

Stock Code: 200160

Short Form of the Stock: Dongfeng B Public Notice No.: 2020-051

Dongfeng Sci-Tech Group CO., Ltd.

Text of First Quarterly Report 2020

Section I. Important Notes

Board of Directors and the Supervisory Committee of Dongfeng Sci-Tech Group CO., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives should guarantee the reality, accuracy and completion of the quarterly report, there are no any fictitious statements, misleading statements or important omissions carried in this report, and shall take legal responsibilities, individual and/or joint.

All Directors are attended the Board Meeting for Quarterly Report deliberation.

Zhao Yongsheng, Person in charge of the Company, Zhao Yongsheng, person in charger of accounting works and Liu Fengguo, person in charger of accounting organ (accounting officer) hereby confirm that the Financial Report of this Quarterly Report is authentic, accurate and complete.

Note: The Report is prepared in bilingual versions of Chinese and English respectively, in the event of any discrepancy in understanding the two aforementioned versions, the Chinese version shall prevail.

Section II. Company Information

I. Main accounting data and financial indexes

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

Yes No

	Current Period	Same period of last year	Changes of this period over same period of last year
Operating income (RMB)	8,057,578.63	19,742,832.21	-59.19%
Net profit attributable to shareholders of the listed company (RMB)	-12,015,646.87	-14,173,060.95	-15.22%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	-12,080,142.77	-14,310,855.79	-15.59%
Net cash flow arising from operating activities (RMB)	-20,138,791.84	16,376,542.28	-222.97%
Basic earnings per share (RMB/Share)	-0.017	-0.020	-15.00%
Diluted earnings per share (RMB/Share)	-0.017	-0.020	-15.00%
Weighted average ROE (%)	-4.59%	-4.22%	-0.37%
	At the end of the reporting period	At the end of last year	Changes of this period-end over same period-end of last year
Total assets (RMB)	686,534,382.74	683,092,077.24	0.50%
Net assets attributable to shareholder of listed company (RMB)	252,302,020.63	269,584,817.70	-6.41%

Items of non-recurring gains and losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to period-end	Note
Other non-operating income and expenditure except for the aforementioned items	64,495.90	
Total	64,495.90	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

Applicable Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*

II. Total number of shareholders at the end of this report period and top ten shareholders

1. Number of common shareholders and preference shareholders with voting rights recovered and top ten common shareholders

In shares

Total number of common shareholders at the end of report period	16,805	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0			
Top ten shareholders						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of non-tradable shares held	Number of share pledged/frozen	
					State of share	Amount
Wang Dong	Domestic nature person	29.49%	208,324,800	208,324,800		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas legal person	6.53%	46,098,326	0		
Everbright Securities (H.K.) Co., Ltd.	Overseas legal person	5.11%	36,090,936	0		
Haitong International Securities Company Limited-Account Client	Overseas legal person	3.83%	27,024,270	0		
Chengde North Industrial Corporation	Domestic non-state-owned legal person	2.62%	18,517,651	18,517,651		
Shenwan HongYuan Securities (Hong Kong) Co., Ltd.	Overseas legal person	1.94%	13,722,264	0		
Wag Zhengsong	Domestic nature	1.89%	13,327,891	13,327,891		

	person				
Zhou Haihong	Domestic nature person	0.95%	6,711,600	0	
CORE PACIFIC-YAMA ICHI INTERNATIONAL (H.K.) LIMITED	Overseas legal person	0.86%	6,051,543	0	
Su Youhe	Domestic nature person	0.85%	5,983,402	0	
Top ten shareholders with tradable shares held					
Shareholder's name	Amount of tradable shares held	Type of shares			
		Type	Amount		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	46,098,326	Domestically listed foreign shares	46,098,326		
Everbright Securities (H.K.) Co., Ltd.	36,090,936	Domestically listed foreign shares	36,090,936		
Haitong International Securities Company Limited-Account Client	27,024,270	Domestically listed foreign shares	27,024,270		
Shenwan HongYuan Securities (Hong Kong) Co., Ltd.	13,722,264	Domestically listed foreign shares	13,722,264		
Zhou Haihong	6,711,600	Domestically listed foreign shares	6,711,600		
CORE PACIFIC-YAMA ICHI INTERNATIONAL (H.K.) LIMITED	6,051,543	Domestically listed foreign shares	6,051,543		
Su Youhe	5,983,402	Domestically listed foreign shares	5,983,402		
Li Tianyun	4,323,400	Domestically listed foreign shares	4,323,400		
Li Yitian	3,314,500	Domestically listed foreign	3,314,500		

		shares	
Wang Wensheng	3,237,000	Domestically listed foreign shares	3,237,000
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 top ten shareholders involving margin business (if applicable)	N/A		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

Yes No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy-back agreement dealing in reporting period.

2. Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

Section III. Significant Events

I. Particulars about material changes in items of main accounting statement and financial index and explanations of reasons

√Applicable □Not applicable

Serial	Item	Ending (the period) balance	Opening (last period) balance	Changes		Main reason
				Change amount	Change ratio	
1	Trading financial assets	5,100,000.00	8,300,000.00	-3,200,000.00	-38.55%	Redemption of financial products in the period
2	Long-term deferred expenses	947,874.63	246,496.00	701,378.63	284.54%	Decoration fee increased in the period
3	Staff payable	1,053,774.12	1,767,654.79	-713,880.67	-40.39%	Remuneration are paid in the period
4	Taxes payable	670,062.31	67,933.78	602,128.53	886.35%	The property tax accrual in the period increased
5	Operating income	8,057,578.63	19,742,832.21	-11,685,253.58	-59.19%	Revenue from sales of property declined from a year earlier
6	Operating cost	7,488,439.08	18,282,172.42	-10,793,733.34	-59.04%	Cost of property sales declined from a year earlier
7	Sales expense	144,786.73	5,339,242.26	-5,194,455.53	-97.29%	Sales agency fee declined in the eperiod
8	Financial expenses	3,133,453.88	12,884.75	3,120,569.13	24219.09%	Loan interest paid in the period increased
9	Net cash flow from operating activities	-20,138,791.84	16,376,542.28	-36,515,334.12	-222.97%	Expenses for real estate development increased from a year earlier
10	Net cash flows from investing activities	-3,409,613.78	-70,777,980.84	67,368,367.06	-95.18%	Expenses of construction in process declined from a year earlier
11	Net cash flow from financing activities	14,026,261.90	60,851,776.56	-46,825,514.66	-76.95%	Loans received in the period declined from a year earlier

II. Analysis and explanation of significant events and their influence and solutions

□ Applicable √ Not applicable

Progress of implementation of shares repurchase

√Applicable □ Not applicable

(i) On October 22, 2018, the company held the 4th session of the seventh board of directors which reviewed and approved the *Proposal on the Repurchase of Company Shares by Centralized Bidding*, and the second extraordinary shareholders meeting of 2018 held on November 7, 2018 reviewed and approved the above proposal. On November 14, 2018, the company disclosed the *Repurchase Report on the Repurchase of Company Shares by Centralized Bidding* (Announcement No.: 2018-062). The company implemented the repurchase for the first time on December 6, 2018, and disclosed the *Announcement on the First Repurchase of the Company's Shares* (Announcement No.: 2018-070) on December 7, 2018. For details of the above, please refer to the relevant announcements disclosed by the company on *Securities Times*, *Hong Kong Commercial Daily* and <http://www.cninfo.com.cn>. From November 7, 2018 to November 6, 2019, the company completed the share repurchase. The company's share repurchase progress is as follows:

The company repurchased the company's shares of 28,307,783 shares through a stock repurchase special security account by centralized bidding transactions, accounting for 4.01% of the company's total share capital, of which the highest transaction price was HK\$1.18/share, the lowest transaction price was HK\$1.09/share, and the total amount paid was HK\$32,095,614.32 (excluding transaction fees). Found more as:

Repurchased date	Amount repurchased	Ceiling price (HK\$)	Bottom price (HK\$)	Price repurchased (HK\$)	Ratio in total share capital	Announcement index
2018.12.6	6,586,658	1.14	1.11	7,449,626.48	0.93%	<i>Notice on the First Repurchase of Company's Shares</i> (No.:2018-070)
2018.12.20	12,864,055	1.14	1.09	14,529,142.54	1.82%	<i>Notice on the Repurchase of 2% of the Company's Shares Capital</i> (No.:2018-075)
2018.12.27	4,994,970	1.18	1.12	5,697,753.10	0.71%	<i>Notice on the Repurchase of 3% of the Company's Shares Capital</i> (No.:2018-076)
2018.12.28	532,100	1.14	1.14	606,594.00	0.08%	<i>Notice on the Repurchase of 4% of the Company's Shares Capital</i> (No.:2019-006)
2019.1.29	3,330,000	1.16	1.14	3,812,498.20	0.47%	
Total	28,307,783			32,095,614.32	4.01%	

(ii) The company held the 17th session of the 7th BOD on February 5, 2020, and reviewed and approved the "Plan for Repurchasing the Company's Shares by Concentrated Auction Transactions", and the company disclosed the "Report on Repurchasing the Company's Shares by Centralized Auction Transactions" (Announcement Number: 2020-008) on February 12, 2020. The company implemented the repurchase for the first time on February 19, 2020, and disclosed the "Announcement on the First Repurchase of the Company's Shares" on February 20 (Announcement Number: 2020-009). For details of the above, please refer to the company's disclosure on *Securities Times*, *Hong Kong Commercial Daily* and [www.cninfo.com](http://www.cninfo.com.cn) (<http://www.cninfo.com.cn>). The company's share repurchase progress was as follows:

As of the disclosure date of this report, the company repurchased 22,679,456 shares in the company's shares by centralized auction transactions through a dedicated securities account for share repurchase, accounting for 3.21% of the company's total share capital, the highest transaction price was 1.13 HKD / share, the lowest transaction price was 0.9 HKD / share, and the total amount paid was HK \$ 23,870,710.50 (excluding transaction fees). See the table below for details:

Repurchased date	Amount repurchased	Ceiling price (HK\$)	Bottom price (HK\$)	Price repurchased (HK\$)	Ratio in total share capital	Announcement index
2020. 2.19	2,725,800	1.13	1.10	3,043,387.76	0.39%	<i>Notice on the First Repurchase of Company's Shares (No.:2020-009)</i>
2020. 3.17	2,575,700	1.11	1.08	2,823,288.00	0.36%	
2020. 3.31	3,693,287	1.10	1.06	3,988,422.27	0.52%	<i>Notice on the Repurchase of 1% of the Company's Shares Capital (No.:2020-011)</i>
2020.4.2	800,000	1.03	0.97	802,250.44	0.11%	<i>Notice on the Repurchase of 2% of the Company's Shares Capital (No.:2020-018)</i>
2020.4.3	5,390,069	1.02	0.90	5,285,918.85	0.76%	
2020.4.7	7,494,600	1.09	1.01	7,927,443.18	1.06%	<i>Notice on the Repurchase of 3% of the Company's Shares Capital (No.:2020-020)</i>
Total	22,679,456			23,870,710.50	3.21%	

(iii) The company held the 19th session of the 7th BOD on April 21, 2020, and reviewed and approved the “Plan for Repurchasing the Company’s Shares by Concentrated Auction Transactions”, and the company disclosed the “Report on Repurchasing the Company’s Shares by Centralized Auction Transactions” (Announcement Number: 2020-030) on April 21, 2020. The Company plans to buy-back shares of the Company with own funds or self-raised capital by means of concentrated auction trading. Price of the buy-back shares shall not exceed HK\$ 1.2/Share, total amount of buy-back funds shall not exceed HK\$ 40 million and not be less than HK\$ 20 million. The total specific for amount of buy-back shall be subject to the funds actually repurchased upon the expiration of the buy-back period. Buy-back period shall not exceed three months from the date when BOD approves the plan and authorizes the management of the Company to handle the buy-back of shares. The buy-back is intended to safeguard the value and shareholders’ equity of the listed company, as the closing price of the share has dropped by 30% in 20 consecutive trading days (from 20 March 2020 to 17 April 2020). In accordance with relevant regulations, the shares buy-back will be fully reduced in the form of concentrated auction trading 12 months after the disclosure of the buy-back results and the announcement of shares change, the reduction will be completed within three years after the announcement of the buy-back results and share change released. First buy-back of the share implemented on 24 April 2020, the “Notice on First Buy-Back of the Shares” (Notice No.: 2020-035) was released on 25 April. Found more on the Notice released on Securities Times, Hong Kong Commercial Daily and Juchao Website (<http://www.cninfo.com.cn>). progress of shares buy-back are as:

Ended as the reporting period, the company repurchased the company’s shares of 26, 237, 545 shares through a stock repurchase special security account by centralized bidding transactions, accounting for 3.71% of the company’s total share capital, of which the highest transaction price was HK\$ 1.08 /share, the lowest transaction price was HK\$ 1.03/share, and the total amount paid was HK\$27, 177, 310. 16 (excluding transaction fees). Found more as:

Repurchased date	Amount repurchased	Ceiling price (HKD)	Bottom price (HKD)	Price repurchased (HKD)	Ratio in total share capital	Announcement index
------------------	--------------------	---------------------	--------------------	-------------------------	------------------------------	--------------------

2020. 4.24	5,130,989	0.97	0.91	4,845,886.76	0.73%	<i>Notice on the First Repurchase of Company's Shares (No.:2020-035)</i>
2020. 4. 27	6, 279, 540	1. 04	0. 98	6, 415, 122. 32	0. 89%	<i>Notice on the First Repurchase of Company's Shares (No.:2020-040)</i>
2020. 4. 28	14, 827, 016	1. 08	1. 03	15, 916, 301. 08	2. 1%	<i>Notice on the First Repurchase of Company's Shares (No.:2020-042)</i>
Total	26, 237, 545			27, 177, 310. 16	3. 71%	

Implementation progress of the reduction of repurchases shares by centralized bidding

Applicable Not applicable

III. Commitments that the actual controller, shareholders, related party, acquirer and the Company have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

Applicable Not applicable

The Company has no commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, acquirer and company.

IV. Securities Investment

Applicable Not applicable

No security investment in Period.

V. Trust financing

Applicable Not applicable

In 10 thousand Yuan

Type	Capital sources	Amount occurred	Outstanding balance	Overdue amount
Bank financial products	Own funds	780	510	0
Total		780	510	0

Details of the single major amount, or high-risk trust investment with low security, poor fluidity and non-guaranteed

Applicable Not applicable

Entrust financial expected to be unable to recover the principal or impairment might be occurred

Applicable Not applicable

VI. Derivative investment

Applicable Not applicable

No derivative investment in the Period.

VII. Registration form for receiving research, communication and interview in the report period

Applicable Not applicable

Time	Way	Type	Basic situation index of investigation
2020-03-05	Telephone communication	Individual	Operation of the Company, no materials required
2020-03-19	Telephone communication	Individual	Daily operation of the Company, no materials required

VIII. Guarantee outside against the regulation

Applicable Not applicable

The Company had no guarantee outside against the regulation in the reporting period.

IX. Non-operational fund occupation from controlling shareholders and its related party

Applicable Not applicable

The Company had no non-operational fund occupation form controlling shareholders and its related party in the period.