

Stock Code: 200160

Short Form of the Stock: Dongfeng B

Public Notice No.: 2020-045

Dongfeng Sci-Tech Group CO., Ltd.

Summary of Annual Report 2019

I. Important Notice

The summary is abstract from full-text of annual report, for more details of operating results, financial condition and future development plan of the Company; investors should found in the full-text of annual report 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 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

The Company has no plan of cash dividends carried out, bonus issued and capitalizing of common reserves either.

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

Applicable Not applicable

II. Company information

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 after changed (if applicable)	N/A		
Person/Way to contact	Secretary of the Board	Rep. of security affairs	
Name	Li Wenying	Wang Haijian	
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2. Main business or product introduction in the reporting period

Real estate business: the real estate development business was the main operating business of the Company during the reporting period, and the business model was the development and sales of commercial housing, and the business scope was mainly located in Chengde area. The main products were residence and commerce. With

high-quality product quality and property services, the company's real estate business had established a good reputation in the local area.

Hydrogen fuel cell business: with Dongguan Zhongchuang New Energy as the business platform, the Company mainly engaged in the R&D, production and sales of fuel cell core raw materials (membrane electrodes) and fuel cell power systems, as well as providing integrated solutions for platforms such as fuel cell power systems in automobiles, drones, electric forklifts, distributed power stations, and emergency power supplies. At present, 500W to 5000W series air-cooled fuel cell pile (graphite bipolar plates) have been finalized for production, and the mass power density of the pile is above 500W/kg, at present, the Company are actively exploring the market, and in the process of small-scale production and sales.

New material business: with Aolin New Materials as its business platform, the Company mainly engaged in the research & development, production and sales of high-performance ceramic fiber materials, its main products were alumina fiber and zirconia fiber, which possess with excellent thermal insulation, energy saving, fire resistance, and fireproof performance and can be widely used in industrial furnace wall lining, backing, lining, pipe insulation, thermal insulation and sealing (automobile gasket), radiation and heat insulation of petrification, metallurgy, non-ferrous metals, building materials, electric power, machinery, ceramics, glass, shipping and other industries. At present, the alumina short fiber, researched and developed by Aolin New Materials have entered the small batch production and sales.

(ii) Main performance drivers

During the reporting period, due to the tightening of regulatory policies, the tightening policies in the real estate market such as purchase restrictions, limited loans, and price limits were frequent, and the real estate market in Beijing-surrounded areas has stabilized. The Company's real estate development has been mainly located in the Chengde area, and the opening of the Beijing-Shenyang high-speed railway shall make Chengde enter the "one-hour economic circle of the capital" and thus has better regional advantages. In recent years, the real estate projects developed by the Company have established a good reputation and brand image in the local area with excellent quality and perfect property management. In the future, under the background of Beijing-Tianjin-Hebei integration, the Company will continue to improve service quality, build high-end boutique houses, and improve market competitiveness. Meanwhile, actively promotes the construction of industrialization project of Dongfeng new energy equipment, promotes the industrialization and marketization of hydrogen energy and new material industry, and cultivates a new profit growth point for the Company.

3. Main accounting data and financial indexes

(1) Main accounting data and financial indexes for recently three years

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

Yes No

	2019	2018	Changes over last year	2017
Operating income	44,121,179.41	123,508,083.90	-64.28%	250,071,863.07
Net profit attributable to shareholders of the listed company	-72,533,718.54	7,383,835.76	-1,082.33%	4,102,325.89
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-69,205,042.46	-12,564,268.78	450.81%	-49,734,326.42
Net cash flow arising from operating activities	45,275,970.62	34,566,049.31	30.98%	-84,551,574.28
Basic earnings per share (RMB/Share)	-0.10	0.01	-1,100.00%	0.01
Diluted earnings per share (RMB/Share)	-0.10	0.01	-1,100.00%	0.01
Weighted average ROE	-22.41%	2.01%	-24.42%	1.13%
	End of 2019	End of 2018	Changes over end of last year	End of 2017
Total assets	683,092,077.24	624,370,817.40	9.40%	503,762,445.04
Net assets attributable to shareholder of listed company	269,584,817.70	351,593,999.08	-23.32%	363,928,776.87

(2) Quarterly main financial index

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	19,742,832.21	13,628,581.27	6,433,442.99	4,316,322.94
Net profit attributable to shareholders of the listed company	-14,173,060.95	-10,244,807.95	-10,917,560.62	-37,198,289.02
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-14,310,855.79	-10,747,459.83	-8,319,206.22	-35,827,520.62
Net cash flow arising from operating activities	18,406,542.28	-4,158,511.17	7,362,629.60	23,665,309.91

Whether there are significant differences between the above-mentioned financial index or its total number and the relevant financial index disclosed in the company's quarterly report and semi-annual report

Yes No

4. Shares and shareholders

(1) Particulars about common stock shareholders, preference shareholders with voting rights recovered and top ten shareholders

In Share

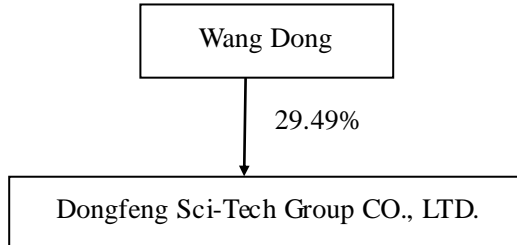
Total common stock shareholders in reporting period-end	17,146	Total common stock shareholders at end of last month before annual report disclosed	16,805	Total preference shareholders with voting rights recovered at end of reporting period	0	Total preference shareholders with voting rights recovered at end of last month before annual report disclosed	0
Top ten shareholders							
Full name of Shareholders	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			
Everbright Securities (H.K.) Co., Ltd.	Overseas legal person	7.59%	53,601,945	0			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas legal person	6.55%	46,256,326	0			
Chengde North Industrial Corporation	Domestic non-state-owned legal person	2.62%	18,517,651	18,517,651			
Haitong International Securities Company Limited-Account Client	Overseas legal person	2.20%	15,524,875	0			
Wag Zhengsong	Domestic nature person	1.89%	13,327,891	13,327,891			
Shenwan HongYuan Securities (Hong Kong) Co., Ltd.	Overseas legal person	1.20%	8,492,752	0			
Wang Wensheng	Domestic nature person	1.03%	7,258,007	0			
Su Youhe	Domestic nature person	1.02%	7,234,302	0			
Zhou Haihong	Domestic nature person	0.95%	6,711,600	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 involving margin business (if applicable)	N/A						

(2) Total preferred stock shareholders of the Company and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

The Company had no shareholders with preferred stock held in the reporting.

(3) Property right and controlling relationships between the actual controllers of the Company and the Company is as follows:



5. Corporate bonds

Whether the company has corporate bonds that have been publicly issued and listed on the stock exchange, and not yet due or due but not fully cashed on the approval date of annual report

No

III. Discussion and analysis by the Management Team

1. Introduction of operation in the reporting period

The Company is complied with the disclosure requirement of *Information Disclosure Guidelines of Shenzhen Stock Exchange No.3-engaged in real estate business for the listed companies*.

(i) Industry analysis during the reporting period

In 2019, real estate regulation continued to adhere to the positioning of “house is for living, not for speculation”, emphasized that real estate would not be used as a short-term stimulus to the economy. Various regions continued to implement the comprehensive measures of “one city, one policy” and differential regulation in accordance with the requirements of “stabilizing land prices, housing prices, and expectations” to maintain the continuity and stability of policies. The real estate market was expected to return to rationality and the market was generally stable. According to the statistics of the Hebei Provincial Bureau of Statistics, in 2019, real estate development investment in Hebei Province was 434.71 billion yuan, a year-on-year decrease of 2.9%, the sales area of commercial housing was 52.827 million square meters, an increase of 0.6% on a year-on-year basis, and the sales area of commercial housing was 9.961 million square meters, an increase of 8.5% on a year-on-year basis, the real estate development and sales overall remained stable.

(ii) The company’s operation during the reporting period

During the reporting period, the company continued to adhere to the development concept of “real estate + strategic transformation”, and actively promoted progress of various business, mainly as follows:

1. Real estate business. In terms of real estate business, we accurately grasped the market positioning, aimed to provide high-quality and high-service improved housing, and promoted the development of new projects with high quality and high efficiency. The newly developed Tianxi project started presale in late June, during the reporting period, the pre-sale area reached 22340.38 square meters, and the pre-sale income was 151.52 million yuan.

2. Hydrogen fuel cell business. The hydrogen fuel cell business uses Zonatron Energy as a carrier. At present, the main products are fuel cells and membrane cells. In terms of fuel cells, it has fully mastered the core technology of fuel cell development, completed the development of fixed and dedicated equipment and fixture for fuel cell design, processing, assembly, testing, and other technological processes, formed a 500W to 5000W series air-cooled fuel cell stack (graphite bipolar type) stereotyped production, the mass power density of the stack reaching more than 500W / KG; in the field of membrane cells, the core technology of fuel cell membrane electrode preparation has been completed, forming a mature process from catalyst preparation, spray coating to membrane electrode packaging and self-developed special fixture with intellectual property rights, and formed mass production of air-cooled self-humidifying membrane electrodes and small batch production of water-cooled

membrane electrodes.

During the reporting period, Zonetron Energy completed the finalization and production of air-cooled fuel cell products such as ZCAB080, ZCAA430, ZCAA454, and ZCAB411, completed the initial finalization and the production of customized samples of water-cooled stack ZCWF190, and completed the design improvement and hand sample test of the 0KW water-cooled stack, improved the high-performance membrane electrode, increased the working temperature of membrane electrode and the current density during rated operation, and the rated power was increased by 20%. At the same time, it actively explored the market, in the application of fuel cell system, it conducted research and development of the entire system with the needs of drones and emergency backup and achieved certain results and market applications.

In December 2019, Zonetron Energy won the title of National High-tech Enterprise. As of the end of the reporting period, Zonetron Energy has passed the intellectual property rights implementation system and ISO9001 quality system certification, participated in the preparation of three fuel cells related national standards, and completed one enterprise standard; obtained a total of 47 R & D patents, including 11 patents for invention, 33 new type patents, and 3 appearance patents, accumulated a total of 17 utility model authorizations, and obtained one trademark registration and two registered trademarks.

3. Alumina fiber business. Alumina fiber uses Aolin New Materials as a carrier. At present, it has produced alumina short fiber. The short fiber cotton adopts the sol-gel method electrostatic spinning technology, and it is transformed into high-performance polycrystalline ceramic fibers after doping and high temperature calcination, which can be used in high-temperature refractory industry, automotive industry (automobile liner), advanced composite materials, aerospace and other fields.

During the reporting period, in terms of market operations, Aolin actively explored the market, focused on docking with domestic liner companies and planning cooperation with automakers to jointly promote domestically produced alumina car liners and markets. At the same time, it has docked with domestic fiber companies and refractory materials companies to develop market cooperation in alumina fiber blankets and refractory materials. In terms of product technology, it constantly improved and upgraded production lines, optimized production technology, and reduced production costs. In terms of product production and production line construction, currently the first production line of Aolin alumina short fiber has been completed and has started small batch of production and marketing. The second production line is under construction; alumina long fiber has entered the pilot stage; the first mass production line for zirconia fiber is under construction. With the completion and use of Dongfeng Science and Technology Park, the company will speed up the construction of product production lines in later period, and vigorously explore the market and increase product sales and market share.

4. Construction and operation of Dongguan Dongfeng Science and Technology Park. During the reporting period, the construction and acceptance of Dongfeng Science and Technology Park of 140,000 square meters were fully completed, which has been officially put into use. Dongfeng Science and Technology Park covers a total area of 117 mu, the main construction includes 9 production plants, 1 scientific research office building and supporting living areas. The park will be divided into two parts for own use and renting.

In terms of own use, the subsidiaries have begun to settle in, and the decoration of the plant and the construction of the production line have been carried out step by step. In terms of leasing, the company adopts independent investment, and has cooperated with a number of industrial real estate intermediary companies to carry out investment promotion work. Currently, some leasing agreements have been signed

The company independently establishes a property management team in the park to take charge the property management of the entire park. At present, the relevant security guards, water and electricity, property maintenance and other teams have been established and have officially taken over the management of Dongfeng Science and Technology Park, providing a solid guarantee for the operation of the entire industrial park.

During the reporting period, the company had no new land reserves and no accumulated land reserves.

Main development projects

City/region	Name of the project	Location	Form at	Proportional interest	Commencement time	Progress of development	Schedule of completion	Land area(m ²)	Planning capacity building area(m ²)	Area completed for current period(m ²)	Cumulative completed area(m ²)	Estimated total investment(10 thousand yuan)	Cumulative total amount of investment(10 thousand yuan)

Chengde	Tianxi	Chengde	Business-living	100.00%	2018-10-26	100%	70.00%	25128.90	43472	0	0	30,000	20,400
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Sales of main project

City/region	Name of the project	Location	Format	Proportionate interest	Capacity building area	Available area (m ²)	Accumulated pre-sale (sales) area (m ²)	Presale (sales) area of the current period (m ²)	Amount of pre-sale (sales) in the current period (10 thousand yuan)	Accumulated settlement area (m ²)	Area settlement in the period (m ²)	Amount settle in the period (10 thousand yuan)
Chengde	Tianxi	Chengde	Business-living	100.00%	43472	56,384.75	22,340.38	22,340.38	15,152	0	0	0
Chengde	Huijing Tiandi	Chengde	Business-living	100.00%	180,957.98	178,896.27	177,072.14	5,517.46	3,195	176,024.77	8,657.46	3903

Rental status of the main project

Name of the project	Location	Format	Proportionate interest	Leasable area (m ²)	Accumulated leasable area (m ²)	Average rental rate

Land development at the first level

Applicable Not applicable

Financing channel

Financing channel	Ending financing balance	Financing cost range/average financing cost	Term structure			
			within one year	1-2 years	2-3 years	Over 3 years
Bank loan	196,000,000.00	6.88%	400.00	1,000.00	3,000.00	15,521.00
Total	196,000,000.00					

Development strategy and business plan for the coming year

In 2020, the main business plans of each business segment of the company are as follows:

1. Real estate business. At present, the company's real estate business is mainly located in Chengde area. In view of the increasingly fierce competition and the gradual saturation condition in the local real estate market, and the company's property management has a good reputation in the local area, on the one hand, the company will do a good job in the sales and services of existing projects, on the other hand, the company will reduce the development of real estate projects and the collection and storage of reserved land, and will turn to the old community renovation and property contract management in later period to explore new business models.
2. Hydrogen fuel cell and new materials business. In terms of hydrogen fuel cells and new materials, the company will focus on improving product quality, optimizing product performance, and accelerating production line construction. At the same time, it will actively open the market and strive to achieve breakthroughs in the market and achieve mass sales.
3. Management and leasing business of Dongfeng Science and Technology Park. The company will actively promote investment in the park, strive to complete all investment in the park within the year, and strengthen the construction and service awareness of the property management team, and strive to provide a stable cash flow for the company through the park leasing and property management in later period.
4. Financing business. As a pure B-share company, due to historical issues, the company has lost its financing function in the capital market. In the future, the company will continue to try multi-channel financing, increase project financing efforts, and actively supplement high-quality funding sources to provide solid capital guarantees for the company's project development in all sectors.

Provide guarantee to the commercial housing buyer for the bank mortgage loan

Applicable Not applicable

As of 31 December 2019, the balance of the mortgage loan guarantee for commercial house owners is 44,867,500 yuan.

2. Whether the main business had major change in the reporting period Yes No**3. About the industries, products, or regions accounting for over 10% of the company's operating income or operating profit** Applicable Not applicable

In RMB

Item	Operating revenue	Operating profit	Gross profit ratio	Increase/decrease of operating revenue y-o-y	Increase/decrease of operating profit y-o-y	Increase/decrease of gross profit ratio y-o-y
Property sales	39,034,049.06	7,745,513.86	19.84%	-67.15%	-48.32%	7.23%
Property management fees	4,883,476.89	-286,859.94	-5.87%	6.58%	-21.46%	-0.72%

4. Whether the characteristics of management seasonal or cyclical need special attention Yes No**5. In the reporting period, note of major changes in operating income, operating cost, total net profit attributable to common stock shareholders of listed company or composing the previous reporting period** Applicable Not applicable**6. Particular about suspended and delisting** Applicable Not applicable**7. Relevant items involving financial report****(1) Particulars about the changes in aspect of accounting policy, estimates and calculation method compared with the financial report of last year** Applicable Not applicable**1. Change of policies**

The content and reason of accounting policy change	approval procedure	remarks
The company shall implement the accounting standard for business enterprises no. 22 - recognition and measurement of financial instruments no. 23 - transfer of financial assets and accounting standard for business enterprises no. 24 - hedge accounting standard for business enterprises no. 37 - presentation of financial instruments as amended by the ministry of finance in 2017 from January 1, 2019	The eleventh meeting of the seventh board of directors	(1)

The company shall carry out the non-monetary asset exchange of the accounting standard for business enterprises no. 7 revised by the ministry of finance in 2019 as of June 10, 2019, and the debt restructuring of the accounting standard for business enterprises no. 12 revised by the ministry of finance in 2019 as of June 17, 2019	The eleventh meeting of the seventh board of directors	(2)
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(1) Impact of implementing the new financial instrument standards

The Company has implemented the “Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments”, “Accounting Standards for Enterprises No. 23-Financial Asset Transfer”, “Accounting Standards for Business Enterprises No.24-Hedging Accounting”, and “Accounting Standards for Business Enterprises No. 37-Presentation of Financial Instruments” revised by the Ministry of Finance in 2017 since January 1, 2019 (the above four items are collectively referred to as “new financial instrument standards”). For details of the changed accounting policies, please see Note VI.

If the recognition and measurement of financial instruments before January 1, 2019 are inconsistent with the requirements of the new financial instrument standards, the Company will make adjustments in accordance with the requirements of the new financial instrument standards. If the data of the previous comparative financial statements are inconsistent with the requirements of the new financial instrument standards, the Company has not adjusted the information of the comparable period. The difference between the original book value of financial instruments and the new book value on the date of implementation of the new financial instrument standards is included in retained earnings or other comprehensive income on January 1, 2019.

The impact of the implementation of the new financial instrument standards on the relevant items of balance sheet at the beginning of the period is listed as follows:

Item	2018-12-31	Cumulative impact amount			2019-1-1
		Classification and quantitative impact (note 1)	Impairment of financial assets (note 2)	Subtotal	
Tradable financial assets	-----	26,800,000.00	-----	26,800,000.00	26,800,000.00
Other current assets	37,786,874.66	-26,800,000.00	-----	-26,800,000.00	10,986,874.66
Financial assets available-for-sale	16,331,037.08	-16,331,037.08	-----	-16,331,037.08	-----
Other equity instrument investment	-----	16,331,037.08	-----	16,331,037.08	16,331,037.08
Total assets	54,117,911.74	-----	-----	-----	54,117,911.74

Note: The above table only presents the affected financial statement items, and the unaffected financial statement items are not included, so the subtotals and totals disclosed cannot be recalculated based on the figures presented in the table above.

Note 1: The wealth management products classified as other current assets in the previous year with a book value of 26,800,000.00 yuan are non-guaranteed floating income wealth management products, and the amount of interest income is affected by various market factors and macro-policy factors, and it is for the purpose of collecting contractual cash flow, which does not meet the “principal + interest” contractual cash flow characteristics, therefore, this part of the amount is reclassified from other current assets into trading financial

assets.

The book value of RMB 16,331,037.08 was classified as available-for-sale equity instruments of available-for-sale financial assets in the previous year, according to the contract terms in this period, it is considered to be non-trading equity investment, and it is reclassified to other equity instrument investments.

(2) The impact of the implementation of new debt restructuring and non-monetary asset exchange standards on the Company

The Company has implemented the “Accounting Standards for Business Enterprises No. 7-Non-Monetary Asset Exchange” revised by the Ministry of Finance in 2019 from June 10, 2019, and implemented the “Accounting Standard for Business Enterprises No. 12-Debt Restructuring” revised by the Ministry of Finance in 2019 from June 17, 2019. The accounting policy changes adopt the future applicable method, and adjust the non-monetary asset exchange and debt restructuring that occurred between January 1, 2019 and the implementation date of the standards according to the provisions of the standards.

The implementation of the above standards by the Company had no impact on the financial statements during the reporting period.

2.Change of accounting estimation

No accounting estimation changed in the period

(2) Major accounting errors within reporting period that needs retrospective restatement

Applicable Not applicable

No major accounting errors within reporting period that needs retrospective restatement for the Company in the period.

(3) Compare with last year’s financial report; explain changes in consolidation statement’s scope

Applicable Not applicable

Subsidiary acquired by establishing in the period

Name	Way of investment	Established on	Total shareholding ratio (%))	Net assets at period-end	Net profit in the period
Fengning Manchu Autonomous County Dongfeng Real Estate Development Co., Ltd.	New establishment	2019.07.16	100	0.00	0.00

Fengning Dongfeng is a company with limited liability registered and established by the market supervision and administration of Fengning Manchu Autonomous Country in Chengde on 16 July 2019, the Company holds 100% equity of Fengning Dongning.