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Digital China Holdings Limited

1H2023 Results Presentation

August 2023

Contents

01

**Key Financial
Highlights**

02

**Products &
Use Cases**

03

**Outlook &
Aspirations**



01

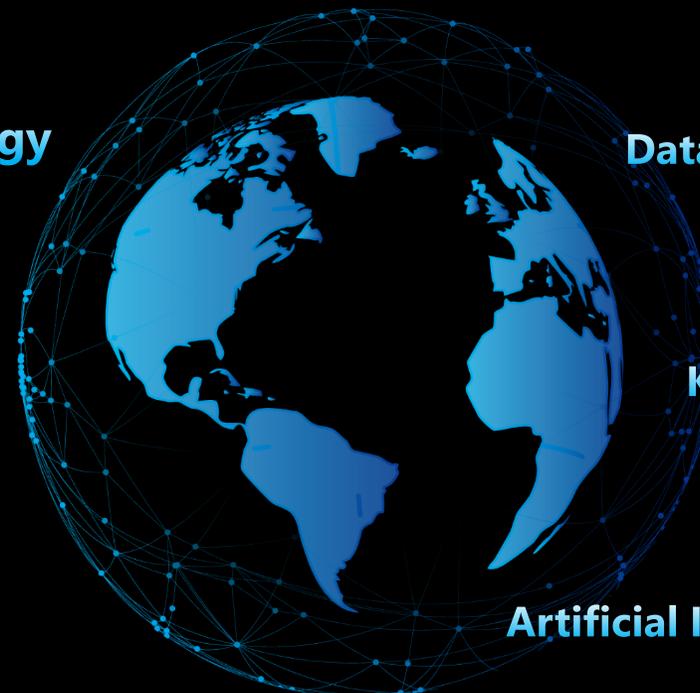
Key Financial Highlights

Performance Summary | Key Highlights | Industry Performance



Digital China

Committed to Becoming a Leader in Big Data Technology



Data Elements

Knowledge Graph

Artificial Intelligence

6.68bn

Revenue -8%

5.4bn

Newly Signed
Contracts +36%

0.23bn

Adjusted net profit
attributable to the parent
company* +11%

1.11bn

Big Data Revenue +12%

970mn

Big Data Newly Signed
Contract +55%

390mn

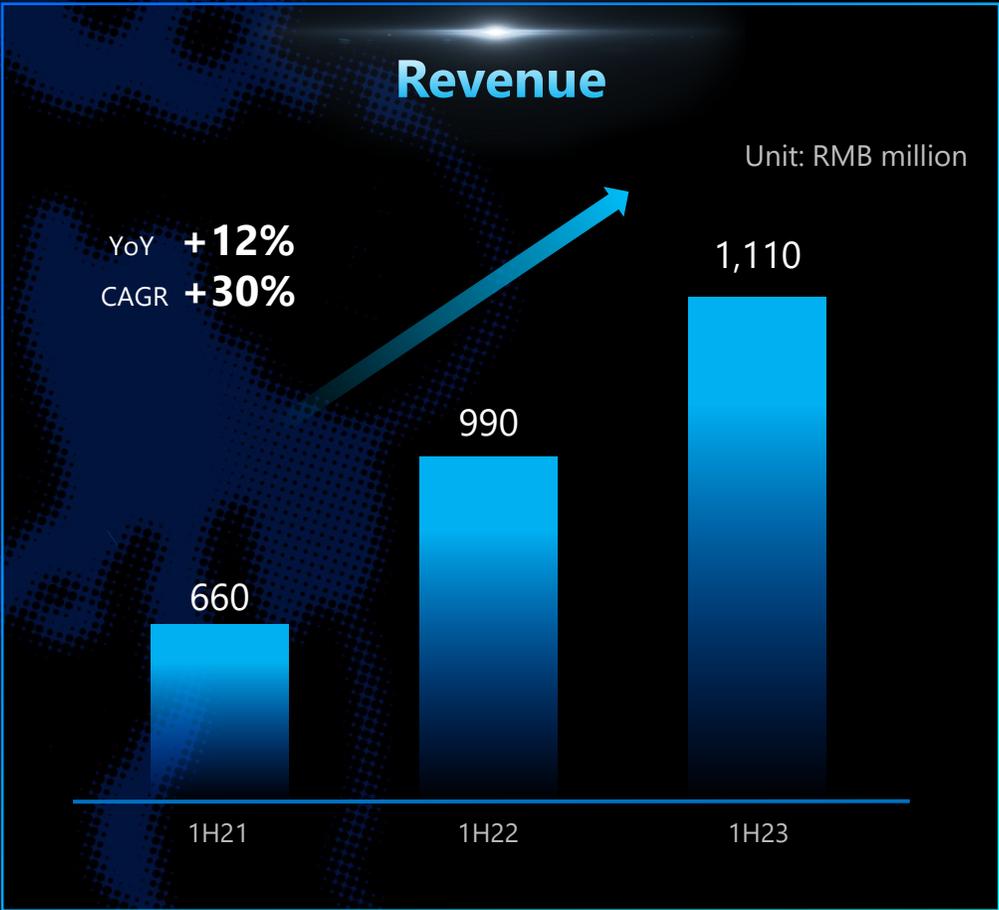
Big Data Gross Profit +3%

190mn

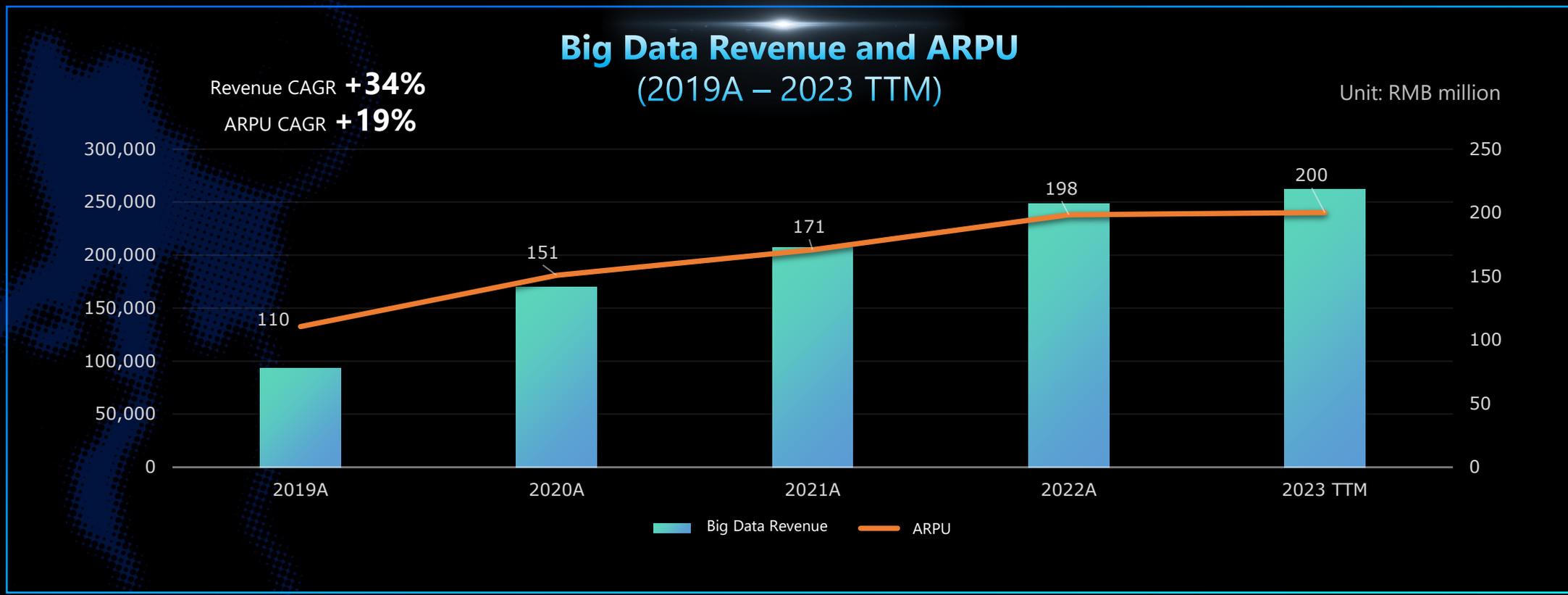
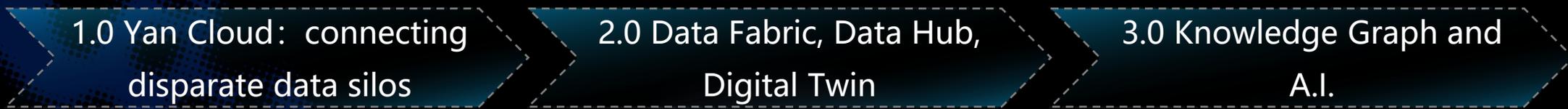
Big Data R&D Expenses
+8%

*Adjusted net profit attributable to the parent company was RMB233 million. The adjustment excludes the share of losses of associates and joint ventures of RMB192 million which is unrelated to the Company's actual business and core operating performance during the reporting period.

Rapid Growth of Big Data Business

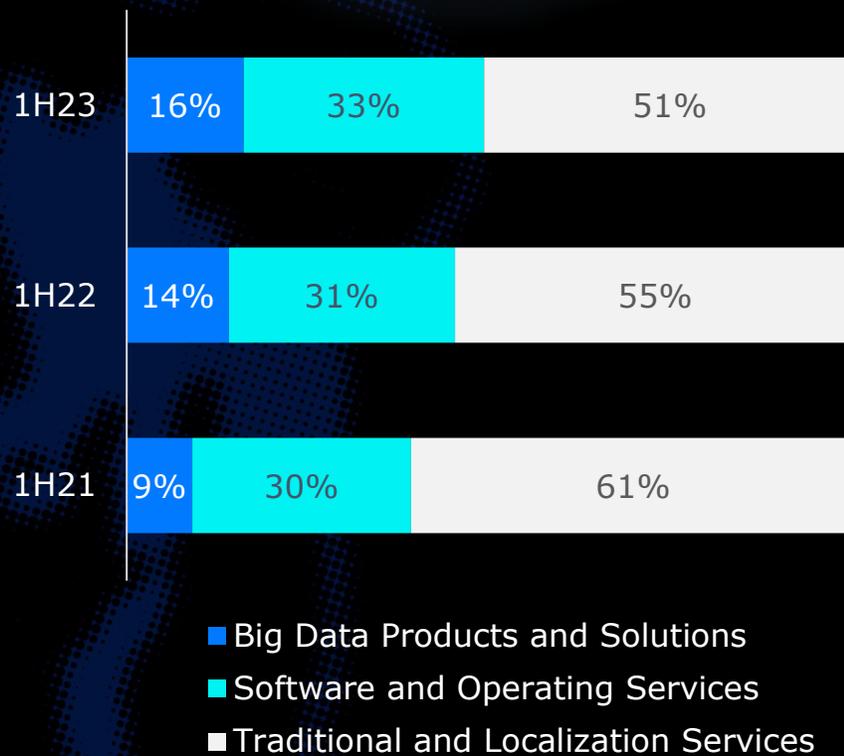


Clear Expansion of Average Client Revenue

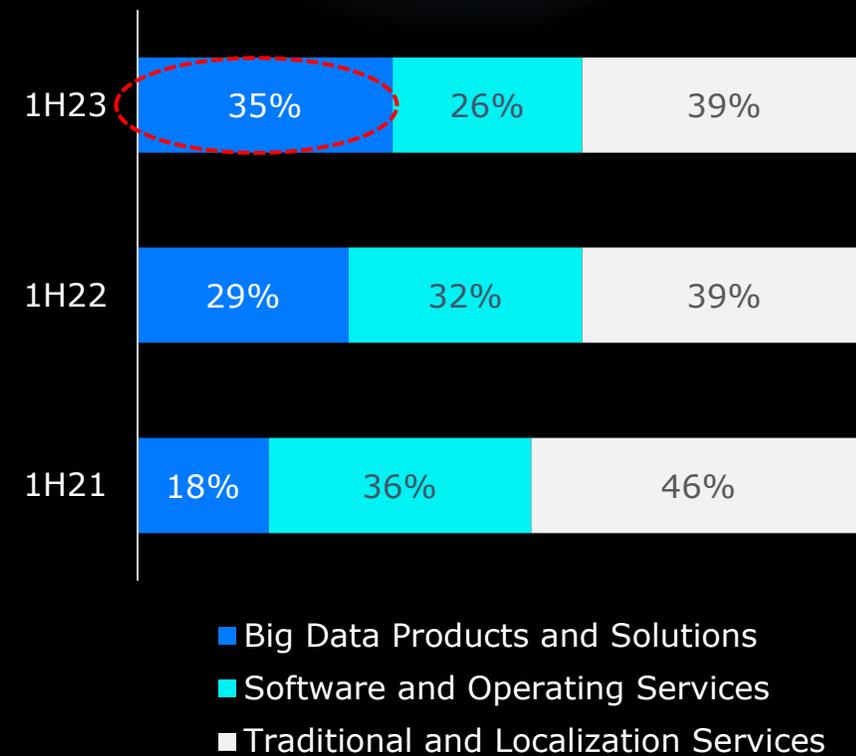


Ongoing Business Structure Optimization

% of Revenue by Segment



% of Gross Profit by Segment



Blue Chip Clients across Key Verticals



Technology



Finance



Consumer



Government

National Development and Reform Commission	State Taxation Administration	Ministry of State Security	Ministry of Science and Technology
Ministry of Agriculture and Rural Affairs	Ministry of Water Resources	National Health Commission	Cyberspace Administration of China
Jilin	Fujian	Beijing	Shanghai
Guangzhou	Shenzhen	Chongqing	Tangshan

Leading via Innovative Technologies



02

Products & Use Cases

Technology Roadmap | Products and Use Cases



Technology Roadmap and Scope

Cross-vertical business integration



Smart Cities



Digital Supply
Chain



FinTech



Intelligent
Manufacturing

Business Innovation

Powered by
Composable Architecture*



Smart Data

Powered by
Knowledge Graph + Large Language Model

Data Asset Platform

Data Hub

Intelligent Operation

Digital Twin

Yan Cloud DaaS



Data Ecosystem



Application
Ecosystem



Tool Ecosystem



Cloud Ecosystem



* The Composable Architecture (TCA)

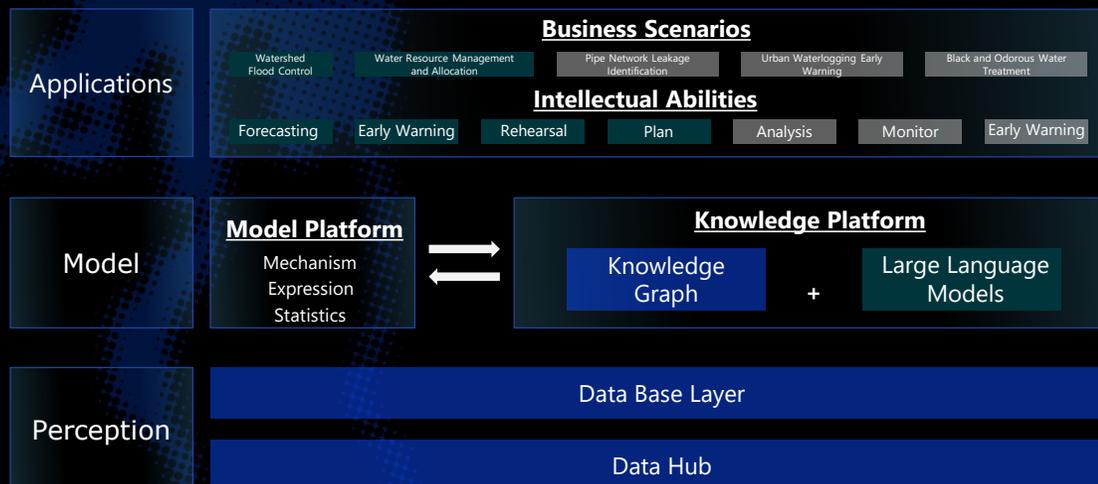
Use Case | Smart Cities

Case Background

- The **Changchun Intelligent Water Project** supports the water ecosystem administration of the Yitong River in Jilin Province. It utilizes an integrated approach of technologies such as Internet of Things (IoT), big data, and digital twins to enable the comprehensive management of **urban flooding, flood prevention, and water environment issues.**

Core Offering

- Data Hub, IoT Platform, Knowledge Graph



Outcomes

- By developing a comprehensive water services application, we help Changchun City **improve their response capabilities to water-related disasters such as developing pre-emptive disaster warning systems and forecasting capabilities.**
- The water services application also contains intelligent piping network analysis which is done by integrating the scheduling of urban drainage plants, stations and networks and results in **improved facility efficiency.**



Value Proposition

- We act as the **"City CTO"** to be fully engaged in the city's digital upgrade initiatives.
- Often, focus areas include **city water management, transportation management, education, environmental protection, amongst others.**
- Given the common challenges faced by city managers, the expertise and know-how from these projects can be **quickly replicated across other cities.**

Use Case | Digital Supply Chain

Case Background

- One of our clients, a leading child content developer, has expanded its offerings from audio storytelling content to hardware toys, merchandise, and third-party IP products.
- Similarly, its distribution channels have expanded to cover both offline and online multi-channels. Given such expansion, the client anticipates the need for resource integration and optimization to enhance efficiency, cut costs, and ultimately support its rapid expansion.

Core Offering

- Integrated supply chain decision making platform

Strategic Layer	Planning System Software	Strategic Design		
	Location	Network	Production Capacity	
Planning Layer	Planning System Software	Partial Operation Plan		
	Sales Forecast Capacity Planning	Production Equipment Plan Material Inventory Planning	Delivery Route Optimization Order Fulfillment Priority	
Operation Layer	ERP/OMS/WMS/TMS/BMS.....	Operations Execution		
	Plan to Release Order Release Tracking	Workshop Schedule Daily Plan Released	Supply Plan Purchasing and Supply Control	Dealer Management Logistics Management

Outcomes

- The Company assisted the client in integrating its business flows, logistics operations, and operational information via our proprietary solution covering ordering, warehouse management, transportation management and big data analytics, allowing for multichannel inventory management which improved inventory turnover and optimized costs.
- Post deployment, the client was able to focus on driving order volume growth while ensuring that business operations remained streamlined, thereby improving their overall bottom line.



Value Proposition

- With more than 20 years of experience, we adopt an enterprise Chief Supply Chain Officer (“Enterprise CSO”) approach to our integrated supply chain decision making platform with an ultimate objective to improve efficiency and lower operating costs for our clients.
- Key industries: IT, 3C, FMCG, green and low-carbon industries such as electric vehicles.

Use Case | Financial Technology

Case Background

- We had previously compiled a "Data Operation Platform" of a major state-owned bank, they have more uncertainties and risks compared with the initial stage of the digital transformation of commercial banks.
- How banks enhance the quality and the utilization of financial data will become a crucial factor in determining whether the digital transformation of commercial banks can be realized.

Core Offering

- Financial data asset service and product ecosystem covering intelligent data development, asset management and value realization



Outcomes

- A data operation platform has been developed that focuses on implementing a data asset management system and allow for data collection, consolidation and application.



Value Proposition

- We possess a comprehensive data asset service and product ecosystem, which enables us to provide comprehensive services for the development of the data capabilities of various commercial institutions.
- During the reporting period, we also successfully signed contracts for data asset services with financial clients such as China CITIC Bank, CITIC Financial Holdings, Chongqing Rural Commercial Bank, Bank of Qingdao, Ordos Bank, Xi'an Bank, Nanyue Bank, Chang'an Bank and State Power Investment Corporation as well as others.

03

Outlook and Aspirations

Industry | Growth Strategy | Goals | Management Team

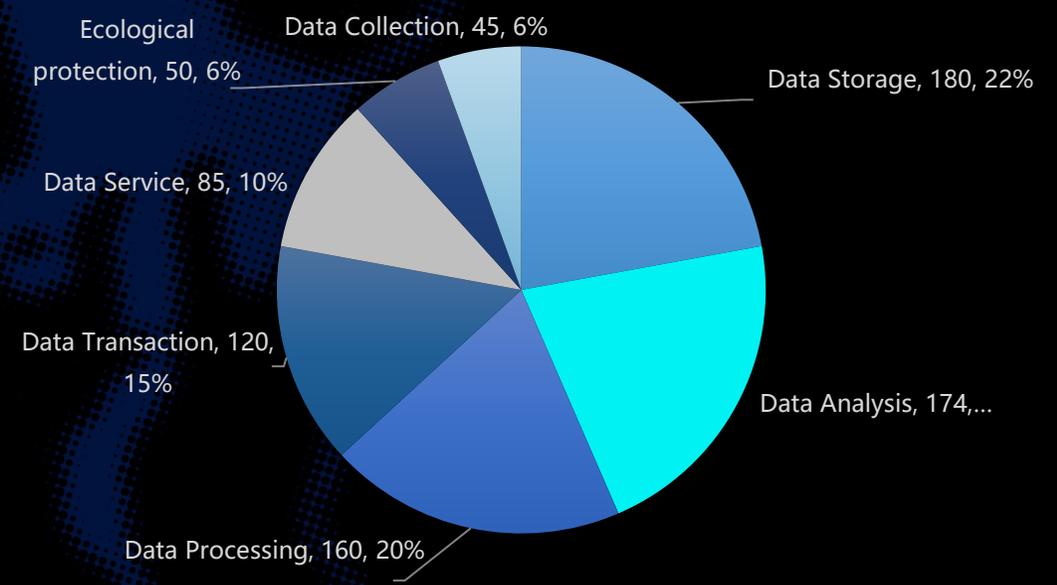


Vast Data Industry Opportunity

According to the China Digitalization Development Report (2022), China's data element market size reached RMB81.5 billion in 2021, and is expected to grow at a CAGR of 25% during the "14th Five-Year Plan" period.

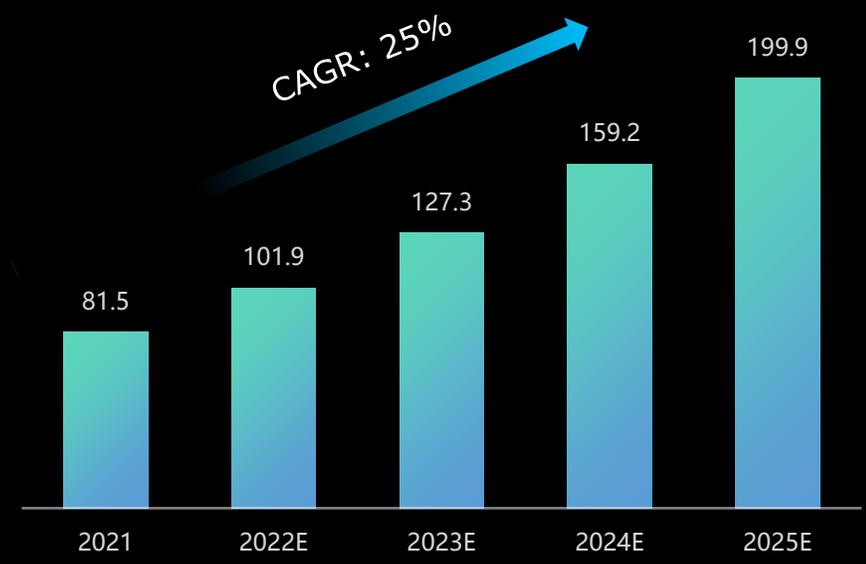
2022 China's Data Elements Segment Market Size

Unit: RMB million, % of total



"14th Five-Year Plan" China's Data Element Market Scale Forecast

Unit: RMB billion



“City CTO” & “Enterprise CSO” Strategies

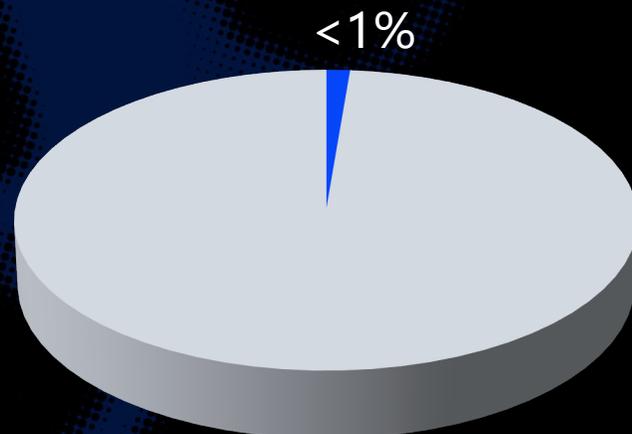
Starting with empowering public data operations, we provide end-to-end solutions for the industry-wide data monetization



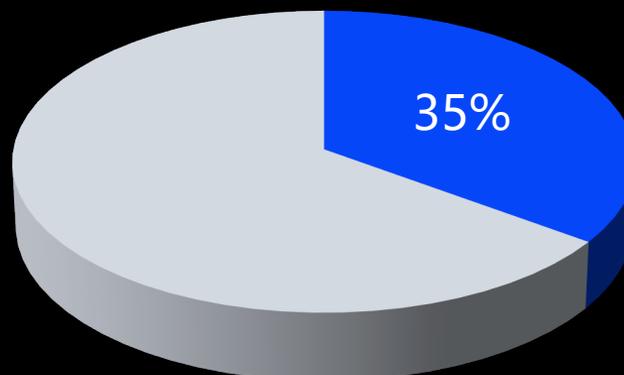
Big Data Business Growth Trajectory

2018-2024 Big Data Business's Gross Profit Contribution

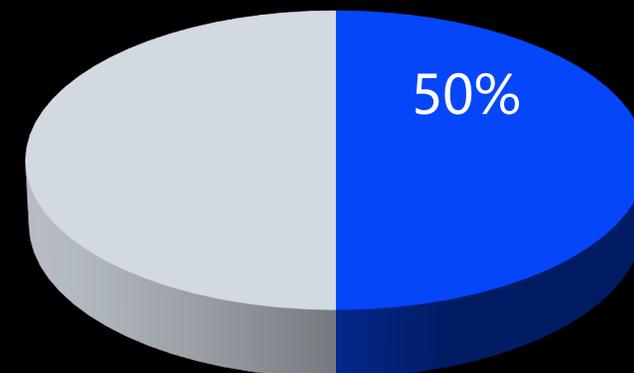
2018A



1H23A



2024E





神州控股 DC Holdings



Ian Fu

VP

Expert in the fields of TMT, Information Technology, Smart Cities and Data Analytics. Ex-China Communications Services General Manager.



Yale Shen

CTO

Senior scientist in the fields of big data, blockchain and artificial intelligence. Ex-Cisco Chief Cloud Architect; Ex-Microsoft Head of Technical Team for Strategic Planning



Maria Kwok

COO

Management experience at Fortune 500 companies focused on M&A and business strategy. Ex-Intel President of Solutions; Ex-Microsoft President of Greater China M&A and Strategy



Sun Yang

SVP

30+ years of experience in fintech, investment and financing and asset management. Ex-China Orient AM Assistant General Manager; Ex-Dongfang Bangxin Chairman



Victor Cheung

VP

30+ years of MNC experience in the semiconductor, technology, and supply chain sectors. Ex-Arrow Electronic VP



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