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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 BUSINESS UPDATE

THE ACQUISITION

The Board is pleased to announce that, on 7 August 2021, the Purchaser, a direct wholly-owned subsidiary of the Company, and the Vendor entered into the Acquisition Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares and the Sale Loan at the consideration of RMB53,000,000 (equivalent to approximately HK\$63,855,422).

Upon completion of the Acquisition, the Group will hold the entire issued share capital of the Target Company. The Target Group, by virtue of the execution of the VIE Agreements by the Target WFOE with the PRC Project Company and the Registered Shareholder, can enjoy the economic benefits of the PRC Project Company and can control the board and member's voting rights of the PRC Project Company.

LISTING RULES IMPLICATION

As all of the relevant applicable percentage ratios in respect of the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules.

References are made to the announcements of the Company dated 9 June 2021 and 28 July 2021 respectively in relation to, among others, the entering into of the memorandum of understanding for the Acquisition.

This announcement is made by the Company on a voluntary basis to update its shareholders and potential investors that the Group has entered into the Acquisition Agreement in relation to the Acquisition.

THE ACQUISITION

The Board is pleased to announce that, on 7 August 2021, the Purchaser, a direct wholly-owned subsidiary of the Company, and the Vendor entered into the Acquisition Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares and the Sale Loan of the Target Company.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, each of the Vendor and its ultimate beneficial owner is an Independent Third Party.

Assets to be acquired

- (i) the Sale Shares, being the entire issued share capital of the Target Company; and
- (ii) the Sale Loan, being all obligations, liabilities and debts owing or incurred by the Target Group to the Vendor (whether actual, contingent or deferred) at Completion. As at the date of the Acquisition Agreement, the Target Group was indebted to the Vendor in the amount of approximately RMB50,000,000.

Consideration

The total Consideration for the Sale Shares and the Sale Loan is RMB53,000,000 (equivalent to approximately HK\$63,855,422) which shall be satisfied by the Purchaser in the following manner:

- (i) RMB5,000,000 will be payable by the Purchaser to the Vendor (or its nominee) within 30 Business Days after Completion; and
- (ii) the remaining RMB48,000,000 will be payable by the Purchaser to the Vendor (or its nominee) within one year after Completion.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor, with reference to, among other things, (a) the unaudited combined net liabilities value of the Target Group and the PRC Project Company as at 31 July 2021 of approximately RMB645,000; (b) the Sale Loan in the amount of RMB50,000,000; and (c) the future prospects of online e-commerce platform in the automobile industry in PRC. The Company will finance the Consideration by internal resources of the Group.

Conditions precedent

Completion is subject to the following conditions having been fulfilled or waived (as the case may be):

- (a) all necessary consents and approvals required to be obtained on the part of the Vendor in respect of the Acquisition Agreement and the transactions contemplated thereunder having been obtained;

- (b) all necessary consents and approvals required to be obtained on the part of the Purchaser in respect of the Acquisition Agreement and the transactions contemplated thereunder having been obtained;
- (c) the warranties given by the Vendor under the Acquisition Agreement remaining true, accurate and not misleading in all respects;
- (d) the obtaining of a legal opinion on the laws of the PRC issued by a law firm practicing in the PRC approved by the Purchaser (in such form and substance satisfactory to the Purchaser) in relation to, all relevant issues in respect of the Acquisition Agreement; and
- (e) the Purchaser being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of the Target Group.

The parties to the Acquisition Agreement shall use all endeavours to procure the fulfilment of all the conditions above by 30 September 2021 or such other date as the Purchaser and the Vendor may agree. In the event that all the conditions have not been fulfilled by 30 September 2021, the Acquisition Agreement will be terminated and ceased to be effective, neither parties have obligations and liabilities thereafter save for any antecedent breach.

Completion

Completion shall take place within three Business Days after all the conditions of the Acquisition Agreement have been fulfilled or waived or such later date as may be agreed between the Vendor and the Purchaser.

Upon completion of the Acquisition, the Group will hold the entire issued share capital of the Target Company. The Target Group, by virtue of the execution of the VIE Agreements by the Target WFOE with the PRC Project Company and the Registered Shareholder, can enjoy the economic benefits of the PRC Project Company and can control the board and member's voting rights of the PRC Project Company.

INFORMATION OF THE VENDOR AND THE TARGET GROUP

The Vendor is an investment holding company incorporated in the BVI with limited liability. The entire issued share capital of the Vendor is wholly-owned by Jia Ru, the Registered Shareholder of the PRC Project Company.

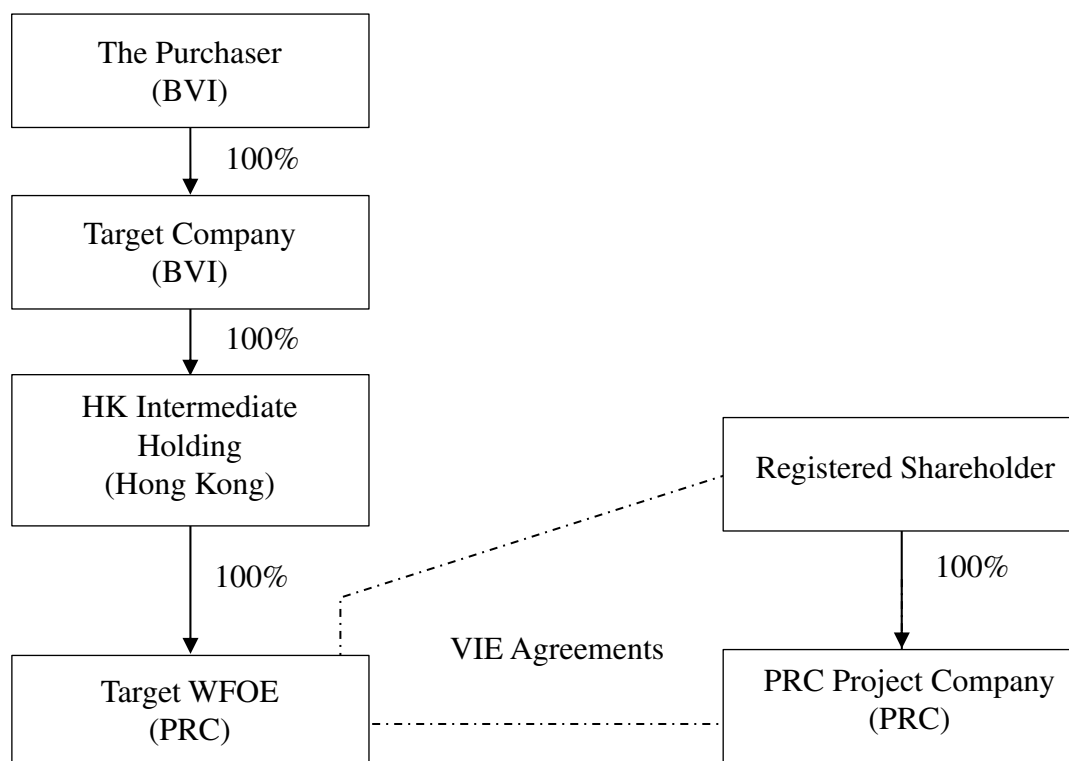
The Target Company is a company incorporated in the BVI with limited liability and the entire issued share capital of which is wholly and beneficially owned by the Vendor as at the date of this announcement. The Target Company is principally engaged in investment holding.

HK Intermediate Holding is a company incorporated in Hong Kong with limited liability and the entire issued share capital of which is wholly and beneficially owned by the Target Company as at the date of this announcement. HK Intermediate Holding is principally engaged in investment holding.

Target WFOE is a company established in the PRC with limited liability and the entire registered capital of which is wholly and beneficially owned by HK Intermediate Holding. Through the VIE Agreements, the Target WFOE will enjoy the entire economic interests and benefits generated by the PRC Project Company.

The business scope of the PRC Project Company includes, among others, online e-commerce platform in the automobile industry in the PRC. The PRC Project Company has obtained the value-added telecommunications business operating licence which permits the PRC Project Company to provide a wide range of automobile services to retail customers, manufacturers and dealers, including, (i) matching the needs of retail customers and the supplies of the manufacturers/dealers; (ii) providing finance services, automobile maintenance and insurance solutions through its network; and (iii) offering its platform for the manufacturers and dealers for different promotion activities, etc.

Set out below is the group structure after the completion of the Acquisition.



REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the (i) asset management business (including (a) property development and investment and (b) distressed assets, equities investment and fund management); (ii) provision of financial related services (including financial lease services, express loan services, consultancy services, guarantee services and the security brokerage services); and (iii) commodity trading business.

The Company has been exploring new business opportunities in the potential operation of online e-commerce platform in the automobile industry, given the increasing demand for and popularity in online transactions. Taking into account that (i) the Acquisition will enlarge the customer base by providing finance related services to dealers and retail customers; (ii) the Group may extend its financial related services to areas which it has no local offices established through the online platform; and (iii) the Group will also enjoy other incomes (including advertisement income and commission income) from the provision of advertisement platform, matching services, maintenance and insurance solutions, etc. by the Target Group, the Directors consider that Acquisition is in the interests of the Company and its shareholders as a whole.

Since the PRC Project Company's online e-commerce business falls within the definition of value-added telecommunications business as explained below, the Group was not able to engage in the value-added telecommunications business in the PRC directly without adopting the VIE Structure. Hence, through the VIE Structure, the Group will have effective control over the finance and operation of the PRC Project Company and will enjoy the entire economic interests and benefits generated by the PRC Project Company in compliance with the PRC laws despite the lack of registered equity ownership.

In view of the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the Acquisition Agreement (including the Consideration) and the transactions contemplated thereunder are fair and reasonable, and the Acquisition is in the interests of the Company and its Shareholders as a whole.

REASON FOR ENTERING INTO THE VIE AGREEMENTS

Pursuant to the Special Administrative Measures (Negative List) for Foreign Investment Access (2020 Edition) (外商投資准入特別管理措施(負面清單)(2020)), provision of value-added telecommunications services falls within the 'restricted' category. According to Articles 6 and 10 of the Regulations on the Administration of Foreign-invested Telecommunications Enterprises (中華人民共和國外商投資電信企業管理規定), the shareholding percentage of a foreign investor in companies engaged in value-added telecommunications services shall not exceed 50% and such foreign investor should have a good track record and operational experience in value-added telecommunications business.

Since the PRC Project Company's online e-commerce business involves the provision of advertising services, matching services, value-added services through the internet, which falls within the definition of value-added telecommunications business, the PRC Project Company's online e-commerce business is subject to foreign ownership restrictions. In addition, given that the Target Company has not yet possessed any track record and operational experience in value-added telecommunications business, the Target Company cannot directly acquire equity interest in the PRC Project Company. In light of the above, the Target WFOE, the PRC Project Company and the Registered Shareholder have entered into the VIE Agreements in order to comply with the applicable PRC laws and regulations, to enable the financial results, the entire economic benefits and the risks of the businesses of the PRC Project Company to flow into the Target WFOE and to allow the Target WFOE to have indirect control over the PRC Project Company as contemplated under the Acquisition Agreement.

The Company agrees that it would unwind the VIE Agreements as soon as the relevant PRC laws and regulations allow the e-commerce business in the PRC to be operated by foreign investors without adopting a VIE Structure. However, it is uncertain at this stage when the restrictions on foreign ownership in value-added telecommunications businesses will be lifted in the PRC. Under the Exclusive Acquisition Agreement, the Registered Shareholder must transfer to the Target WFOE, the ultimate beneficial owner of the Target WFOE or its nominee the equity interest in the PRC Project Company at the consideration of RMB1 or such minimum consideration as permitted by the PRC law for purchasing the entire equity interest in the PRC Project Company by the Target WFOE.

The Directors would seek the advice from the PRC legal adviser to confirm, among others, (i) the use of the VIE Structure and the VIE Agreements do not violate the relevant prevailing PRC laws and regulations; (ii) the VIE Agreements would not be deemed as concealing illegal intentions with a lawful form and void under the PRC contract law; and (iii) the VIE Agreements are enforceable under the laws of the PRC, so as to confirm that the VIE Agreements conferring significant control and economic benefits from the PRC Project Company to the Target Company would be enforceable under the relevant laws and regulations.

INFORMATION OF THE VIE AGREEMENTS

The VIE Agreements consist of a series of agreements, among other things, the Exclusive Acquisition Agreement, the Exclusive Consultancy and Technical Services Agreement, the Loan Agreement, the Share Pledge Agreement, the Power of Attorney and the IP Authorisation Agreement, for the purpose of establishing the VIE Structure between the Target WFOE on one hand and the PRC Project Company and the Registered Shareholder on the other hand.

(1) the Exclusive Acquisition Agreement

The Target WFOE, the PRC Project Company and the Registered Shareholder have entered into the Exclusive Acquisition Agreement, pursuant to which:

- (i) the PRC Project Company and the Registered Shareholder shall irrevocably grant the exclusive right to the Target WFOE, the ultimate beneficial owner of the Target WFOE, or its nominee (the “**Designated Purchaser**”) to purchase (in one tranche or in multiple tranches) the entire equity interest in the PRC Project Company at the consideration of RMB1 or such minimum consideration as permitted by the PRC law;
- (ii) when permitted by the PRC law, the Designated Purchaser may at any time by way of serving a notice of purchase, stipulating the amount of equity interest in PRC Project Company it wishes to purchase, to the PRC Project Company and the Registered Shareholder in order to exercise the right to purchase the equity interest in the PRC Project Company;
- (iii) upon receipt the notice of purchase from the Designated Purchaser, the Registered Shareholder shall execute the transfer agreement to effect the equity transfer and procure the amendment of the articles of association of the PRC Project Company and perform necessary filing for the equity transfer;
- (iv) the PRC Project Company shall irrevocably grant the exclusive right to the Designated Purchaser to purchase (in one tranche or in multiple tranches) all the assets of the PRC Project Company at the consideration of RMB1 or such minimum consideration as permitted by the PRC law;
- (v) when permitted by the PRC law, the Designated Purchaser may at any time by way of serving a notice of purchase, stipulating the assets it wishes to purchase, to the PRC Project Company in order to exercise the right to purchase the assets of the PRC Project Company; and
- (vi) upon receipt the notice of purchase from the Designated Purchaser, the PRC Project Company shall effect the transfer of those assets as stipulated under the notice of purchase, within 10 Business Days upon receipt of the consideration payable by the Designated Purchaser.

(2) The Exclusive Consultancy and Technical Services Agreement

The Target WFOE, the PRC Project Company and the Registered Shareholder have entered into the Exclusive Consultancy and Technical Services Agreement, pursuant to which, the PRC Project Company would agree to engage the Target WFOE on exclusive basis to provide consultancy and technical services to the PRC Project Company in consideration that the PRC Project Company shall convey all its income less the costs, fees and taxes to the Target WFOE. The Target WFOE has the absolute right to adjust the consultancy fee payable by the PRC Project Company under the Exclusive Consultancy and Technical Services Agreement.

Within 30 days after each financial year of the PRC Project Company, the PRC Project Company shall provide to the Target WFOE its annual financial statement, which shall be prepared in accordance with the prevailing PRC accounting standard. Within 10 Business Days upon receipt of the financial statement from the PRC Project Company, the Target WFOE shall issue demand note in respect of the consultancy fee (including the licence fee payable under the IP Authorisation Agreement) to the PRC Project Company which shall settle the consultancy fee within 5 Business Days upon receipt of the demand note.

The Exclusive Consultancy and Technical Services Agreement further provided that all the intellectual properties developed or derived from the services created or developed during the performance of the Exclusive Consultancy and Technical Services Agreement shall be the exclusive property of the Target WFOE. In the event that the Target WFOE is prohibited to own those intellectual properties, the PRC Project Company shall hold those intellectual properties for the Target WFOE and shall transfer the same to the Target WFOE at nil consideration when it is permitted by the PRC law.

The Exclusive Consultancy and Technical Services Agreement shall be valid for a term equivalent to the operation period of the PRC Project Company as permitted in its business registration certificate and subject to renewal. The Target WFOE is entitled at its sole and absolute discretion to terminate the Exclusive Consultancy and Technical Services Agreement upon the occurrence of certain events, such as (i) the PRC Project Company is in material breach of the Exclusive Consultancy and Technical Services Agreement, (ii) the PRC Project Company is in liquidation, winding up proceedings or dissolution proceedings; or (iii) the Exclusive Consultancy and Technical Services Agreement constitutes a non-compliance of the Listing Rules on the part of the Company. The PRC Project Company and the Registered Shareholder are not entitled to terminate the Exclusive Consultancy and Technical Services Agreement during the term of such agreement.

(3) The Loan Agreement

The Target WFOE and the Registered Shareholder have entered into the Loan Agreement, pursuant to which the Target WFOE shall grant the loan of RMB50,000,000 to the Registered Shareholder for a term of 10 years and will automatically renew for another 10 years thereafter. Such loan shall only be used as general working capital of the PRC Project Company. The repayment of the loan shall be off set against the consideration payable by the Target WFOE or the Designated Purchaser under the Exclusive Acquisition Agreement and thereafter all the Registered Shareholder's repayment liability under the loan shall be discharged.

(4) The Share Pledge Agreement

The Target WFOE and the Registered Shareholder have entered into the Share Pledge Agreement, pursuant to which the Registered Shareholder unconditionally and irrevocably agreed to pledge all the equity interest in the PRC Project Company that she owns (including any interest or dividend paid for such equity interest) to the Target WFOE as a security for the performance of the obligations by the PRC Project Company and the Registered Shareholder under the VIE Agreements.

The pledge shall remain valid until the PRC Project Company and the Registered Shareholder unconditionally and irrevocably fulfilled all the obligations (including, but not limited to, the settlement and/or the payment of the service charge, liquidated damages (if any), etc.) under the VIE Agreements.

(5) The Power of Attorney

The Target WFOE, the PRC Project Company and the Registered Shareholder have entered into the Power of Attorney, pursuant to which, the Registered Shareholder irrevocably and unconditionally agreed to appoint the Target WFOE as her attorney and proxy to exercise all rights of the Registered Shareholder as conferred by the articles of association of the PRC Project Company and the Target WFOE has the absolute right to appoint the directors of the PRC Project Company.

The Power of Attorney shall be valid for a term equivalent to the operation period of the PRC Project Company as permitted in its business registration certificate and subject to renewal.

(6) the IP Authorisation Agreement

The Target WFOE, the PRC Project Company and the Registered Shareholder have entered into the IP Authorisation Agreement, pursuant to which, the Target WFOE agreed to licence to the PRC Project Company certain intellectual property rights created, developed or owned by the Target WFOE during the performance of the Exclusive Consultancy and Technical Services Agreement, in exchange for a licence fee which form part of the management and consultancy fee payable under the Exclusive Consultancy and Technical Services Agreement.

The IP Authorisation Agreement shall be valid for a term equivalent to the operation period of the PRC Project Company as permitted in its business registration certificate and subject to renewal. The Target WFOE is entitled at its sole and absolute discretion to terminate the IP Authorisation Agreement upon the occurrence of certain events, such as (i) the PRC Project Company is in material breach of the IP Authorisation Agreement, (ii) the PRC Project Company is in liquidation, winding up proceedings or dissolution proceedings; or (iii) the IP Authorisation Agreement constitutes a non-compliance of the Listing Rules on the part of the Company. The PRC Project Company and the Registered Shareholder are not entitled to terminate the IP Authorisation Agreement during the term of such agreement.

Protection of the interest and assets of the PRC Project Company

The Exclusive Acquisition Agreement, the Exclusive Consultancy and Technical Services Agreement, the Loan Agreement, the Share Pledge Agreement, the Power of Attorney and the IP Authorisation Agreement shall include a provision that each agreement is binding on the successors and permitted assignees of the respective parties. In the event of death, bankruptcy, divorce, insolvency (including but not limited to being prosecuted), dissolution or deregistration of the Registered Shareholder, the Target WFOE may exercise its option under the Exclusive Acquisition Agreement to replace the relevant party of the Registered Shareholder, thus protecting the interest of the Group and allowing the Target WFOE to enforce its rights under the VIE Agreements against the successors and permitted assignees of the shareholders of the PRC Project Company.

The VIE Agreements shall also provide that, without the prior written consent of the Target WFOE, (i) the PRC Project Company shall not increase or decrease the registered capital or accept any investment or capital increase from the Registered Shareholder or any third parties to the PRC Project Company or change the form of the company or make any major adjustments regarding carrying out liquidation or dissolution; or the business scope, mode, profit model, marketing strategy, business policy or customer relationship; (ii) the PRC Project Company and/or its subsidiaries shall not enter into any partnership or joint venture or profit sharing arrangement with any third parties, or any other arrangements for the transfer of benefits or profit sharing in the form of royalties, service fees or consultancy fees; and (iii) the PRC Project Company shall not declare or distribute dividends or any other interests to its shareholders, including the after-tax profits that the PRC Project Company has not yet allocated before the commencement of the VIE Agreements.

In addition, upon completion of the Acquisition, the Board will review the VIE Structure regularly and determine if the Group encounters any issues in safeguarding its assets held through the VIE Agreements. If any major issues or difficulties arise in doing so, the Board will engage legal advisers and/or other professionals to assist the Group to tackle such issues or difficulties.

The VIE Agreements confer economic benefits on the Target WFOE from the PRC Project Company

The VIE Agreements shall confer upon the Group the right to enjoy all the economic benefit of the PRC Project Company by the Exclusive Consultancy and Technical Services Agreement under which the PRC Project Company will pay the Target WFOE the consultancy fees equivalent to the total income of the PRC Project Company minus all relevant costs, expenses and taxes payable by the PRC Project Company.

The VIE Agreements confer control of the PRC Project Company to the Target WFOE

The VIE Agreements shall confer upon the Group sufficient control over the board and daily operations of the PRC Project Company. Under the Power of Attorney, the Target WFOE as the attorney or proxy of the Registered Shareholder shall be entitled to exercise all rights as if it is the Registered Shareholder and the Target WFOE has the absolute right to appoint directors to the PRC Project Company.

Furthermore, as a general housekeeping rule, the Target WFOE will have the custody of the constitutional items of the PRC Project Company, including the company chop and seal. At the request of the Target WFOE, the PRC Project Company will provide it with the relevant legal documents and other information on the PRC Project Company's business operation.

LISTING RULES IMPLICATION

As all of the relevant applicable percentage ratios in respect of the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Acquisition”	the acquisition of the Sale Shares and the Sale Loan by the Purchaser pursuant to the terms of the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 7 August 2021 entered into between the Purchaser and the Vendor relating to the sale and purchase of the Sale Shares and the Sale Loan
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors from time to time
“Business Day”	a day on which licensed banks in Hong Kong are open for normal banking business throughout their normal business hours (excluding Saturday, Sunday or public holiday)
“BVI”	the British Virgin Islands

“Company”	Differ Group Holding Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange (stock code: 6878)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of RMB53,000,000 (equivalent to approximately HK\$63,855,422) payable by the Purchaser to the Vendor pursuant to the Acquisition Agreement
“Director(s)”	the director(s) of the Company from time to time
“Exclusive Acquisition Agreement”	the acquisition agreement dated 2 August 2021 and entered into among the Target WFOE, the Registered Shareholder and the PRC Project Company in relation to the grant of exclusive option by the Registered Shareholder to the Target WFOE to acquire all the equity interest in the PRC Project Company
“Exclusive Consultancy and Technical Services Agreement”	the exclusive consultancy and technical services agreement dated 2 August 2021 and entered into among the Target WFOE, the Registered Shareholder and the PRC Project Company in relation to the provision of consultancy and technical services by the Target WFOE to the PRC Project Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK Intermediate Holding”	Prize Focus Limited, a company incorporated in Hong Kong with limited liability, the wholly-owned subsidiary of the Target Company and the holding company of the Target WFOE

“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“IP Authorisation Agreement”	the intellectual property license agreement dated 2 August 2021 and entered into between the Target WFOE, the PRC Project Company and the Registered Shareholder in relation to the licence for the use of the intellectual property rights created, developed or owned by the Target WFOE during the performance of the Exclusive Consultancy and Technical Services Agreement
“Loan Agreement”	the loan agreement dated 2 August 2021 and entered into between the Target WFOE as lender and the Registered Shareholder as borrower in relation to the advance of RMB50,000,000
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Power of Attorney”	the power of attorney dated 2 August 2021 and entered into among the Target WFOE, the PRC Project Company and the Registered Shareholder in relation to the appointment of the Target WFOE by the Registered Shareholder as her attorney and proxy to vote in the general meetings of the PRC Project Company and to appoint directors in the PRC Project Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Project Company”	天津自貿乾程泰鋒科技有限公司 (transliterated in English as Tianjin Free Trade Gancheng Taifeng Technology Company Limited), a limited liability company established in the PRC
“Purchaser”	Jiashi International Financial Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company, purchaser to the Acquisition Agreement

“Registered Shareholder”	Jia Ru, the holder of the equity interest in the PRC Project Company
“Sale Loan”	all obligations, liabilities and debts owing or incurred by the Target Group to the Vendor at Completion (whether actual, contingent or deferred). As at the date of the Acquisition Agreement, the Target Group was indebted to the Vendor in the amount of RMB50,000,000
“Sale Shares”	50,000 shares of US\$1.00 each, being the entire issued share capital of the Target Company as at the date of the Acquisition Agreement which are legally and beneficially owned by the Vendor
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company
“Share Pledge Agreement”	the share pledge agreement dated 2 August 2021 executed by the Registered Shareholder, pursuant to which the Registered Shareholder agreed to pledge all the equity interest in the PRC Project Company in favour of the Target WFOE to secure the performance of all her obligations under the Loan Agreement and all other VIE Agreements
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Fast Sunrise Limited, a company incorporated in the BVI with limited liability which is wholly owned by the Vendor and is the target under the Acquisition
“Target Group”	the Target Company and its subsidiaries
“Target WFOE”	天津自貿乾程泰億國際貿易有限公司(transliterated in English as Tianjin Free Trade Gancheng Taiyi International Trading Company Limited), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Target Company
“Vendor”	Wonderful Apex Limited, a company incorporated in the BVI with limited liability, the vendor to the Acquisition Agreement

“VIE Agreements”	a series of agreements, including but not limited to the Exclusive Acquisition Agreement, the Exclusive Consultancy and Technical Services Agreement, the Loan Agreement, the Share Pledge Agreement, the Power of Attorney and the IP Authorisation Agreement, executed for the purpose of establishing the variable interest entity arrangement among the PRC Project Company, the Registered Shareholder and the Target WFOE
“VIE Structure”	the variable interest entity structure adopted by the Target Group to exercise full control over the PRC Project Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 7 August 2021

In this announcement, translation of RMB into HK\$ is based on the exchange rate of HK\$1 to RMB0.83. 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.

As at the date of this announcement, the executive Directors are Mr. HONG Mingxian and Mr. NG Chi Chung; the non-executive Directors are Mr. CAI Huatan and Mr. WU Qinghan; and the independent non-executive Directors are Mr. CHAN Sing Nun, Mr. LAM Kit Lam and Mr. CHEN Naike.