

Stock Code: 200160

Short Form of the Stock: Dongfeng-B

Notice No: 2017-070

Dongfeng Sci-Tech Group CO., LTD

Summary of Semi-Annual Report 2017

I. Important Notice

The summary is abstract from full-text of semi-annual report, for more details of operating results, financial condition and future development plan of the Company; investors should found in the full-text that published on media appointed by CSRC.

Objection statement of directors, supervisors and senior executives

Name	Position	Content and reason
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Statement

Other directors attending the Meeting for semi-annual report deliberation except for the followed

Name of director absent	Title for absent director	Reasons for absent	Attorney
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Prompt of non-standard audit opinion

Applicable Not applicable

Profit distribution pre-plan of common stock or capitalizing of common reserves pre-plan deliberated by the Board in the reporting period

Applicable Not applicable

There is no plan of cash bonus, dividend distribution and capitalizing of common reserves carried out by the Company

Profit distribution pre-plan of preferred stock deliberated and approved by the Board in the reporting period

Applicable Not applicable

II. Company profile

1. Company Profile

Short form of the stock	Dongfeng-B	Stock code	200160
Stock exchange for listing	Shenzhen Stock Exchange		
Short form of the Stock before changed (if applicable)	Nanjiang-B		
Person/Way to contact	Secretary of the Board	Rep. of security affairs	
Name	Li Wenying	Wang Haijian	
Office add.	XiaBanCheng Town, Chengde County, Hebei Province	XiaBanCheng Town, Chengde County, Hebei Province	
Tel.	0314-3115048	0314-3115048	
E-mail	liwy@dftechgroup.com	wanghj@dftechgroup.com	

2. Main financial data and indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	Current period	Same period of last year	Changes over last year
Operating income (RMB)	101,563,994.47	191,414,481.74	-46.94%

Net profit attributable to shareholders of the listed company (RMB)	-3,145,668.96	1,801,869.94	-274.58%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	-3,168,677.19	2,072,748.29	-252.87%
Net cash flow arising from operating activities (RMB)	28,687,301.69	76,854,983.97	-62.67%
Basic earnings per share (RMB/Share)	-0.004	0.003	-233.33%
Diluted earnings per share (RMB/Share)	-0.004	0.003	-233.33%
Weighted average ROE	-0.88%	0.51%	-1.39%
	Current period-end	Period-end of last year	Changes over end of last year
Total assets (RMB)	571,444,743.94	626,756,827.34	-8.83%
Net assets attributable to shareholder of listed company (RMB)	355,700,272.96	359,826,450.98	-1.15%

3. Number of shares and share-holding

In Share

Total common stock shareholders in reporting period-end		19,555		Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0	
Top ten shareholders						
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of non-circulation shares held	Number of share pledged/frozen	
					State of share	Amount
Wang Dong	Domestic nature person	29.49%	208,324,800	208,324,800		
Everbright Securities (H.K.) Co., Ltd.	Overseas legal person	13.28%	93,833,093	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas legal person	6.87%	48,524,062	0		
Chengde North Industrial Corporation	Domestic non-state owned legal person	2.62%	18,517,651	18,517,651		
Wang Zhengsong	Domestic nature person	1.89%	13,327,891	13,327,891		
Wang Wensheng	Domestic nature person	1.03%	7,258,007	0		

Zhou Haihong	Domestic nature person	0.95%	6,708,495	0	
Li Tianyun	Domestic nature person	0.73%	5,158,000	0	
Shanghai Wanguo (H.K) Securities	Overseas legal person	0.71%	4,995,920	0	
Chen Yan	Domestic nature person	0.57%	4,023,256	0	
Explanation on associated relationship among the aforesaid shareholders	The Company is unknown whether there exists associated relationship or belongs to consistent actor regulated by “management method for acquisition of listed company” among the above said shareholders.				
Explanation on shareholders involving margin business (if applicable)	N/A				

4. Changes of controlling shareholders or actual controller

Controlling shareholder changed in the Period

Applicable Not applicable

Controlling shareholders had no change in reporting period.

Actual controller changed in the Period

Applicable Not applicable

Actual controller had no change in reporting period.

5. Total preferred shareholders and top 10 shares held by preferred shareholders

Applicable Not applicable

The Company has no preferred shareholders

6. Corporate bond

Whether the Company has a corporation bonds that issuance publicly and listed on stock exchange and without due on the date when semi-annual report approved for released or fail to cash in full on due

No

III. Discussion and analysis of operation

1. Operation status in the period

Does the Company need to comply with the disclosure requirements of the special industry

Yes

Real estate industry

(I) Situation analysis of the real estate industry during the reporting period

In the first half of 2017, the national real estate macro-control continued to strengthen, different cities implemented corresponding policies to actively deepen the real estate policy control and carry out the housing price controlling and destocking at the same time.

On the one hand, the hot cities continued the strong regulation pattern, the third and fourth-tier cities around also regulated and controlled synchronously, the traditional restrictions on purchase and loans continued to upgrade, the credit funds for both supply and demand ends of real estate gradually tightened, and the effects of policy since the beginning of the year gradually appeared; on the other hand, most of the third and fourth-tier cities continued the destocking, some cities with significant decrease in stock pressure also timely introduced the market stabilizing measures. During the reporting period, Hebei Province implemented the real estate control from the provincial level, successively introduced a series of regulatory policies such as the purchase restriction, loan restriction, and price restriction, the real estate market gradually returned to be rational. In the long run, with the continuous promotion of Beijing-Tianjin-Hebei integration and the requirements of the capital to the evacuation and industrial transfer in peripheral areas, the market prospects of the cities around Beijing are still good.

(II) The operation of the company during the reporting period

During the reporting period, in the face of severe policy and market situation of real estate, the company complied with the changes in the market and accelerated the sale of existing inventories, and planned to promote the construction of new projects according to the market situation at the same time; on the other hand, on the basis of ensuring the steady development of existing businesses, actively promoted the company's business transformation, expanded and cultivated the new business growth point.

During the reporting period, the company achieved main business income of RMB 101,564,000, net profits attributable to the parent company of RMB -3,145,700. Up to the end of the reporting period, the total assets of the company were RMB 571,444,700 and the net assets were RMB 355,700,300.

Sales of the property (Nanjiang Huijing Tiandi) for Jan.-June 2017 are as:

Item	Type of operation	Ratio (%)	Area presale in the period (m ²)	Clearing the area in the period (m ²)	Operation income (in 10 thousand Yuan)	Operation cost (in 10 thousand Yuan)	Gross profit margin (%)
Nanjiang Huijing Tiandi	Residence	100	9,408.24	22,989.40	9,946.52	8,384.18	15.71
	Commerce		2,263.01	-	-	-	-
	Total		11,671.25	22,989.40	9,946.52	8,384.18	15.71

The Company has no new land reserves and new constructed property in the Period.

2. Matters relevant to financial report

(1) Particulars about the changes in aspect of accounting policy, estimates and calculation method compared with the accounting period of last year

Applicable Not applicable

The Company had no particulars about the changes in aspect of accounting policy, estimates or calculation method in the reporting period.

(2) Particulars about retroactive restatement on major correction for accounting errors in reporting period

Applicable Not applicable

The company had no particulars about retroactive restatement on major correction for accounting errors in the reporting period.

(3) Particulars about the change of consolidation range compared with the accounting period of last year

√Applicable □Not applicable

(1) Subsidiary, special purpose vehicle and operational entity with control over by means of entrusted management or lessee newly included in the consolidate scope in the Period:

Name	Reason for changes
Kefeng Trading	Enterprise derivated
Kefeng Engineering	Enterprise derivated

On March 6, 2017, approved by Chengde Administration for Industry and Commerce, Chengde Nanjiang Trading Co., Ltd. was divided into Chengde Kefeng Trading Co., Ltd., Chengde Kefeng Project Management Co., Ltd. and Chengde Nanjiang Trading Co., Ltd. Among them, the registered capital of Chengde Kefeng Trading Co., Ltd. is RMB 8.5 million, Dongfeng Sci-Tech Group Co., Ltd. has a wholly-owned holding in the company, its business scope includes the sale of mechanical equipment, machine parts, and mechanical and electrical products, and the housing leasing services; the registered capital of Chengde Kefeng Project Management Co., Ltd. is RMB 500,000.00, Dongfeng Sci-Tech Group Co., Ltd. has a wholly-owned holding in the company, its business scope includes the project management and consulting services, the infrastructure construction, and the housing leasing services; the registered capital of Chengde Nanjiang Trading Co., Ltd. is changed to RMB 1 million, Dongfeng Sci-Tech Group Co., Ltd. has a wholly-owned holding in the company, its business scope includes the sale of hardware and mechanical products, building materials, and mechanical equipment, and the housing rental services.

(2) Subsidiary, special purpose vehicle and operational entity with control lost by means of entrusted management or rent-out, which no longer include in consolidate scope in the Period:

Name	Reason for changes
Runhua RW	The Company release the consistent action with shareholder Lan Chunhong

On April 26, 2017, the company signed the Termination Agreement of Concerted Action Person Agreement with the shareholder Lan Chunhong of Runhua Nongshui (Tianjin) International Trade Co., Ltd., after the termination of the original Concerted Action Person Agreement, both parties no longer maintain the concerted actions to the company's daily production and operation and the decision-making of other major matters, and each party makes opinions independently and exercises the right to vote in accordance with the laws and regulations and normative documents and the provisions of the articles of association and their own wishes, both parties are no longer subject to the original agreement. In accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 33 - Consolidated Financial Statements, after Mr. Lan Chunhong relieved the concerted action person relations with our company, our company would hold 30% equity stake of Runhua Nongshui but no longer have the control power to Runhua Nongshui, the company would no longer include Runhua Nongshui in the consolidated financial statement from the date of losing the control power to it, and check and calculate by equity method.