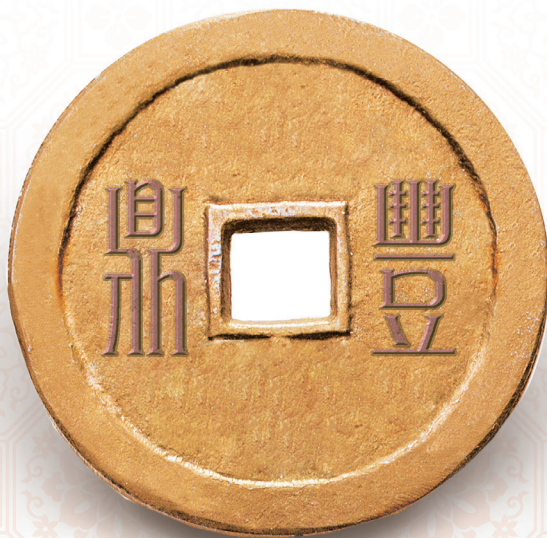


Differ Group Holding Company Limited  
鼎豐集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8056



**Third Quarterly Report 2014**

## CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**”) of Differ Group Holding Company Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

## **FINANCIAL HIGHLIGHTS**

- Turnover of the Group for the nine months ended 30 September 2014 was approximately RMB82,139,000 (2013: RMB50,123,000), representing an increase of approximately 63.9% as compared with the corresponding period in 2013.
- Profit attributable to owners of the Company for the nine months ended 30 September 2014 was approximately RMB50,242,000 (2013: RMB25,249,000), representing an increase of approximately 99.0% as compared with the corresponding period in 2013.
- Earnings per share of the Company for the nine months ended 30 September 2014 was approximately RMB5.02 cents (2013: RMB3.37 cents).
- The Directors do not recommend the payment of any dividend for the nine months ended 30 September 2014.

## UNAUDITED THIRD QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and nine months ended 30 September 2014, together with the unaudited comparative figures for the corresponding period in 2013.

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2014

|  | Notes | Three months ended<br>30 September |                                | Nine months ended<br>30 September |                                |
|--|-------|------------------------------------|--------------------------------|-----------------------------------|--------------------------------|
|  |       | 2014<br>(Unaudited)<br>RMB'000     | 2013<br>(Unaudited)<br>RMB'000 | 2014<br>(Unaudited)<br>RMB'000    | 2013<br>(Unaudited)<br>RMB'000 |
|  |       | Revenue                            | 3                              | 26,397                            | 15,707                         |
| Other income   | 3     | 1,869                              | 243                            | 2,621                             | 2,537                          |
| Employee benefit expenses  |       | (2,528)                            | (2,019)                        | (7,212)                           | (5,662)                        |
| Depreciation and amortisation expenses   |       | (525)                              | (501)                          | (1,561)                           | (1,522)                        |
| Operating lease expenses   |       | (311)                              | (84)                           | (552)                             | (240)                          |
| Other expenses   |       | (2,611)                            | (3,663)                        | (7,608)                           | (10,036)                       |
| <b>Profit before income tax</b>  | 4     | <b>22,291</b>                      | 9,683                          | <b>67,827</b>                     | 35,200                         |
| Income tax expense   | 5     | (5,689)                            | (2,740)                        | (17,585)                          | (9,951)                        |
| <b>Profit for the period attributable to the owners of the Company</b>   |       | <b>16,602</b>                      | 6,943                          | <b>50,242</b>                     | 25,249                         |
| <b>Other comprehensive income attributable to the owners of the Company that may be reclassified to profit or loss in subsequent periods</b> |       |                                    |                                |                                   |                                |
| – Exchange differences on translating foreign operation  |       | 53                                 | (4)                            | (77)                              | 263                            |
| <b>Total comprehensive income for the period attributable to the owners of the Company</b>   |       | <b>16,655</b>                      | 6,939                          | <b>50,165</b>                     | 25,512                         |
| <b>Earnings per share – Basic and diluted (RMB cents)</b>  | 7     | <b>1.66</b>                        | 0.93                           | <b>5.02</b>                       | 3.37                           |

## NOTES

### 1. CORPORATE AND GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 4 December 2012. The Company's shares have been listed on the GEM of the Stock Exchange since 9 December 2013. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Group is located at 23rd Floor, Tower 11, 166 Tapu East Road, Xiamen, the People's Republic of China (the "PRC").

The companies comprising the Group underwent a group restructuring exercise (the "Reorganisation") to rationalise the Group's structure in preparation for the listing of the shares of the Company on the Stock Exchange. Further details of the Reorganisation were set out in 2013 annual report of the Company dated 19 March 2014.

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are provision of guarantee services, pawn loan services, financial consultation services, entrusted loan services and finance lease services in the PRC.

### 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and include applicable disclosures required by the GEM Listing Rules.

The functional currency of the Company is Hong Kong Dollar ("HK\$"). The unaudited condensed consolidated financial statements are presented in Renminbi ("RMB") since most of the companies comprising the Group are operating in RMB environment and the functional currency of most of the companies comprising the Group is RMB.

The accounting policies used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2013 except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for the annual periods beginning on 1 January 2014. The effect of the adoption of these standards, amendments and interpretations was not material to the Group's results of operations and financial position.

### 3. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents income from the Group's principal activities, net of value-added tax. Revenue and other income recognised during the periods are as follows:

|                                    | Three months ended<br>30 September |                                | Nine months ended<br>30 September |                                |
|------------------------------------|------------------------------------|--------------------------------|-----------------------------------|--------------------------------|
|                                    | 2014<br>(Unaudited)<br>RMB'000     | 2013<br>(Unaudited)<br>RMB'000 | 2014<br>(Unaudited)<br>RMB'000    | 2013<br>(Unaudited)<br>RMB'000 |
| Revenue                            |                                    |                                |                                   |                                |
| Interest income                    |                                    |                                |                                   |                                |
| – Pawn loan services               | 3,900                              | 3,245                          | 11,154                            | 9,255                          |
| – Entrusted loan services          | 14,738                             | 6,107                          | 27,624                            | 16,784                         |
| Consultancy service income         | 1,302                              | 178                            | 22,931                            | 8,514                          |
| Income from guarantee services     | 4,153                              | 3,828                          | 12,529                            | 11,029                         |
| Income from finance lease services | 2,304                              | 2,349                          | 7,901                             | 4,541                          |
|                                    | <u>26,397</u>                      | <u>15,707</u>                  | <u>82,139</u>                     | <u>50,123</u>                  |
| Other income                       |                                    |                                |                                   |                                |
| Bank interest income               | 449                                | 241                            | 1,169                             | 948                            |
| Government grant                   | 1,410                              | –                              | 1,410                             | 1,567                          |
| Others                             | 10                                 | 2                              | 42                                | 22                             |
|                                    | <u>1,869</u>                       | <u>243</u>                     | <u>2,621</u>                      | <u>2,537</u>                   |

### 4. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

|   | Three months ended<br>30 September |                                | Nine months ended<br>30 September |                                |
|---|------------------------------------|--------------------------------|-----------------------------------|--------------------------------|
|   | 2014<br>(Unaudited)<br>RMB'000     | 2013<br>(Unaudited)<br>RMB'000 | 2014<br>(Unaudited)<br>RMB'000    | 2013<br>(Unaudited)<br>RMB'000 |
| Depreciation of property, plant and equipment                 | 423                                | 399                            | 1,255                             | 1,216                          |
| Amortisation of prepaid land lease                            | 102                                | 102                            | 306                               | 306                            |
| Employee benefit expenses (including Directors' remuneration) | 2,152                              | 1,732                          | 6,066                             | 4,798                          |
| Salaries  |                                    |                                |                                   |                                |
| Pension scheme contributions                                  | 129                                | 55                             | 324                               | 214                            |
| – Defined contribution plans                                  | 247                                | 232                            | 822                               | 650                            |
| Other benefits  | 2,528                              | 2,019                          | 7,212                             | 5,662                          |
| Listing expenses  | –                                  | 1,006                          | –                                 | 4,256                          |
| Operating lease charges in respect of properties              | 311                                | 84                             | 552                               | 240                            |
|   | <u>311</u>                         | <u>84</u>                      | <u>552</u>                        | <u>240</u>                     |

## 5. INCOME TAX EXPENSE

|                   | Three months ended<br>30 September |                                | Nine months ended<br>30 September |                                |
|-------------------|------------------------------------|--------------------------------|-----------------------------------|--------------------------------|
|                   | 2014<br>(Unaudited)<br>RMB'000     | 2013<br>(Unaudited)<br>RMB'000 | 2014<br>(Unaudited)<br>RMB'000    | 2013<br>(Unaudited)<br>RMB'000 |
| Current tax – PRC | <u>5,689</u>                       | <u>2,740</u>                   | <u>17,585</u>                     | <u>9,951</u>                   |

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the nine months ended 30 September 2014 (2013: Nil).

Enterprise income tax arising from subsidiaries operated in the PRC for the nine months ended 30 September 2014 was calculated at 25% (2013: 25%) of the estimated assessable profits during the period.

## 6. DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2014 (2013: Nil).

## 7. EARNINGS PER SHARE

The calculations of basic earnings per share for the three months and nine months ended 30 September 2014 is based on the profit attributable to owners of the Company of approximately RMB16,602,000 and RMB50,242,000 respectively (three months and nine months ended 30 September 2013: RMB6,943,000 and RMB25,249,000 respectively) and on the 1,000,000,000 ordinary shares issued throughout the three months and nine months ended 30 September 2014 (three months and nine months ended 30 September 2013: 750,000,000 ordinary shares issuable (being the number of shares of the Company immediately prior to the listing of the Company's shares on the Stock Exchange as if the shares had been in issue)).

Diluted earnings per share is the same as the basic earnings per share because the Group had no potential ordinary shares during the periods.

## 8. UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|  | Share<br>capital<br>RMB'000 | Share<br>premium<br>RMB'000 | Capital<br>reserve<br>RMB'000 | Merger<br>reserve<br>RMB'000 | Statutory<br>reserve<br>RMB'000 | Translation<br>reserve<br>RMB'000 | Retained<br>profits<br>RMB'000 | Total<br>RMB'000 |
|--|-----------------------------|-----------------------------|-------------------------------|------------------------------|---------------------------------|-----------------------------------|--------------------------------|------------------|
| For the nine months ended<br>30 September 2014 (Unaudited) |                             |                             |                               |                              |                                 |                                   |                                |                  |
| At 1 January 2014  | 7,800                       | 137,515                     | 277,562                       | 7                            | 7,402                           | 532                               | 76,993                         | 507,811          |
| Profit for the period                                      | -                           | -                           | -                             | -                            | -                               | -                                 | 50,242                         | 50,242           |
| Other comprehensive income for<br>the period               | -                           | -                           | -                             | -                            | -                               | (77)                              | -                              | (77)             |
| Total comprehensive income for<br>the period               | -                           | -                           | -                             | -                            | -                               | (77)                              | 50,242                         | 50,165           |
| Transfer to statutory reserve                              | -                           | -                           | -                             | -                            | 5,035                           | -                                 | (5,035)                        | -                |
| At 30 September 2014                                       | <u>7,800</u>                | <u>137,515</u>              | <u>277,562</u>                | <u>7</u>                     | <u>12,437</u>                   | <u>455</u>                        | <u>122,200</u>                 | <u>557,976</u>   |
| For the nine months ended<br>30 September 2013 (Unaudited) |                             |                             |                               |                              |                                 |                                   |                                |                  |
| At 1 January 2013  | -                           | -                           | 268,000                       | -                            | 3,848                           | 221                               | 40,311                         | 312,380          |
| Profit for the period                                      | -                           | -                           | -                             | -                            | -                               | -                                 | 25,249                         | 25,249           |
| Other comprehensive income for<br>the period               | -                           | -                           | -                             | -                            | -                               | 263                               | -                              | 263              |
| Total comprehensive income for<br>the period               | -                           | -                           | -                             | -                            | -                               | 263                               | 25,249                         | 25,512           |
| Transfer to statutory reserve                              | -                           | -                           | -                             | -                            | 2,850                           | -                                 | (2,850)                        | -                |
| Arising from Reorganisation                                | -                           | -                           | (10,000)                      | -                            | -                               | -                                 | -                              | (10,000)         |
| At 30 September 2013                                       | <u>-</u>                    | <u>-</u>                    | <u>258,000</u>                | <u>-</u>                     | <u>6,698</u>                    | <u>484</u>                        | <u>62,710</u>                  | <u>327,892</u>   |



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

As an integrated financing service provider, the Group mainly provide short to medium-term financing and financing-related solutions in Fujian Province. During the nine months ended 30 September 2014, the revenue was mainly derived from the provision of (i) guarantee services, (ii) pawn loan services, (iii) financial consultation services, (iv) entrusted loan services and (v) finance lease services to our customers.

### FINANCIAL REVIEW

#### *Revenue*

The revenue increased from approximately RMB50.1 million for the nine months ended 30 September 2013 to approximately RMB82.1 million for the nine months ended 30 September 2014, representing an increase of approximately RMB32.0 million or 63.9%. The increase was attributable to the net effect of the following reasons:

#### *Guarantee services*

We mainly provided the financing guarantee services during the nine months ended 30 September 2013 and 2014. Our Group's guarantee service income increased by 13.6% from approximately RMB11.0 million for the nine months ended 30 September 2013 to approximately RMB12.5 million for the nine months ended 30 September 2014. Our Group continued to expand our financing guarantee services in our home market in Fujian Province. The increase in income from our guarantee services was mainly attributable to the increase in number of financing guarantee contracts with revenue contribution from 158 for the nine months ended 30 September 2013 to 175 for the nine months ended 30 September 2014.

#### *Pawn loan services*

Our Group's pawn loan service income increased by 20.5% from approximately RMB9.3 million for the nine months ended 30 September 2013 to approximately RMB11.2 million for the nine months ended 30 September 2014.

The increase in pawn loan service income was mainly attributable to the following reasons:

- (i) the number of pawn loan contracts with revenue contribution increased from 48 for the nine months ended 30 September 2013 to 49 for the nine months ended 30 September 2014; and
- (ii) the total amount of new or renewed pawn loans granted during the period increased from approximately RMB83.1 million for the nine months ended 30 September 2013 to RMB90.4 million for the nine months ended 30 September 2014.

#### *Financial consultation services*

The financial consultation service income of our Group increased sharply from approximately RMB8.5 million for the nine months ended 30 September 2013 to RMB22.9 million for the nine months ended 30 September 2014. The increase in financial consultation services income was mainly due to the increase in the number of financial consultation services, which charged our customers based on certain percentage of the amount of financing obtained as a result of our consultation, from 8 for the nine months ended 30 September 2013 to 22 for the nine months ended 30 September 2014. During the year of 2014, we have put more effort to expand our financial consultation business.

#### *Entrusted loan services*

Our Group's entrusted loan service income increased by 64.6% from approximately RMB16.8 million for the nine months ended 30 September 2013 to RMB27.6 million for the nine months ended 30 September 2014. The increase of entrusted loan service income was mainly due to (i) the increase of outstanding entrusted loan receivables from RMB127.0 million as at 30 September 2013 to RMB175.0 million as at 30 September 2014 and (ii) total amount of new or renewed entrusted loans granted increased from approximately RMB252.0 million for the nine months ended 30 September 2013 to RMB278.0 million for the nine months ended 30 September 2014.

#### *Finance lease services*

For the nine months ended 30 September 2013 and 2014, our Group's finance lease service income was approximately RMB4.5 million and RMB7.9 million respectively. For the nine months ended 30 September 2014, we have 13 finance lease transactions with revenue contribution as compared with only 5 transactions for the corresponding period of last year.

#### *Other income*

Other income increased from approximately RMB2.5 million for the nine months ended 30 September 2013 to approximately RMB2.6 million for the nine months ended 30 September 2014, representing an increase of approximately RMB0.1 million or 3.3%. Our Group's other income mainly represented the bank interest income and the government grant. The increase in other income was mainly due to the fact that we have received more interest income during the period.

#### *Employee benefit expenses*

The employee benefit expenses increased from approximately RMB5.7 million for the nine months ended 30 September 2013 to approximately RMB7.2 million for the nine months ended 30 September 2014, representing an increase of approximately RMB1.5 million or 27.4%. Our Group's employee benefit expenses mainly comprised staff salaries, Directors' emoluments and other benefits. The increase in employee benefit expenses was mainly attributable to the increase of number of Directors (including non-executive Directors and independent non-executive Directors) and other staff salaries as our Group hired more staff for business expansion and listing.

### *Other expenses*

The other expenses decreased from approximately RMB10.0 million for the nine months ended 30 September 2013 to approximately RMB7.6 million for the nine months ended 30 September 2014, representing a decrease of approximately RMB2.4 million or 24.2%. The decrease in other expenses was mainly attributable to decrease of listing expenses from approximately RMB4.3 million for the nine months ended 30 September 2013 to nil for the nine months ended 30 September 2014. The above was partly offset by the increase of various operating expenses due to business expansion.

### *Profit for the period attributable to the owners of the Company*

Our Group's profit attributable to the owners of the Company was approximately RMB50.2 million for the nine months ended 30 September 2014, representing an increase of approximately RMB25.0 million, or 99.0%, from approximately RMB25.2 million for the nine months ended 30 September 2013.

### **Outlook**

In the past few months, the PRC banks have adopted a relatively tight credit policy which increases the difficulties in obtaining financing by SMEs from banks. Under the prevailing restrictive credit environment, the Group believes the demand of our short to medium-term financing and financing-related services will continue to grow. At the same time, the Group has strengthened the risk management measures and steps on granting new loans and guarantees to customers.

The Group will continue monitoring the ongoing market development of our existing businesses such as guarantee, loan and financial consultation services and will also put more effort to explore new business opportunities.

### **ADVANCE TO AN ENTITY**

Pursuant to Rule 17.15 of the GEM Listing Rules, a general disclosure obligations arises where an advance to an entity from the Company exceeds 8% of the total assets of the Group. Pursuant to Rule 17.22 of the GME Listing Rules, details of advances as defined under Rule 17.15 of the GEM Listing Rules which remained outstanding as at 30 September 2014 were as follow:

#### *1) Entrusted loan agreement dated 19 May 2014 (“Entrusted Loan Agreement A”)*

Entrusted Loan Agreement A was granted by 廈門市鼎豐創業投資有限公司 (Xiamen Differ Venture Capital Company Limited) (“**Differ VC**”), an indirect wholly-owned subsidiary of the Company to 廈門鼎順凱商貿有限公司 (Xiamen Ding Shun Kai Trading Limited) (“**Customer A**”) through the lending bank pursuant to which Differ VC has entrusted the lending bank with an amount of RMB47,000,000 for the purpose of lending the same to Customer A for a period from 19 May 2014 to 18 November 2014.

The principal terms of Entrusted Loan Agreement A are as follows:

|                   |  |
|-------------------|--|
| Principal amount: | RMB47 million  |
| Interest rate:    | 1.8% per month   |
| Loan period:      | As mentioned above   |
| Repayment:        | Customer A shall repay the interests on a monthly basis and the principal amount at the end of the loan period |

Security and guarantees:

- (i) the pledge of a piece of residential land in the PRC which is valued by an independent valuer at approximately RMB98,300,000;
  - (ii) personal guarantee of one individual; and
  - (iii) corporate guarantee of two companies which are principally engaged in real estate development in the PRC.
- 2) *Entrusted loan agreement dated 6 June 2014 (“Entrusted Loan Agreement B1”) and entrusted loan agreement dated 26 June 2014 (“Entrusted Loan Agreement B2”)*

Entrusted Loan Agreement B1 was granted by Differ VC to 廈門倫輝貿易有限公司 (Xiamen Lun Hui Trading Limited) (“**Customer B**”) through the lending bank pursuant to which Differ VC has entrusted the lending bank with an amount of RMB25,000,000 for the purpose of lending the same to Customer B for a period from 6 June 2014 to 5 December 2014.

In addition, Entrusted Loan Agreement B2 was granted by Differ VC to Customer B through the lending bank pursuant to which Differ VC has entrusted the lending bank with an amount of RMB25,000,000 for the purpose of lending the same to Customer B for a period from 26 June 2014 to 25 December 2014.

The aggregate principal amount of Entrusted Loan Agreement B1 and Entrusted Loan Agreement B2 was RMB50,000,000.

The principal terms of Entrusted Loan Agreement B1 and Entrusted Loan Agreement B2 are as follows:

|                             |  |
|-----------------------------|--|
| Aggregate principal amount: | RMB50 million  |
| Interest rate:              | 1.8% per month   |
| Loan period:                | As mentioned above   |
| Repayment:                  | Customer B shall repay the interests on a monthly basis and the principal amount at the end of the loan period |

Security and guarantees:

The pledge of the equity rights from two shareholders of Customer B which is valued by an independent valuer at approximately RMB63,500,000.

#### **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 30 September 2014, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

*Long positions in shares of the Company (the "Shares")*

| <b>Name of Director</b>           | <b>Capacity/nature of interest</b>                   | <b>Number of Shares</b> | <b>Percentage of interests</b> |
|-----------------------------------|--|-------------------------|--------------------------------|
| Mr. Hong Mingxian<br>("Mr. Hong") | Interest of spouse ( <i>note 1</i> )                 | 450,000,000 Shares      | 45%                            |
| Mr. Cai Huatan<br>("Mr. Cai")     | Interest of controlled Corporation ( <i>note 2</i> ) | 300,000,000 Shares      | 30%                            |

*Notes:*

1. These Shares were held by Expert Corporate Limited, which was wholly and beneficially owned by Ms. Shi Hongjiao ("Ms. Shi"). By virtue of the SFO, Mr. Hong, being the spouse of Ms. Shi, is deemed to be interested in the 450,000,000 Shares under the SFO.
2. These Shares were held by Ever Ultimate Limited, which was wholly and beneficially owned by Mr. Cai. By virtue of the SFO, Mr. Cai is deemed to be interested in the 300,000,000 Shares under the SFO.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2014, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the following persons or companies (other than the Directors or the chief executive of the Company) had an interest or short position in the Shares and underlying Shares which was discloseable under Division 2 & 3 of Part XV of the SFO and recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

### *Long positions in Shares*

| Name                     | Capacity/nature of interest                 | Number of Shares   | Percentage of interests |
|--------------------------|---|--------------------|-------------------------|
| Expert Corporate Limited | Beneficial owner (note 1)                   | 450,000,000 Shares | 45%                     |
| Ms. Shi                  | Interest of controlled corporation (note 1) | 450,000,000 Shares | 45%                     |
| Mr. Hong                 | Interest of spouse (note 2)                 | 450,000,000 Shares | 45%                     |
| Ever Ultimate Limited    | Beneficial owner (note 3)                   | 300,000,000 Shares | 30%                     |
| Mr. Cai                  | Interest of controlled corporation (note 3) | 300,000,000 Shares | 30%                     |

### *Notes:*

1. These Shares were held by Expert Corporate Limited, which was wholly and beneficial owned by Ms. Shi. By virtue of the SFO, Ms. Shi is deemed to be interested in the 450,000,000 Shares under the SFO.
2. Mr. Hong is the spouse of Ms. Shi.
3. These Shares were held by Ever Ultimate Limited, which was wholly and beneficial owned by Mr. Cai. By virtue of the SFO, Mr. Cai is deemed to be interested in the 300,000,000 Shares under the SFO.

## SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. The Scheme was adopted by the Company on 26 November 2013, the principal terms of which are set out in the paragraph headed “Share Option Scheme” under the section headed “Statutory and General Information” of the prospectus of the Company dated 3 December 2013. No share options were granted, exercised or cancelled by the Company under the Scheme during the nine months ended 30 September 2014 and there were no outstanding share options under the Scheme as at 30 September 2014.

## **PURCHASE, SALE OR REDEMPTION OF THE SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2014.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings. The Company has also made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the nine months ended 30 September 2014.

## **DIRECTORS' INTERESTS IN A COMPETING BUSINESS**

As at 30 September 2014, none of the Directors who are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group and any other conflicts of interest, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

## **INTEREST OF COMPLIANCE ADVISER**

As notified by the Company's compliance adviser, Messis Capital Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 2 December 2013 effective on 9 December 2013, the date of the listing neither the Compliance Adviser nor its directors, employees or associates had any interests in relation to the Company as at 30 September 2014 which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## **AUDIT COMMITTEE**

The audit committee of the Company currently comprises three independent non-executive directors, namely Mr. Chan Sing Nun (chairman of audit committee), Mr. Tsang Hin Man Terence and Mr. Zeng Haisheng. The Group's unaudited consolidated results for the nine months ended 30 September 2014 have been reviewed by the audit committee. The Board is of the opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the GEM Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

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

Hong Kong, 6 November 2014

*As at the date of this report, 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.*