

Stock Code: 200160

Short Form of the Stock: Dongfeng-B

Notice No: 2019-048

Dongfeng Sci-Tech Group Co., Ltd.

Text of Third Quarterly Report 2019

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 hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

All directors of the Company are attended the Meeting for quarterly report deliberation.

Principal of the Company Zhao Yongsheng, Person in Charge of Accounting Works Zhao Yongsheng and Person in Charge of Accounting Organ (Accounting Officer) Liu Fengguo hereby confirm that the Financial Report of the Third 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. Basic information of Company

I. Main accounting data and index

Whether it has retroactive adjustment or re-statement on previous accounting data or not

☐ Yes ☒ No

	Current period-end		Period-end of last year	Increase/decrease	
Total assets (RMB)	737,486,451.00		624,370,817.40	18.12%	
Net assets attributable to shareholders of listed company (RMB)	307,150,697.41		351,593,999.08	-12.64%	
	Current period	Increase/decrease in comparison with same period of last year	Year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year	
Operating revenue (RMB)	6,433,442.99	-59.50%	39,804,856.47	-58.41%	
Net profit attributable to shareholders of the listed company (RMB)	-10,917,560.62	-230.65%	-35,335,429.52	-1,223.23%	
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	-8,479,317.90	16.09%	-33,377,521.84	-82.18%	
Net cash flow arising from operating activities (RMB)	--	--	21,610,660.71	-13.23%	
Basic earnings per share (RMB/Share)	-0.0156	-232.20%	-0.0506	-1,224.44%	
Diluted earnings per share (RMB/Share)	-0.0156	-232.20%	-0.0506	-1,224.44%	
Weighted average ROE	-3.58%	-5.85%	-10.84%	-11.70%	

Items and amount of extraordinary profit (gains)/losses

☒ Applicable ☐ Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	972,524.64	

Held transaction financial asset, gains/losses of changes of fair values from transaction financial liabilities, and investment gains from disposal of transaction financial asset, transaction financial liabilities and financial asset available for sales, exclude the effective hedging business relevant with normal operations of the Company	261,265.72	
Other non-operating income and expenditure except for the aforementioned items	-3,844,333.93	
Less: impact on income tax	-652,635.89	
Total	-1,957,907.68	--

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. Statement of the total shareholders and shares-held of top ten shareholders at end of the Period

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

In share

Total number of common shareholders at the end of report period	17,375	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0			
Top ten shareholders						
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 natural person	29.49%	208,324,800	208,324,800		
China Everbright Securities (HK) Limited	Foreign corporate	7.90%	55,783,345	0		
GUOTAI JUNAN	Foreign corporate	6.60%	46,638,726	0		

SECURITIES(HONGKONG) LIMITED						
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	Foreign corporate	2.20%	15,524,875	0		
Wang Zhengsong	Domestic natural person	1.89%	13,327,891	13,327,891		
Wang Wensheng	Domestic natural person	1.03%	7,258,007	0		
Su Youhe	Domestic natural person	1.02%	7,214,602	0		
Zhou Haihong	Domestic natural person	0.95%	6,711,600	0		
CORE PACIFIC-YAMA ICHI INTERNATIONAL (H.K.) LIMITED	Foreign corporate	0.86%	6,051,543	0		
Tradable shares held by top 10 shareholders						
Shareholders	Amount of tradable shares held	Type of shares		Type	Amount	
China Everbright Securities (HK) Limited	55,783,345	Domestically listed foreign shares			55,783,345	
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	46,638,726	Domestically listed foreign shares			46,638,726	
Haitong International Securities Company Limited-Account Client	15,524,875	Domestically listed foreign shares			15,524,875	
Wang Wensheng	7,258,007	Domestically listed foreign			7,258,007	

		shares	
Su Youhe	7,214,602	Domestically listed foreign shares	7,214,602
Zhou Haihong	6,711,600	Domestically listed foreign shares	6,711,600
CORE PACIFIC-YAMAICHI INTERNATIONAL (H.K.) LIMITED	6,051,543	Domestically listed foreign shares	6,051,543
Shen wan Hongyuan securities (Hong Kong) Co., LTD.	4,995,920	Domestically listed foreign shares	4,995,920
Li Tianyun	3,820,000	Domestically listed foreign shares	3,820,000
Peng Wei	2,978,525	Domestically listed foreign shares	2,978,525
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 about top ten common shareholders (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 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 of shareholders with preferred stock held and the top ten shareholdings

☐ Applicable ☒ Not applicable

Section III. Important events

I. Particular about major changes from items of main accounting statements and financial indexes as well as reasons

√ Applicable □ Not applicable

Serial 1	Item	Period-end (the Period) balance	Period-begin (last period) balance	Changes		Reasons
				Amount	Ratio	
1	Monetary fund	71,712,087.48	36,306,825.10	35,405,262.38	97.52%	Account received in advance for property
2	Account paid in advance	31,725,356.14	61,099,009.67	-29,373,653.53	-48.08%	Settlement of the account paid in advance for engineering in the period
3	Other receivables	26,279,193.00	8,588,597.44	17,690,595.56	205.98%	Current account receivables increased in the period
4	Construction in progress	265,731,045.29	101,650,833.16	164,080,212.13	161.42%	Expenditure from construction in progress in the period
5	Development expenditure	25,899,861.29	13,346,410.47	12,553,450.82	94.06%	Expenditure from development projects
6	Other non current assets	19,011,471.60	121,743,152.36	-102,731,680.76	-84.38%	Settlement of the account paid in advance for engineering in the period
7	Account payable	3,339,405.28	6,668,789.67	-3,329,384.39	-49.92%	Account for engineering are paid in the period
8	Account received in advance	147,143,153.93	16,269,319.99	130,873,833.94	804.42%	Account received in advance for property increased in the period
9	Tax payable	513,335.30	921,967.58	-408,632.28	-44.32%	Taxes paid in the period
10	Other payable	76,579,712.77	118,570,218.85	-41,990,506.08	-35.41%	Current account paid in the period
11	Long-term loans	175,210,000.00	101,710,000.00	73,500,000.00	72.26%	New bank loans in the period
12	Business income	39,804,856.47	95,699,640.45	-55,894,783.98	-58.41%	Income from property sales declined on a y-o-y basis
13	Business cost	32,700,355.28	87,135,797.74	-54,435,442.46	-62.47%	Cost of property sales declined on a y-o-y basis
14	Business tax and surcharge	1,682,848.47	3,324,122.85	-1,641,274.38	-49.37%	Accrual tax declined for the decrease of property sales in the period
15	Sales expense	10,193,305.47	27,452.12	10,165,853.35	37031.21%	Settlement of the sales agency fee in the period
16	Management expense	28,592,202.66	21,114,670.20	7,477,532.46	35.41%	Operating expenses increased in the period
17	Other income	6,451.79	2,890,000.00	-2,883,548.21	-99.78%	There was a energy-saving subsidy received from government last period while no such amount occurred in the period
18	Investment income	261,265.72	18,683,998.38	-18,422,732.66	-98.60%	There was an income from subsidiary disposal last period while no such amount occurred in the

						period
19	Net cash flow arising from investment activities	-42,117,796.39	-167,207,550.45	125,089,754.06	-74.81%	The account paid for construction in progress decreased on a y-o-y basis
20	Net cash flow arising from financing activities	57,100,889.00	102,850,300.00	-45,749,411.00	-44.48%	Bank loans received in the period decreased on a y-o-y basis

II. Progress and influence of the main events as well as solution analysis specification

☐ Applicable ☒ Not applicable

Progress of shares buy-back

☒ Applicable ☐ Not applicable

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>. The progress of the company's share repurchase was as follows:

Ended as the reporting period, 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 (HKD)	Bottom price (HKD)	Price repurchased (HKD)	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%	Notice on the Repurchase of 3% of the Company's Shares Capital (No.:2018-076)
2018.12.28	532,100	1.14	1.14	606,594.00	0.08%	Notice on the Repurchase of 4% of the Company's Shares Capital (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%	

Implementation progress of the reduction of repurchases shares by centralized bidding

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

There are no Commitments that the actual controller, shareholders, related parties, offeror and the Company have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period.

IV. Particular about security investment

☐ Applicable ☒ Not applicable

The Company had no security investment in Period.

V. Trust financing

☒ Applicable ☐ Not applicable

In 10 thousand Yuan

Type	Capital resources	Amount for entrust	Balance un-expired	Overdue amount
Bank financing product	Own funds	2,000	500	0
Total		2,000	500	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. Particulars about derivatives investment

☐ Applicable ☒ Not applicable

The Company had no derivatives investment in Period.

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

☒ Applicable ☐ Not applicable

Time	Way	Type	Basic situation index of investigation
2019-09-05	Telephone	Personal	Current condition of the Company, no materials required
2019-09-12	Telephone	Personal	Current status of the Company and no material provided
2019-09-25	Telephone	Personal	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 from controlling shareholders and its related party in the period