神州控股
DC Holdings

00861.HK

Digital China Holdings Limited

FY2023 Results Presentation

March 2024

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01
Key Financial Highlights

Performance Summary | Key Highlights | Industry Performance

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Digital China

"Big Data + Artificial Intelligence" Strategy

18.28bn
Revenue
+3%

15.87bn
Newly Signed Contracts
+22%

0.3bn
Adjusted net profit attributable to the parent company*
+38%

0.75bn
Net cash inflow from operating activities
+42%

3.17bn
Big Data Revenue +30%

4.65bn
Newly Signed Big Data Contracts +26%

2.26bn
Signed but Not Yet Delivered Big Data Contracts +17%

490mn
R&D Expenses (Big Data)
+6%

*Adjusted net profit attributable to the parent company was RMB0.3 billion. Adjustment for one-off items excludes the following: a) share of losses from associates and impairment losses from interests in associates (c. RMB 989 million); b) impairment provisions of approximately RMB 1.146 billion related to investment properties and wealth management product investments for the year.

Rapid Growth of Big Data Business

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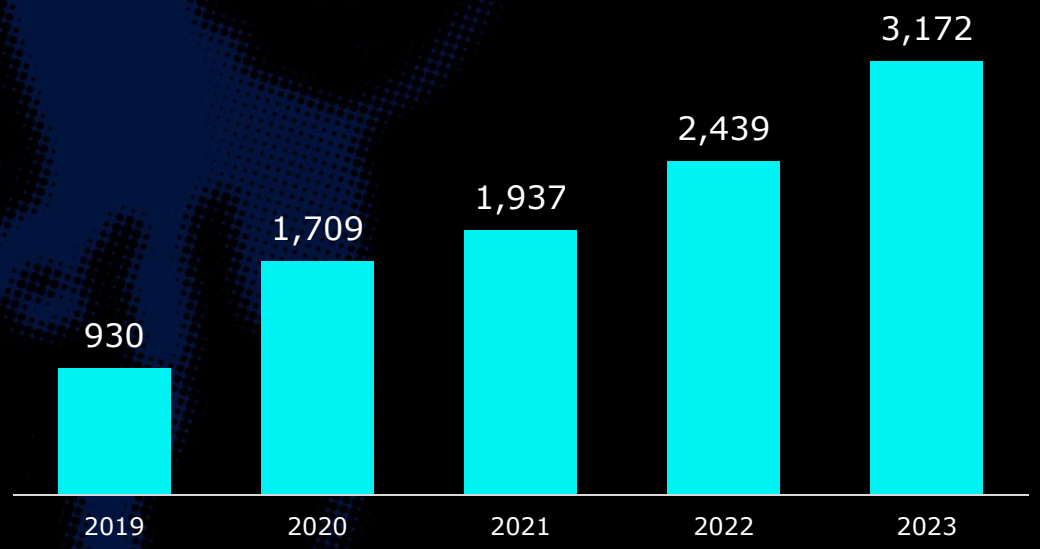
Revenue

Unit: RMB million

YoY **+30%**

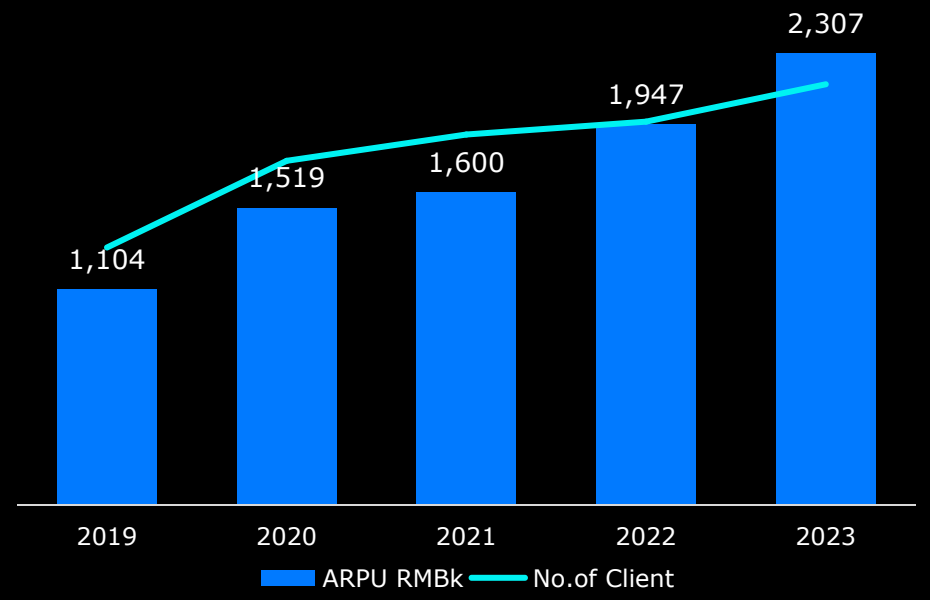
CAGR **+36%**



No. of Client and ARPU

ARPU CAGR **+20%**

No. of Client CAGR **+13%**



Ongoing Business Structure Optimization

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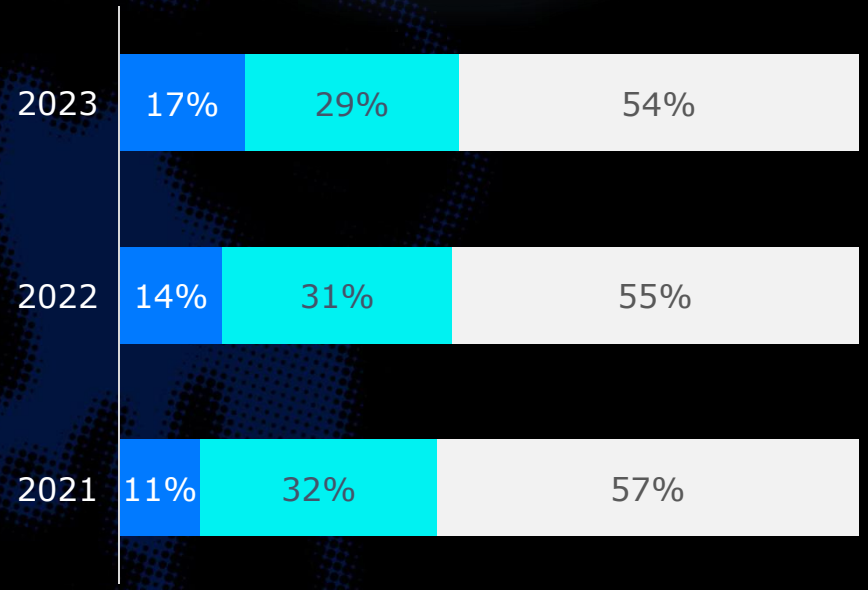
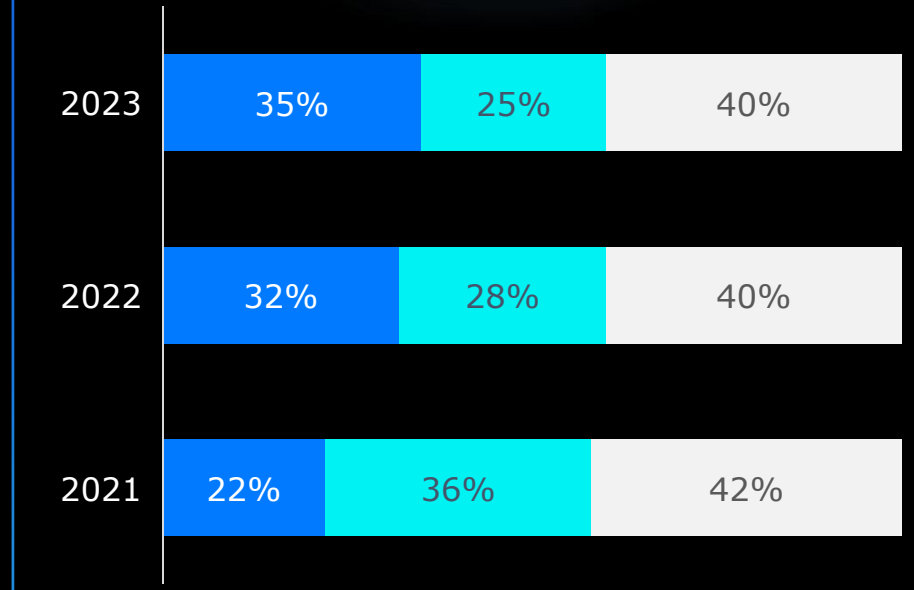
% of Revenue by Segment



% of Gross Profit by Segment



Blue Chip Clients across Key Verticals

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44%

Technology

29%

Finance

10%

Consumer

6%

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
Tianjin	Chongqing	Shenzhen	Guangzhou
Tangshan	Weihai	HKSAR	.....

Cutting-Edge Proprietary Technology

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1st
2023 Digital Twin Solution Providers TOP 50

2nd
2023 Top 100 New Technology Companies Digital Industry Group

2nd
China Digitalization Innovation Competition

Formulation of 128 national and industry standards
2,787 intellectual property rights, including technology patents

Digital Economy
2023 Leading Enterprise

Public Data Operations
2023 Annual Solution Award

Big Data
2023 Outstanding Service Provider Leader

Data Elements
2023 Industry Development Leader

Knowledge Map
2023 Technology Innovation Award

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02

Products & Use Cases

Technology Roadmap | Products and Use Cases

Technology Roadmap and Scope

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Cross-vertical business integration AI+

Smart Cities | Digital Supply Chain | FinTech | Intelligent Manufacturing

Business Innovation

Powered by Composable Architecture*

Data Assets

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

Alibaba Cloud | 政务云 govclouds.cn 一站式互联网+政务服务平台

* The Composable Architecture (TCA)

Use Case | Public Data Operations

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Public data operations: a critical entry point for constructing a data elements market

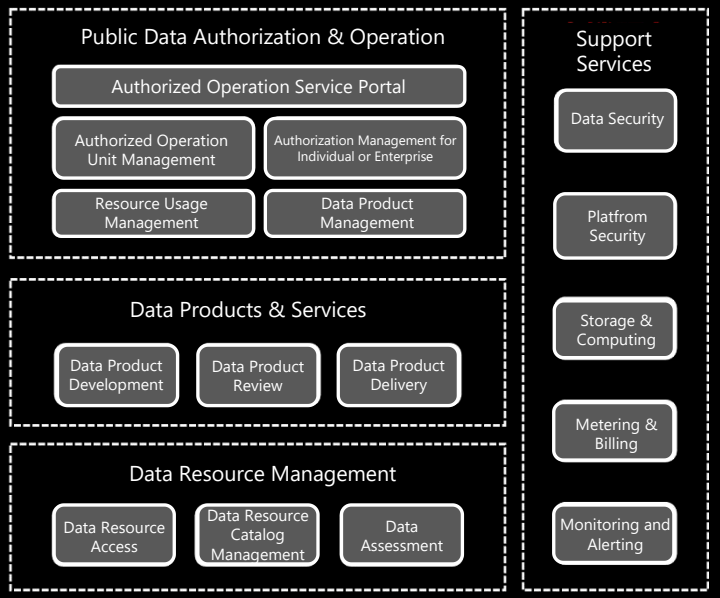
- In December 2022, the State Council issued the "Twenty Guidelines on Data", proposing to explore new models for incorporating data elements into financial statements to fully activate the value of data elements.
- In August 2023, the Ministry of Finance issued the "Interim Regulations", stipulating that starting from January 2024, data assets shall be included in the financial statements.
- In January 2024, the "Data Element X" Three-Year Plan (2024-2026) was officially released jointly by the National Data Bureau and 17 other departments.

Estimatedmarket size of data transaction by 2025	Current proportion of on-exchange trading	Proportion of public data
> RMB 220bn	**<20%**	**~ 80%**

- Cties such as Beijing, Shanghai, Guangzhou, Shenzhen, Zhejiang and Fujian have sequentially implemented practices related to public data operation
- Currently, public data operations are primarily focused on the transportation, healthcare, and financial sectors.

DC Holdings - Innovative Practices in Public Data Operations

- Pioneering role in exploration and actively participated in formulating the first domestic standard for public data operation
- Executed China's initial public data operation platforms that align with operational requirements
- Executed strategic cooperation agreement to jointly build and operate a public data operation platform in Kunshan
- Obtained Data Trader Certification from several key domestic data trading institutions



Market Entry Role: Platform Construction + Data Trading

Next Steps for Market Expansion

By utilizing the "City CTO" model and leveraging cities as an entry point, the Group offers solutions that turn public data into valuable assets for all industries, making sure it's used effectively and gains more value

Use Case | Supply Chain Control Tower

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Case Background

Food production and manufacturing company with multiple workshops and production lines. They want to improve their supply chain management. The supply chain control tower can solve:

- Data Fragmentation: Their data is scattered across different systems
- Inefficient Pickup: Picking up goods from multiple points is slow and error-prone
- Coordination: Communication between different parts of the supply chain not smooth
- Lack of Data Guidance: They need better information for decision-making
- Manual Dispatching: Currently, they rely on manual processes for pickups

Core Offering

Supply Chain Control Tower

Outcomes

- By creating a supply chain control tower, we help the client manage their resources throughout the entire supply chain.
- This includes warehouses, industrial parks, and transportation within and outside the factory.
- The control tower ensures complete information coverage and digital management, leading to better coordination and achieving their goals of reducing costs and increasing efficiency

Expansion Plan

Key Industries: Manufacturing Enterprises (Smart Manufacturing, Intelligent Automobiles, IT, 3C, FMCG, etc.)

Use Case | Financial Data Asset Management

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Case Background

- In the past, banks dipped their toes into digital transformation. Now, they're diving into deeper waters with more risks and uncertainties.
- How well they manage their data assets will decide if their digital transformation moves smoothly ahead. For a particular state-owned major bank, the Data Asset Operation Platform proved to be critical in that transformation process.

Core Offering

- Financial data asset services and product ecosystem encompassing data intelligence development, asset management, and value realization.

Outcomes

- This case involves creating a data asset management system, setting up a data asset operation platform, and performing data asset inventory and application.
- By constructing the data asset operation platform, it enables the collection, utilization, and administration of data assets

Expansion Plan

- Upgraded integrated data development platform has been officially deployed and put into operation by financial institutions at the provincial level in Beijing, Hebei, Inner Mongolia, and Shaanxi.
- Our data application product system, with data assets as its foundation, has empowered clients such as Postal Savings Bank of China, CITIC Bank, Industrial Bank, and Bohai Bank to unlock the full value of their data.
- Additionally, our enterprise-level data asset operation platform has secured contracts with significant financial clients, including Shaanxi Rural Credit Cooperatives, Nanjing Bank, Xi'an Bank and CITIC Group.

Accelerate Overseas Deployment

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Hong Kong Smart City Initiative

- In collaboration with NVIDIA, we delivered the first phase of the large-scale AI super-computing center for the Hong Kong SAR Government, valued at nearly HKD 600 million. We will continue to empower the digital transformation of the Hong Kong Government and overseas governments

Overseas Supply Chain and Cross-Border Digital Trade Services

- In partnership with the local Chinese government, we've created an extensive cross-border digital trade platform that seamlessly connects with the overseas markets of the "Belt and Road" initiative.
- This platform supports the global digitalization efforts of Chinese enterprises. Our business presence now spans Southeast Asia, Japan, South Korea, the Middle East, Africa, South America, North America, and Europe

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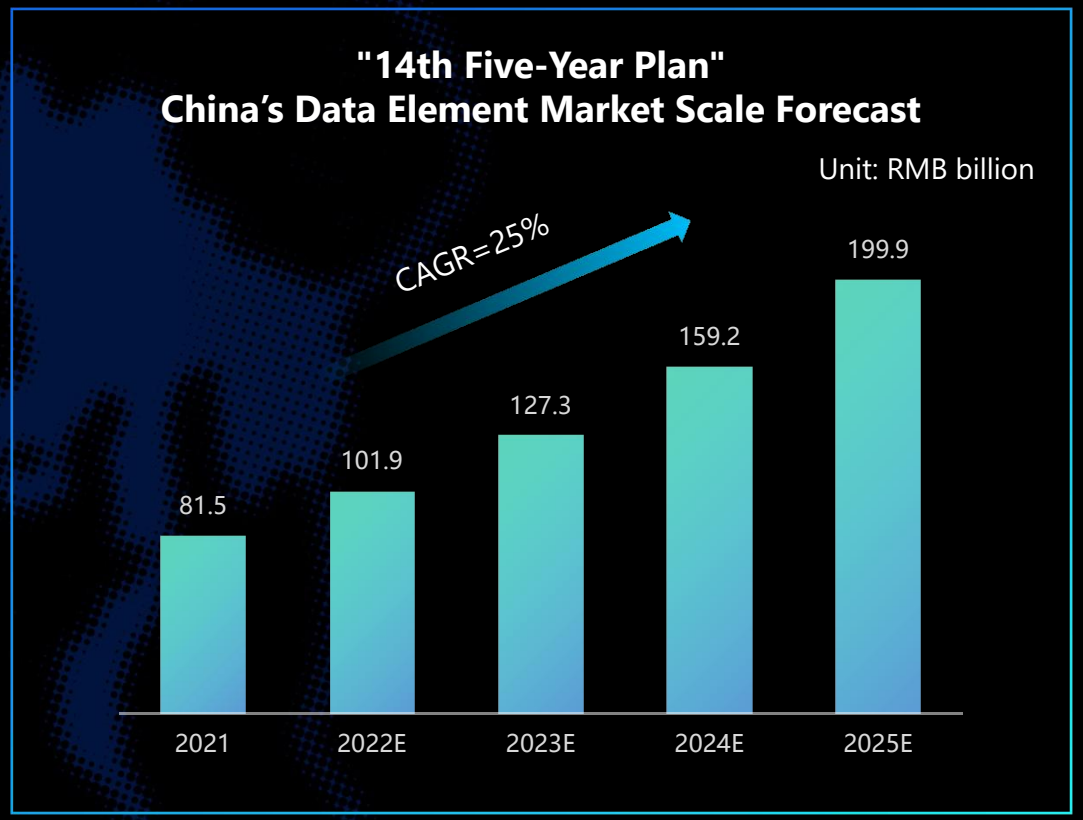
03

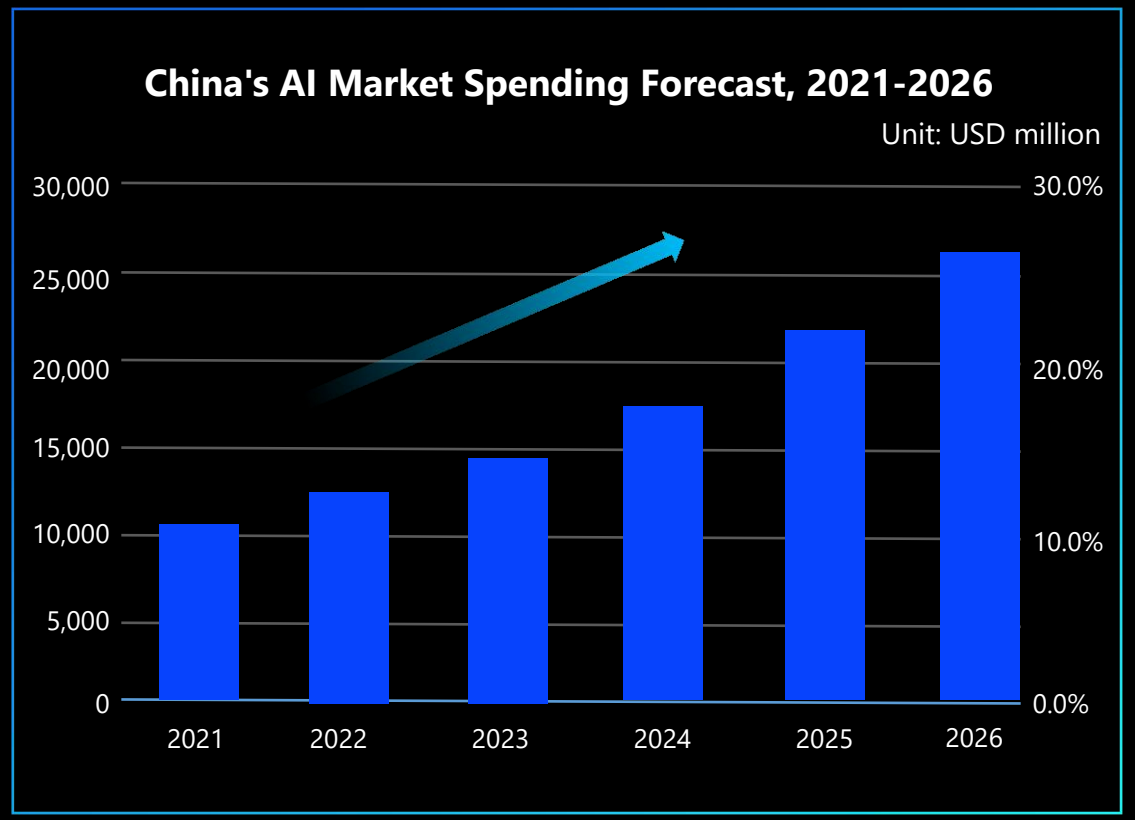
Outlook and Aspirations

Industry | Growth Strategy | Management Team

Vast Market 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. Based on IDC forecasts, the China's AI market is expected to achieve a market size of RMB26.44 billion by 2026, with a CAGR exceeding 20% from 2021 to 2026.

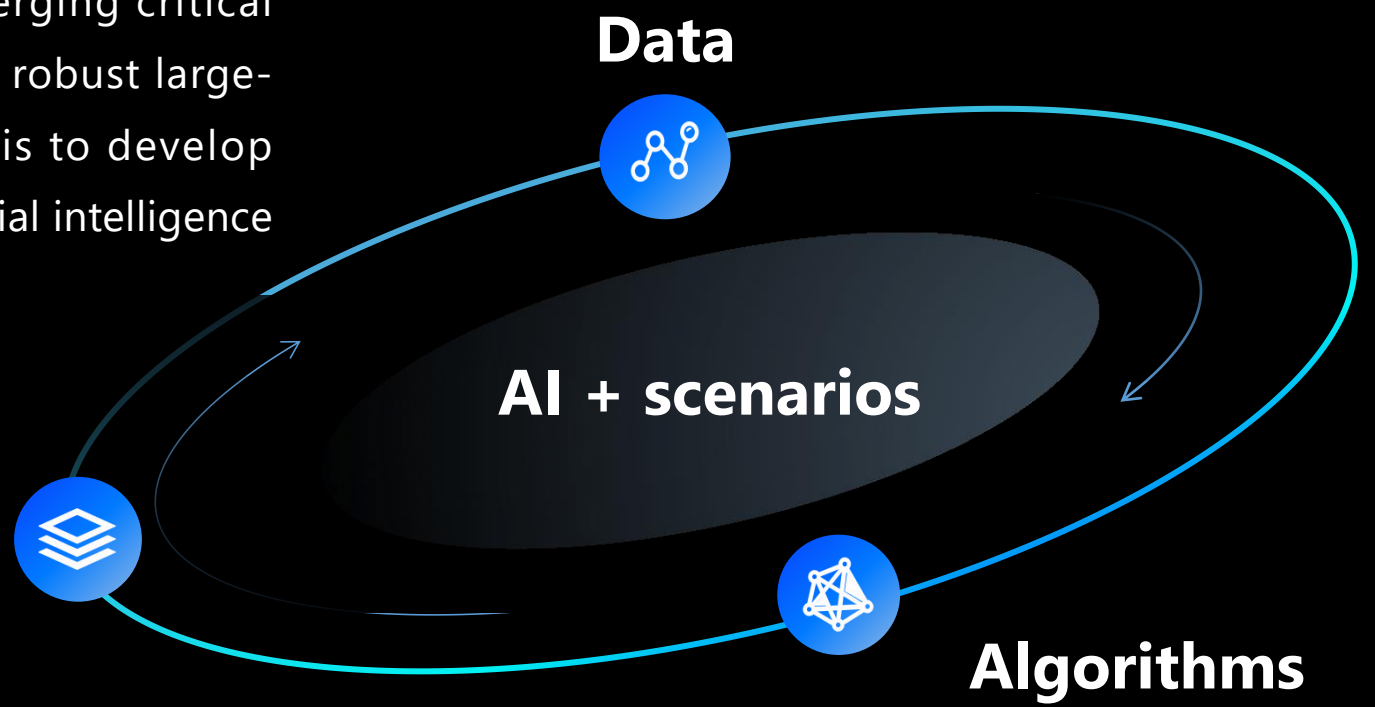




* Source: "China Digitalization Development Report (2022)"; IDC China, 2023.

Embracing the AI Era

Our focus lies at the intersection of "Data + Computing Power + Algorithms." We enhance the "Urban CTO + Enterprise CSO" innovation model, positioning ourselves in the realm of data elements for city and industry contexts. By merging critical industry knowledge repositories with robust large-scale model technologies, our goal is to develop intelligent big data products and artificial intelligence applications across various sectors



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