date of this announcement, the aggregate outstanding loan principal in respect of the Previous Entrusted Loan Agreements was RMB98,700,000 and the loan period was 12 months.

Summarised below are the principal terms of the Previous Entrusted Loan Agreements:

Date of the Previous Entrusted Loan Agreements	:	26 October 2015 and 8 January 2016
Entrusting party	:	Differ VC
Entrusted party	:	The Lending Bank
Borrower	:	Customer A

Aggregate outstanding principal amount approximately as at the date of this announcement	:	RMB98,700,000 (equivalent to HK$117,500,000)
Interest rate	:	17.0% per annum
Loan period	:	12 months
Repayment	:	The Customer A shall repay the interests on a monthly basis and the principal amount at the end of the loan period

SECURITY AND GUARANTEES

The Entrusted Loan and the Previous Entrusted Loan are secured by the pledge of the equity rights from the shareholders of the Customers at fair value of approximately RMB200,000,000 (equivalent to HK$238,095,000).

SOURCE OF FUNDING

The Entrusted Loan and the Previous Entrusted Loan were partly funded by the net proceeds from the subscription (as defined in the Company's announcement dated 22 October 2015) and partly by the Group's internal resources.

INFORMATION ON THE CUSTOMERS

Customer A 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.

Customer B is a limited liability company established in the PRC and is principally engaged in textile industry in the PRC.

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

INFORMATION ON THE LENDING BANK

The Lending Bank is a local branch of a PRC commercial bank principally engaged in the provision of a range of banking services and related financial services.

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

INFORMATION ON THE GROUP, DIFFER VC AND DIFFER DAI

The Group is a provider of short to medium-term financing and financing-related solutions in Fujian Province and is principally engaged in the provision of (i) financing guarantee services, (ii) express loan services, (iii) financial services, (iv) finance lease services and (v) asset management services.

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

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 entrusted 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 Entrusted Loan Master Agreement, the Entrusted Loan Agreements and Previous Entrusted Loan Agreements (including the principal amounts, the interest rates and the loan periods) were negotiated on an arm's length basis between the Group and the Customers based on, among other things, the financing needs requested by the Customers, 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 Customers. The Directors are of the view that the Entrusted Loan Master Agreement, the Entrusted Loan Agreements and Previous Entrusted Loan Agreements were 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 Entrusted Loan Master Agreement, the Entrusted Loan Agreements and the Previous Entrusted Loan Agreements, 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

The Previous Entrusted Loan Agreements, which constitute a notifiable transaction (as defined under the Listing Rules) itself had been announced on 26 October 2015 and 8 January 2016, respectively. In respect of the Entrusted Loan Cap under the Entrusted Loan Master Agreement, certain applicable percentage ratios under Rule 14.07 of the Listing Rules were more than 5% but less than 25%. As such, the Transaction constitutes a disclosable 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.

As the assets ratio as defined under Rule 14.07(1) of the Listing Rules in respect of the Entrusted Loan Cap under the Entrusted Loan Master Agreement exceeds 8%, the Transaction is also subject to the general disclosure obligations under Rule 13.13 of the Listing Rules. The information required to be disclosed pursuant to Rule 13.13 of the Listing Rules in respect of the Transaction is disclosed in this announcement.

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
"Customers"	Customer A and Customer B
"Customer A"	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
"Customer B"	廈門倫輝貿易有限公司(Xiamen Lun Hui Trading Limited), a limited liability company established in the PRC which is principally engaged in textile industry in the PRC
"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
"Differ VC"	廈門市鼎豐創業投資有限公司(Xiamen Differ Venture Capital Company Limited), an indirect wholly-owned subsidiary of the Company
"Director(s)"	The director(s) of the Company
"Entrusted Loan Agreements"	the Entrusted Loan Agreement A and the Entrusted Loan Agreement B
"Entrusted Loan Agreement A"	the entrusted loan agreements dated 20 April 2016 entered into among Differ VC (as the entrusting party), the Lending Bank (as the entrusted party and the lender) and Customer A (as the borrower) in relation to the granting of the entrusted loan of RMB40,300,000 (equivalent to approximately HK$47,976,000) to the Customer A

"Entrusted Loan Agreement B"	the entrusted loan agreements dated 20 April 2016 entered into among Differ VC (as the entrusting party), the Lending Bank (as the entrusted party and the lender) and Customer B (as the borrower) in relation to the granting of the entrusted loan of RMB20,370,000 (equivalent to approximately HK$24,250,000) to the Customer B
"Entrusted Loan Cap"	the entrusted loan cap of RMB180,000,000 (equivalent to approximately HK$214,286,000) pursuant to the Entrusted Loan Master Agreement
"Entrusted Loan Master Agreement"	the master agreement dated 20 April 2016 entered into among Differ VC, Differ Dai and the Customers, pursuant to which Differ VC and Differ Dai agreed to provide entrusted loans with an aggregate amount up to RMB180,000,000 (equivalent to approximately HK$214,286,000) through the Lending Bank to the Customers
"Entrusted Loan"	the entrusted loans in total amount of RMB60,670,000 (equivalent to approximately HK$72,226,000) granted by Differ VC to the Customers through the Lending Bank pursuant to Entrusted Loan Agreements
"Fujian Province"	福建省(Fujian Province), a province on the southeast coast of the PRC
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Lending Bank"	a local branch of a PRC commercial bank
"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
"Previous Entrusted Loan"	the outstanding entrusted loan in the amount of RMB98,700,000 (equivalent to approximately HK$117,500,000) granted by Differ VC to Customer A through the Lending Bank pursuant to the Previous Entrusted Loan Agreements

"Previous Entrusted Loan Agreements"	the entrusted loan agreements dated 26 October 2015 and 8 January 2016 entered into among Differ VC (as the entrusting party), the Lending Bank (as the entrusted party and the lender) and the Customer A (as the borrower) in relation to the granting of the Previous Entrusted Loan to the Customer A
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Transaction"	the granting of entrusted loans under the Entrusted Loan Master Agreement, including the Previous Entrusted Loan and the Entrusted Loan
"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, 20 April 2016

In this announcement, translation of RMB into HK$ is based on the exchange rate of HK$1:RMB0.84. No representation is made that any amounts in RMB and HK$ 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, 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. TSANG Hin Man Terence and Mr. ZENG Haisheng.