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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)

VOLUNTARY ANNOUNCEMENT – ESTABLISHMENT OF JOINT VENTURE

This announcement is made by the Board of the Company on a voluntary basis.

INTRODUCTION

On 21 August 2017, the Company, through one of its wholly-owned subsidiaries, entered into the JV Agreement with an associate of Tsinghua Asset Management and two other independent third parties for establishing the JV Company. The principal terms of the JV Agreement are set out below:

THE JV AGREEMENT

Date

21 August 2017

Parties

- (i) Differ Asset, an indirect wholly-owned subsidiary of the Company;
- (ii) Tsingstone Capital HK; and
- (iii) two other independent third parties

To the best of the knowledge, information and belief of the Directors after making all reasonable enquiries, Tsingstone Capital HK, the aforesaid two other independent third parties, and their respective ultimate beneficial owners are independent third parties.

Establishment of the JV Company

Pursuant to the JV Agreement, Differ Asset, Tsingstone Capital HK and the aforesaid two other independent third parties agreed, among other things, to set up the JV Company.

Scope of business

The JV Company will act as the fund manager of a USD-denominated fund which will be established and operated by the JV Company. The name of the fund will be Qing Feng Hui USD Fund* (清豐匯美元基金) and the target fund-raising amount is USD50 million in aggregate. The investment target of the fund will be businesses of the information technology sector.

Management

The majority of the board of the JV Company will be nominated by Tsingstone Capital HK. Differ Asset and the aforesaid two independent third parties will also have representatives on the board.

The chairman and the general manager of the JV Company will be nominated by Tsingstone Capital HK.

The fund will be managed by an investment decision committee which will leverage off the expertise of each of the parties involved.

BACKGROUND OF TSINGSTONE CAPITAL HK

Tsingstone Capital HK was established in Hong Kong and is a wholly-owned subsidiary of Tsingstone Capital. Tsingstone Capital was established in the PRC and is an associate of Tsinghua Asset Management, a company established in the PRC with limited liability and principally engages in investment, management and operation of financial assets and business.

REASONS FOR AND BENEFITS OF ENTERING INTO THE JV AGREEMENT

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is a provider of short to medium-term financing and financing-related solutions in PRC and Hong Kong 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.

The Directors are of the view that entering into the JV Agreement is in the interest of the Company and the Shareholders as a whole because (i) Tsingstone Capital HK is an associate of Tsinghua Asset Management, which is a renowned financial asset investment company. Establishment of joint venture with an associate of Tsinghua Asset Management would potentially attract investors and improve the Group's brand name and reputation. The Group intends to leverage on this opportunity to explore the possibility of expanding existing businesses into different areas of the financing-related solutions business in the future, including but not limited to Fintech business. The Group could potentially explore collaboration with different Fintech companies and promote business development of the Group through the business relationship with the JV Company; (ii) the holding company of Tsinghua Asset Management principally engages in businesses within various sectors including the information technology sector, life science sector, finance sector and energy and resources sector, and therefore, the opportunity to participate in the operation of the JV Company under the JV Agreement could potentially enable the Group to gain access to these businesses, thereby diversifying the Group's potential customer base in respect of the Group's businesses of providing financial services; and (iii) the principal activities of the JV Company is consistent with one of the Group's principal activities, that is the provision of asset management services, that will benefit the long term development of the Group in the relevant business sectors.

Having consider the above, the Directors consider that the terms of the JV Agreement are fair and reasonable and the establishment of the JV Company is in the interest of the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the Board of Directors
“Company”	Differ Group Holding Company Limited
“Director(s)”	the director(s) of the Company
“Differ Asset”	Differ Asset Management Company Limited, a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“independent third party(ies)”	third party(ies) who are independent of the Company and are not connected persons (as defined in the Listing Rules) of the Company
“JV Agreement”	a joint venture agreement dated 21 August 2017 entered into by the Differ Asset, Tsingstone Capital HK and two other independent third parties in relation to the formation and management of the JV Company
“JV Company”	a company to be established in Hong Kong with limited liability pursuant to the JV Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administration Region of the PRC and Taiwan
“Shareholders”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tsinghua Asset Management”	Tsinghua Asset Management Co., Ltd.* (清控資產管理有限公司), a company established in the PRC with limited liability
“Tsingstone Capital”	Tsingstone Capital Management (Shanghai) Limited* (清石資產管理(上海)有限公司), a company established in the PRC with limited liability
“Tsingstone Capital HK”	Tsingstone Capital Management (Hong Kong) Limited (清石資產管理(香港)有限公司), a company established in Hong Kong with limited liability
“USD”	United States dollar(s), the lawful currency of the United States

By Order of the Board
Differ Group Holding Company Limited
Hong Mingxian
Chairman and Executive Director

Hong Kong, 21 August 2017

** For ease of reference, the names of companies and entities established in the PRC have been included in this announcement in English by way of translation if such Chinese entities do not have an English name as part of their legal name. If there is any inconsistency between the Chinese names of the Chinese entities mentioned in this announcement and their English translations, the Chinese version shall prevail. English translations of company names in Chinese which are marked with “*” are for identification purposes only.*

As at the date of this announcement, the Board comprises Mr. Hong Mingxian, Mr. Ng Chi Chung and Mr. Cai Huatan as the executive Directors, Mr. Cai Jianfeng and Mr. Wu Qinghan as the non-executive Directors and Mr. Chan Sing Nun, Mr. Lam Kit Lam and Mr. Zeng Haisheng as the independent non-executive Directors.