神州控股
DC Holdings

00861. HK

Digital China Holdings Limited

1H24 Results Presentation

September 2024

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01 **Business Strategy**

02 **Financial Highlights**

03 **Competitive Edge**

04 **Outlook & Aspirations**

01

Business Strategy

Development Milestones | Core Strategy | Innovation Model | Business Layout

History and Milestones: From IT to DT

2018-Now

2010-2017

**Pioneer in China's
Big Data Industry**

2000-2009

**Largest Systems Integrator
in China**

**Leading Distributor of IT Products
in China**

Spun off from Legend in 2000
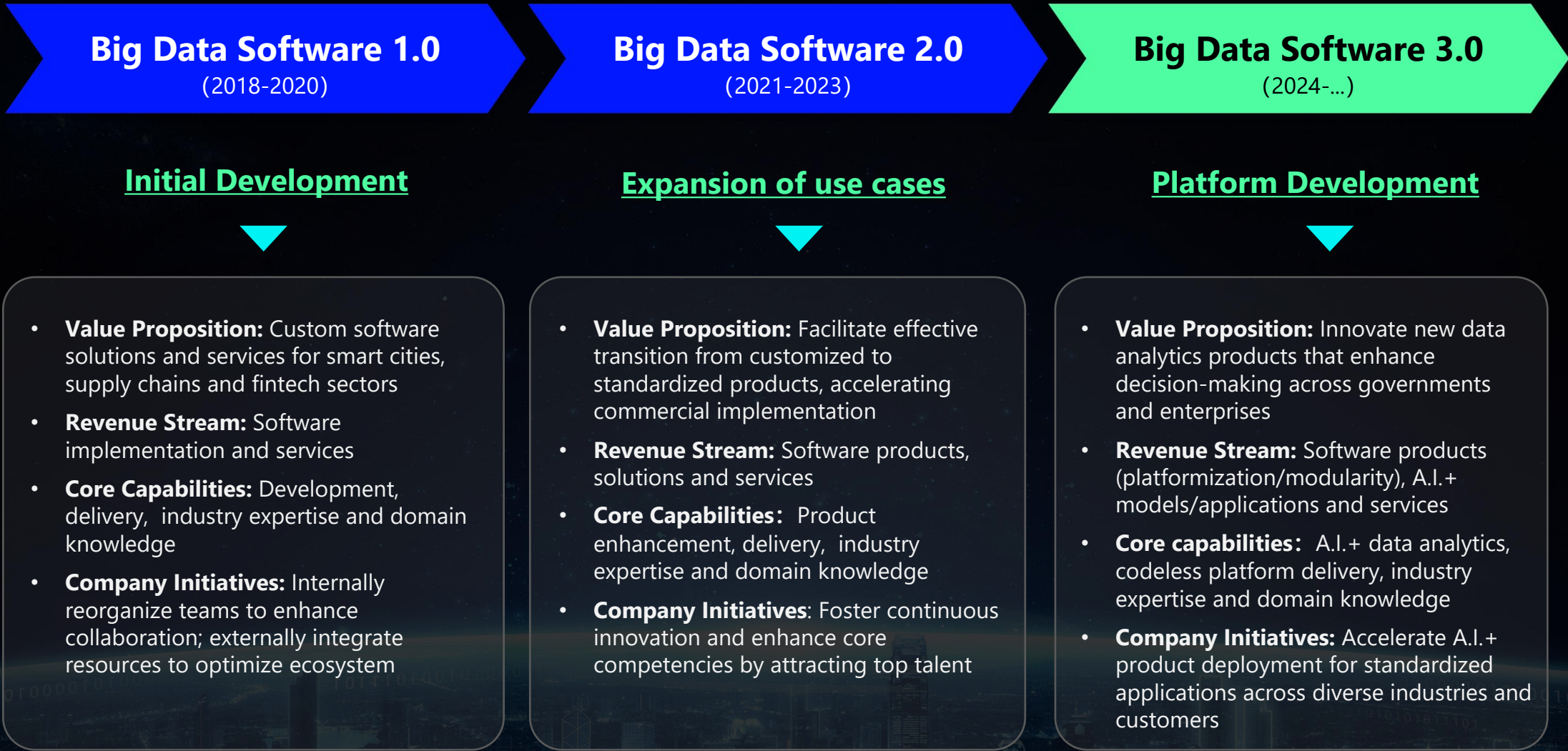
Listed on HKEX since 2001 (00861.HK)
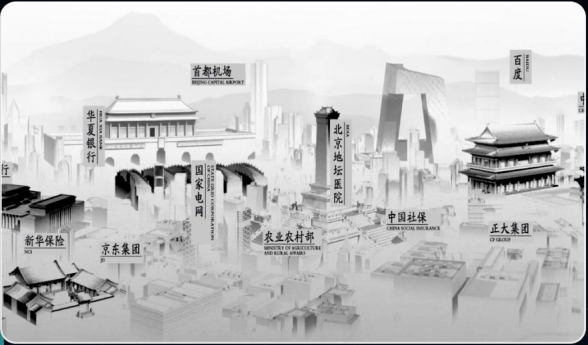
DCITS spun off to the A-share market in 2013 (000555.SZ)

DCG spun off to the A-share market in 2016 (000034.SZ)

Digital Economy Era

Focusing on Big Data Strategy

Core Strategy：Data+A.I.

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Big Data Software 1.0 (2018-2020)	Big Data Software 2.0 (2021-2023)	Big Data Software 3.0 (2024-...)
Initial Development	**Expansion of use cases**	**Platform Development**

Big Data Software 1.0 (2018-2020) — **Initial Development**

- **Value Proposition:** Custom software solutions and services for smart cities, supply chains and fintech sectors
- **Revenue Stream:** Software implementation and services
- **Core Capabilities:** Development, delivery, industry expertise and domain knowledge
- **Company Initiatives:** Internally reorganize teams to enhance collaboration; externally integrate resources to optimize ecosystem

Big Data Software 2.0 (2021-2023) — **Expansion of use cases**

- **Value Proposition:** Facilitate effective transition from customized to standardized products, accelerating commercial implementation
- **Revenue Stream:** Software products, solutions and services
- **Core Capabilities:** Product enhancement, delivery, industry expertise and domain knowledge
- **Company Initiatives**: Foster continuous innovation and enhance core competencies by attracting top talent

Big Data Software 3.0 (2024-...) — **Platform Development**

- **Value Proposition:** Innovate new data analytics products that enhance decision-making across governments and enterprises
- **Revenue Stream:** Software products (platformization/modularity), A.I.+ models/applications and services
- **Core capabilities**：A.I.+ data analytics, codeless platform delivery, industry expertise and domain knowledge
- **Company Initiatives:** Accelerate A.I.+ product deployment for standardized applications across diverse industries and customers

Business Scope: Data+A.I. Full-stack Products and Services

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Customer

Technology 2000+	Consumer 1000+	Automobile 1400+	Finance 1900+	Government 500+
CMCC/CU/CT/Hua Wei/ Honor/Hikvision/ZTE...	P&G/COFCO/CNTC/Li Ning/Yi Shang/Hsu Fu Chi...	BYD/Geely/VW/GAC/ FAW...	PBOC/PSBC/CDB/ICBC/ CCB ...	Jilin/Hong Kong /Kunshan/ Weihai/...

Use Cases

A.I. Applications: Digital Twins & Codeless Platform Applications

Smart Cities   Smart Supply Chains   FinTech   ......

Data+A.I. Product

Data Asset

Software Products: High-Quality Data Tools and Platform

End-to-end data tool suite:

Collection ▶ Aggregation ▶ Governance ▶
Analysis ▶ Digital Twin ▶ Circulation

Digital-native supply chain product:

Supply Chain Execution System ✚ Visualization
Platform ✚ Intelligent Decision-making Platform

Professional Services

End-to-end supply chain operation + software and hardware maintenance services
(Expertise spanning two decades)
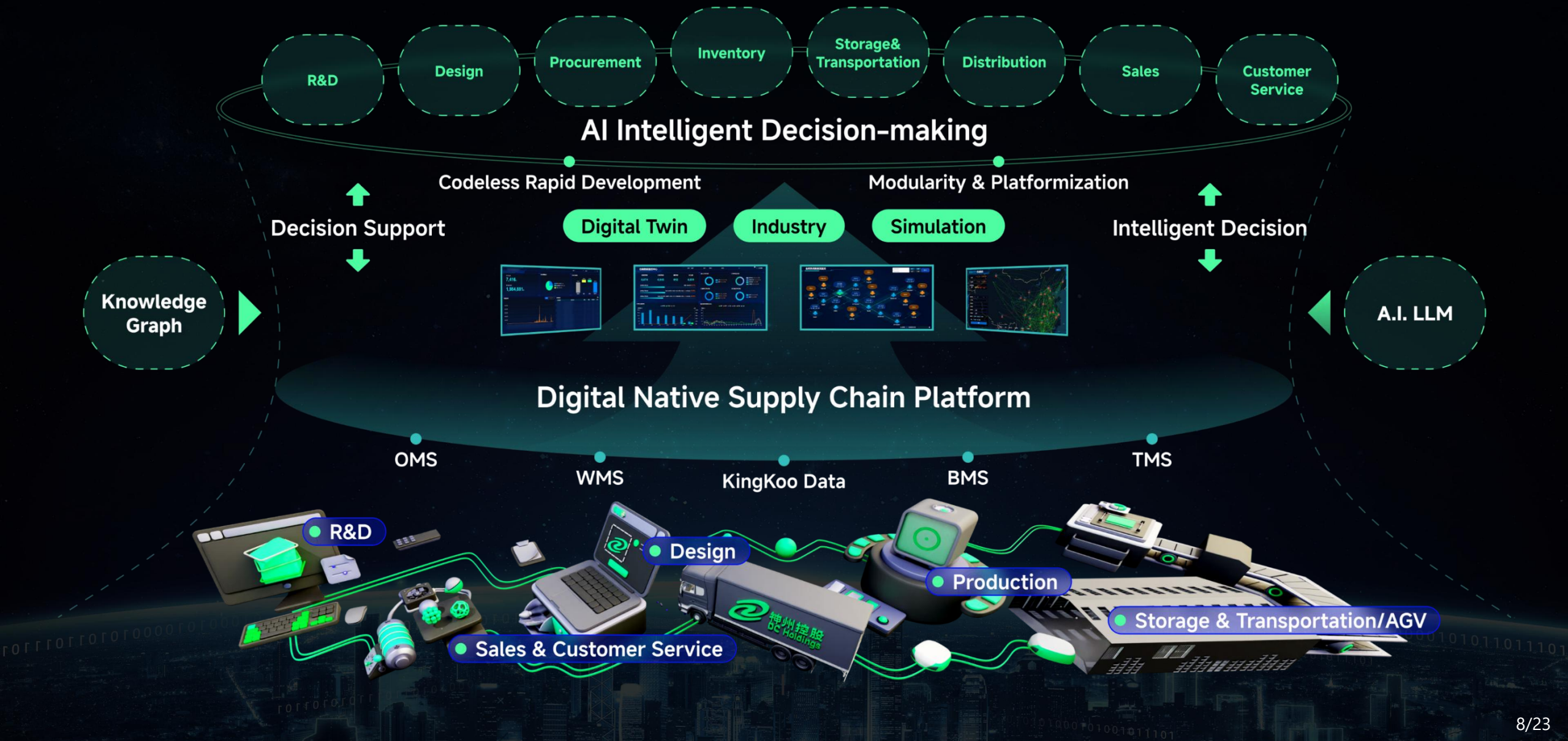
Channel Business

IT A.I. Full-stack service + E-commerce operation services
(Extensive upstream and downstream channel resources globally)

City CTO：Empowering Digital Transformation

Smart City

Unified Online Government Service

Foreign Trade Integrated Service Platform

Industrial Innovation & Development Platform

Smart Water Affairs

City Brain

City Empowerment

Social Governance | Public Services | Industry Development | Environmental Protection | Urban Safety | Smart Pipeline Network

Urban Computing

Data Hub | Data Operations | Data Fabric

Urban Simulation

Decision-Making

Data Empowerment

Digital Twin

Digital Perception

Dynamic Observation - - - - - Real-time Sharing

Urban Perception

Physical City

Terminals | Sensors | Cameras | Servers | Storage | Network | Others

Digital China Leading Smart City

Intelligent Management and Decision-making

⬆

Urban Status Visualization

⬆

Urban Digitization

Enterprise CSO: End-to End Service Capabilities

R&D · Design · Procurement · Inventory · Storage& Transportation · Distribution · Sales · Customer Service

AI Intelligent Decision-making

Codeless Rapid Development | Modularity & Platformization

Decision Support

Digital Twin · Industry · Simulation

Intelligent Decision

Knowledge Graph

A.I. LLM

Digital Native Supply Chain Platform

OMS · WMS · KingKoo Data · BMS · TMS

R&D · Design · Production · Storage & Transportation/AGV · Sales & Customer Service

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02
Financial Highlights

Performance Summary | Key Highlights | Use Cases

1H2024 Key Financial Metrics

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Revenue	Net profit attributable to equity holders of the parent company	Big data revenue
7.01bn	**10.81mn**	**1.28bn**
▲ YoY **5**%	▼ YoY **-73**%	▲ YoY **17**%

Revenue (excluding DCITS)	Net profit attributable to equity holders of the parent company (excluding DCITS)	Overseas revenue
2.94bn	**40.96mn**	**0.47bn**
▲ YoY **20**%	▲ YoY **380**%	▲ YoY **55**%

Significant Growth in Core Business Performance

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Revenue

+5%

6,677,315 → 7,014,343

1H2023	1H2024
4,230,866	4,078,387
2,446,449	2,935,956

+20%

■ Excluding DCITS ■ DCITS

Net Profit Attributable to Equity Holders of the Parent Company

40,355 → -73% → 10,808

31,827 → 40,961

+380%

8,528

1H2023 | 1H2024

-30,153

■ Excluding DCITS ■ DCITS

Unit：RMB'000
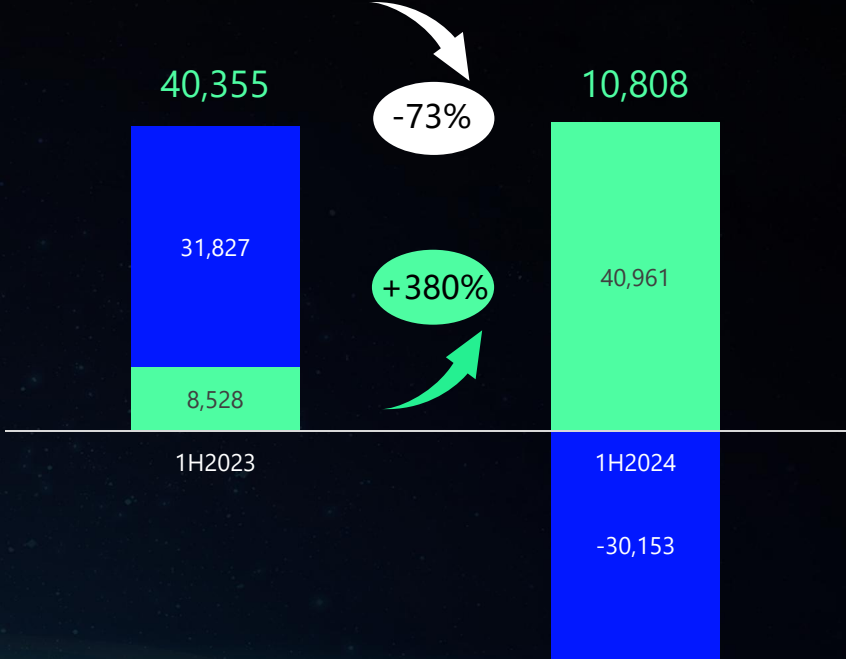
Rapid Expansion of Big Data Business

Revenue from
Big Data Products and Solutions

Unit：RMB'000

+30%

+26%

3,171,898

2,438,536

1,937,068

Year	2H	1H
2021	1,291,242	645,827
2022	1,461,653	976,883
2023	2,080,083	1,091,815
2024		1,277,132

+17%

■ 1H ■ 2H

No. of Clients and ARPU

ARPU CAGR **+20%**

No. of Clients CAGR **+8%**

2021	2022	2023	2024TTM
1,600	1,946	2,307	2,790

■ ARUP RMBk ━ No. of Client
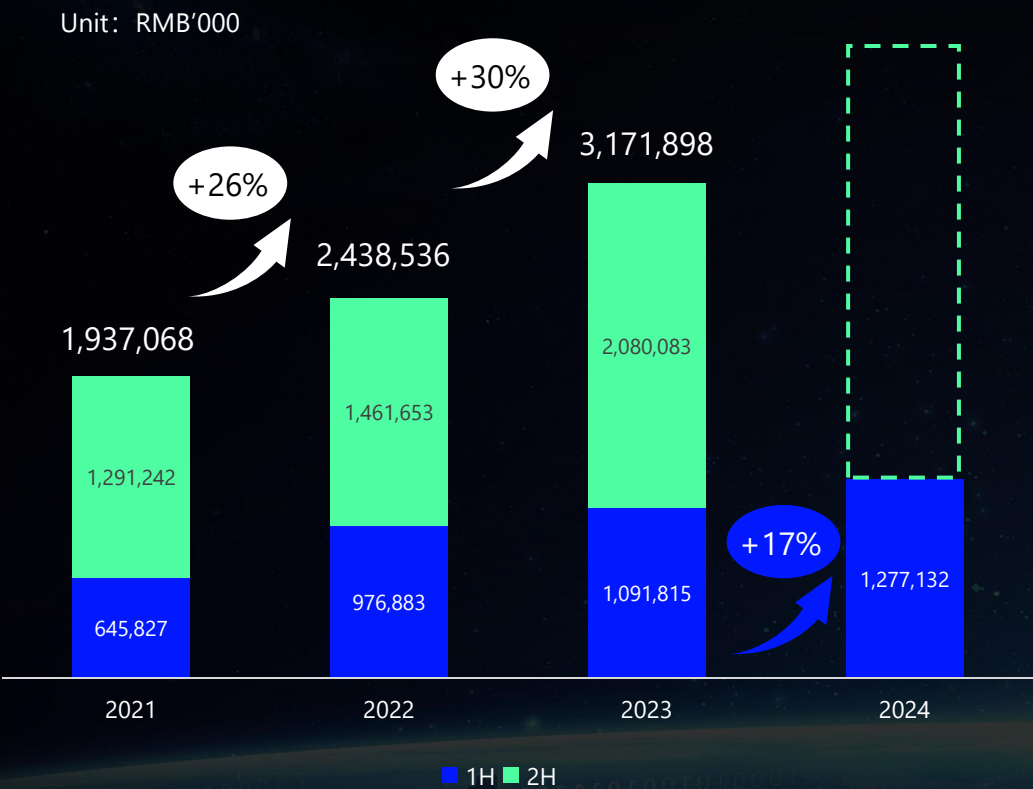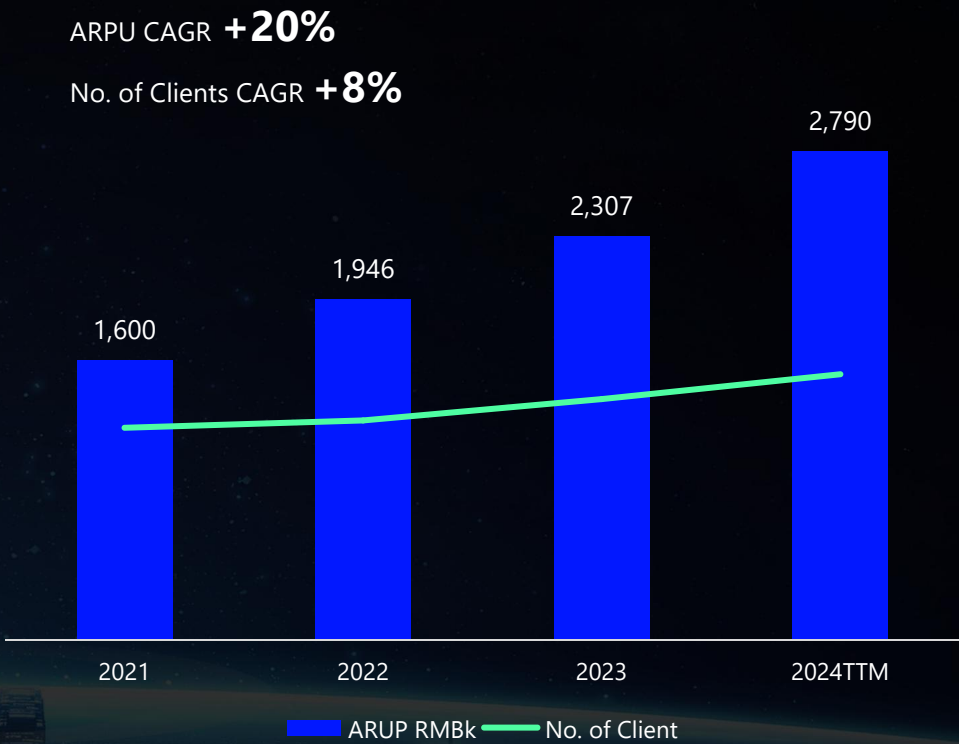
* Signed but undelivered contracts of big data products and solutions was RMB 2.42 billion, representing a year-on-year increase of 15%.

Ongoing Business Structure Optimization
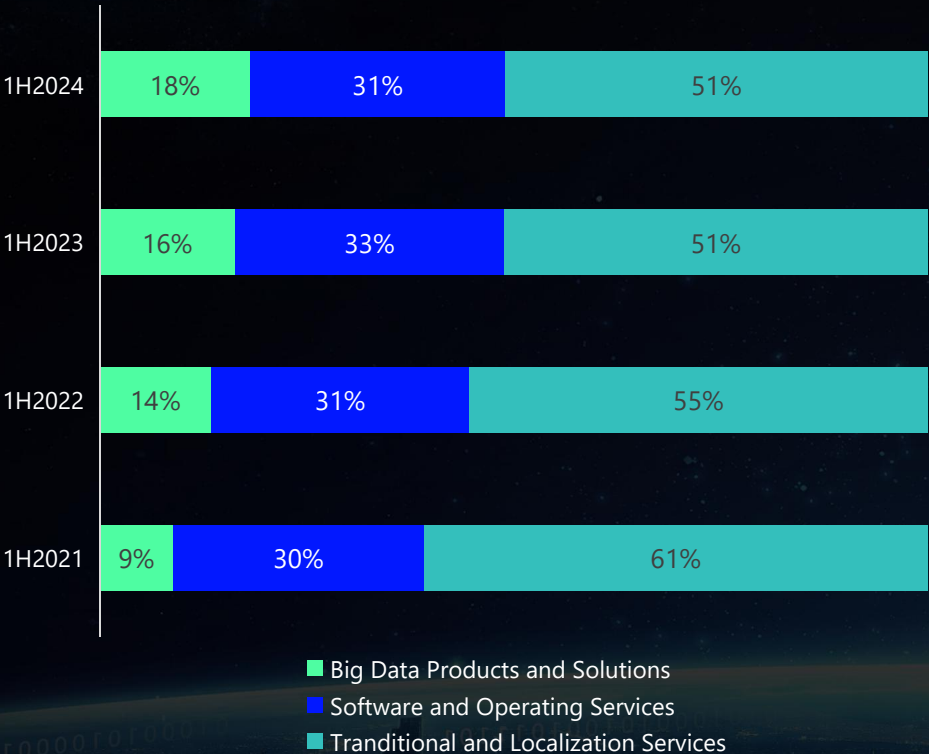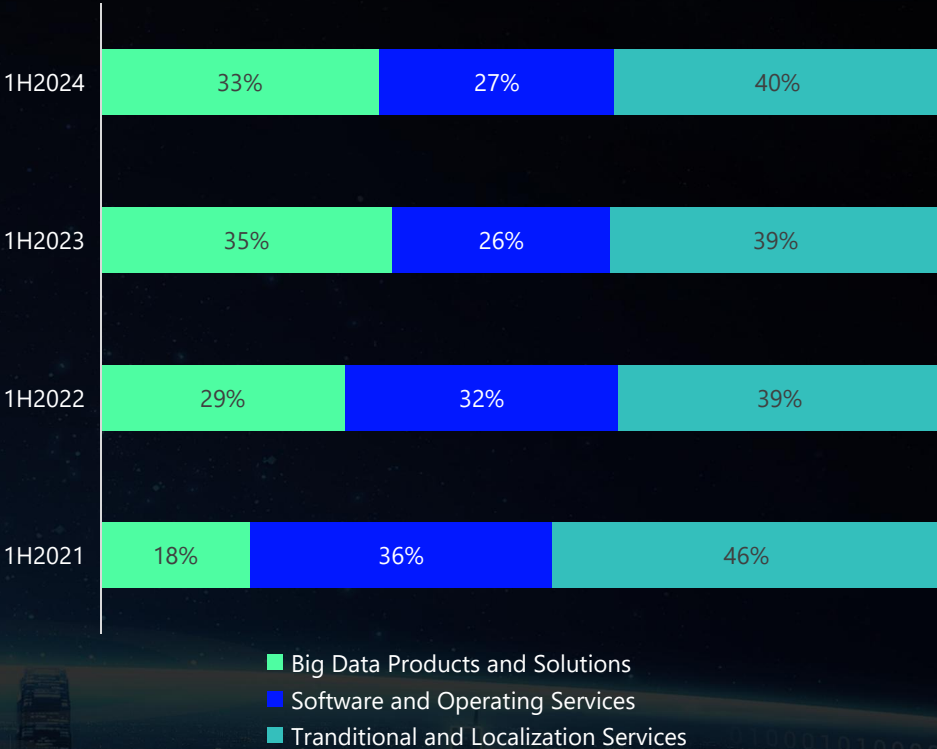
Proven Execution of Overseas Strategy

Revenue from Overseas Business

465,389

+55%

300,336

464,219

+230%

90,932

298,542

84,402

1H2022   1H2023   1H2024

■ Excluding DCITS ■ DCITS
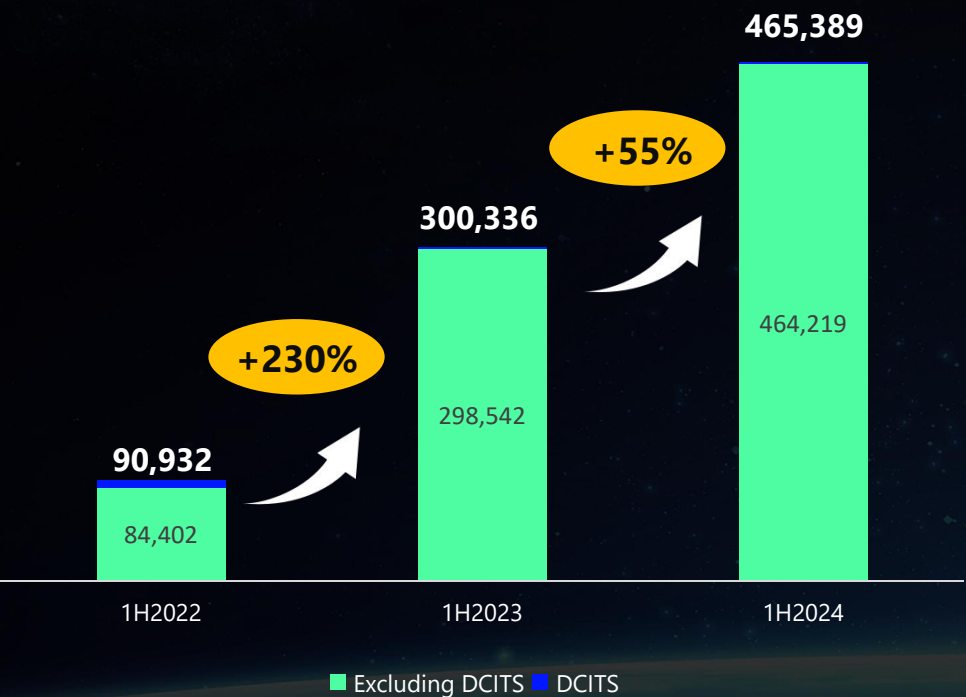
Unit：RMB'000

Proportion of Overseas Revenue

15.8%

1H2024

+3.6%

12.2%

1H2023

+9.3%

2.9%

1H2022

■ Oversea Revenue (Exclud. DCITS)   □ Domestic Revenue (Exclud. DCITS)
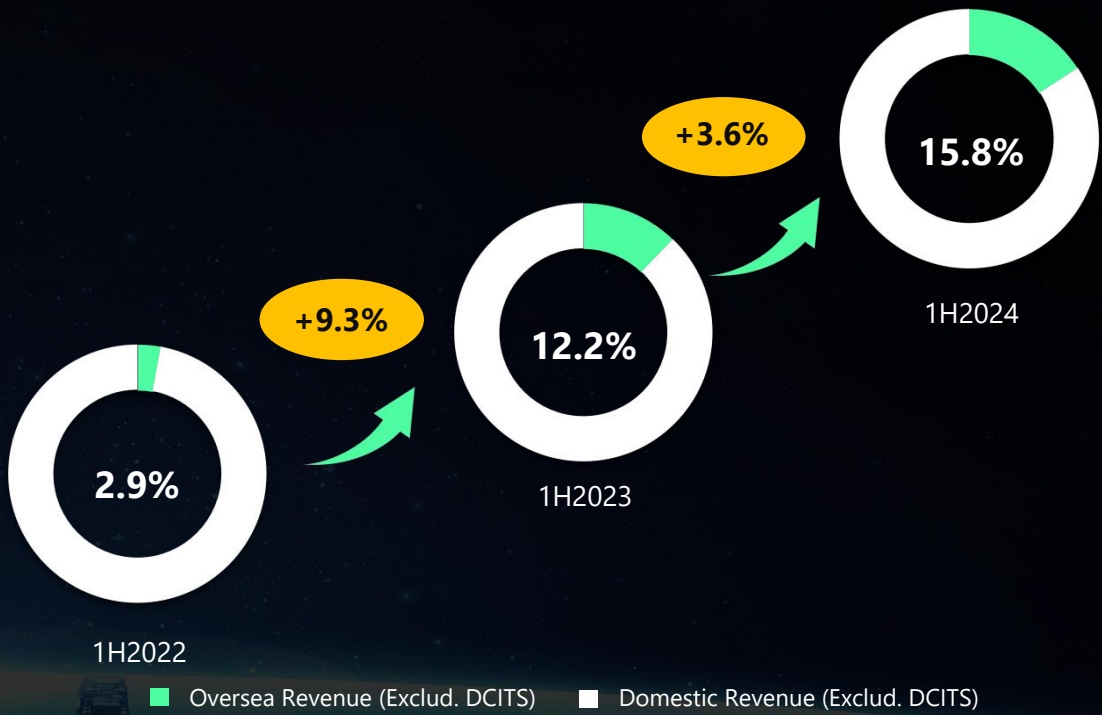
Validated Innovation Model

Enhancing the innovative "**City CTO + Corporate CSO**" model by accelerating **enterprise** expansion and obtaining **effective valiation from customers**

■ **Enterprise CSO**

- Geehy Microelectronics data governance project
- Supply Chain Control Tower project for a blue-chip food manufacturing enterprise
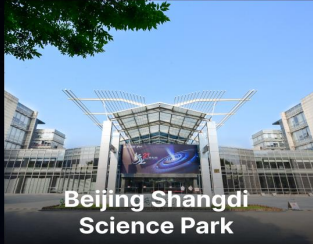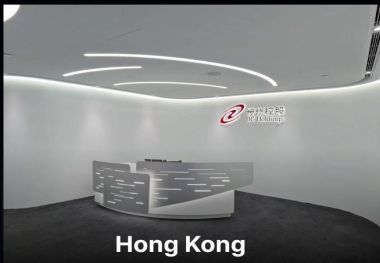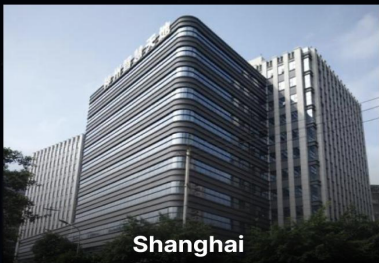- Supply Chain Data Management and Application Solutions for the Manufacturing Industry

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■ **City CTO**

- Phase I of Hong Kong's Super Computing Center
- Phase II of the Changchun Computing Center "A.I. + Industry Model" Software and Service project'
- Macau University of Science and Technology's Marine Meteorological Forecasting
- Jilin Province Smart Water project

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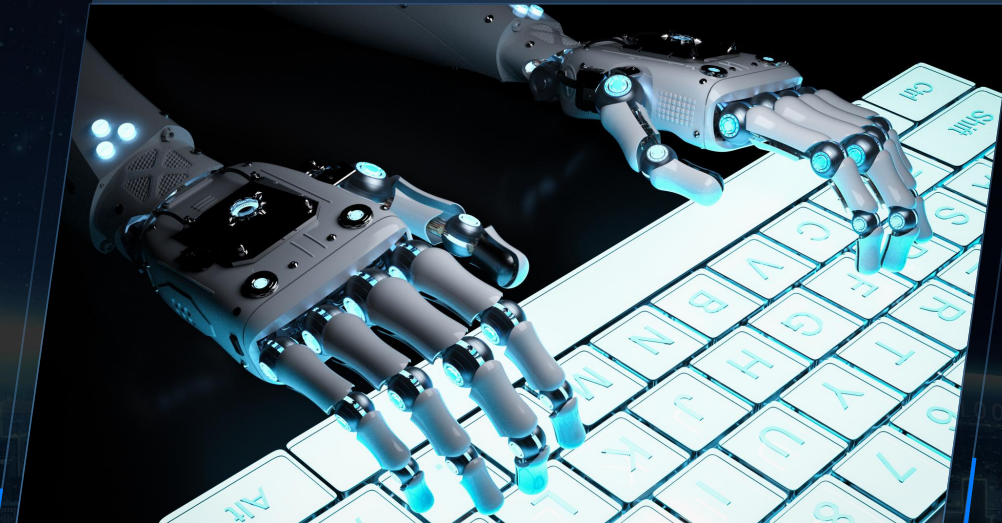
Diverse Physical Locations for Deployment

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Regional HQ x 5, R&D Center x 5, Science Park x 4, Logistic Park x 6

Beijing

Shenzhen

Shanghai

Hong Kong

Malaysia

Nanjing R&D Center

Xi'an R&D Center

Chongqing R&D Center

Wuhan R&D Center

Guangzhou R&D Center

Beijing Shangdi
Science Park

Beijing Suzhou Street
Science Park

Wuhan
Science Park

Xi'an
Science Park

Chongqing
Science Park

Nanjing
Science Park

Digital China (Jinan)
Logistic Park

Digital China (Kunshan)
Dianshan Lake Logistic Park

Digital China (Shenyang)
Logistic Park

Digital China (Wuhan)
Logistic Park

Industry-Academia-Research-Applications

Best Practices → **Solutions** → **Core Technologies** → **Industry Standards**

Forward-looking Concepts

Industry publications; academic literature such as reports and white papers

(2022)　　(2023)　　(2016)　　(2019)　　(2023)

Setting Standards (including national, industry, group and enterprise standards)

Collaboration with Renowned Domestic and International Universities

北京大学　清华大学　麻省理工学院　香港科技大学　北京师范大学　东北大学

中国科学技术大学　吉林大学　上海交通大学　天津大学　北京航空航天大学　北京科技大学

Collaborative Partnerships with Research Institutions and Industry Associations

CAICT 中国信通院　CSIA 中国软件行业协会 China Software Industry Association　中國電子學會 Chinese Institute of Electronics

NIFD 国家金融与发展实验室 National Institution for Finance & Development　北京金融科技产业联盟 BEIJING FINTECH INDUSTRY ALLIANCE　中国互联网金融协会 National Internet Finance Association of China

北京金融科技研究院 BEIJING FINTECH INSTITUTE　中关村金融科技产业发展联盟 Zhongguancun Fintech Industry Development Alliance　中国支付清算协会 Payment &clearing Association of China

Global Ecosystem Integration Capability

Government Resources

DC Holdings operates a Smart City business that is intricately involved with governmental operations across more than 500+ cities. This extensive collaboration provides DC Holdings a unique and comprehensive perspective on governmental processes and needs.

DC Holdings Ecosystem

Vertical Collaboration

International strategic cooperation with 300+ world-class enterprises including NVIDIA, AMD, Intel, Samsung, Oracle, Sigfox, HP, Cisco, VMWare.

Channel Partners

Our expansive network encompasses a supply chain of over 30,000 enterprises, encompassing more than 80% of IT suppliers. This ecosystem collaboration can elevate the value across the industry chain and advance the integrated development of the digital economy.

Industry Customers

1,000,000+ customers till date. Steadily enhancing and advancing initiatives in digital transformation across various sectors such as finance, retail, auto, education, manufacturing, culture and healthcare

Supply Chain Network

The distribution network spans 297 cities and 3,229 districts within China, reaching out further to international markets including Malaysia, Indonesia and Thailand. On average, the network efficiently handles over 5 million orders daily.

04

Outlook & Aspirations

Core Technology | Overseas Deployment

"Dual-Core" Technology

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Core 1

**Entity Model
Business Twin**

AI Intelligent
Application
<Tool>

- 【3+N】 Multi-Industry Expansion
- 【1×N】 Standardized replication

Smart Cities	Supply Chain	Fintech
Manufacturing	Waterworks	Chinese Medicine
Low Altitude Surveillance	Satellite Remote Sensing	Transport

Core 2

A.I. LLM
Ecological Platform Capabilities

LLMs need < TOOLs >

Modularization & Platformization

- A.I. applications enhance structured data through modular platforms, clearly defining **entities and their relationships**, thus enabling complex and insightful A.I.-driven decisions.

- A.I.applications empower businesses to simplify complex business patterns and rapidly deploy optimal, agile solutions.
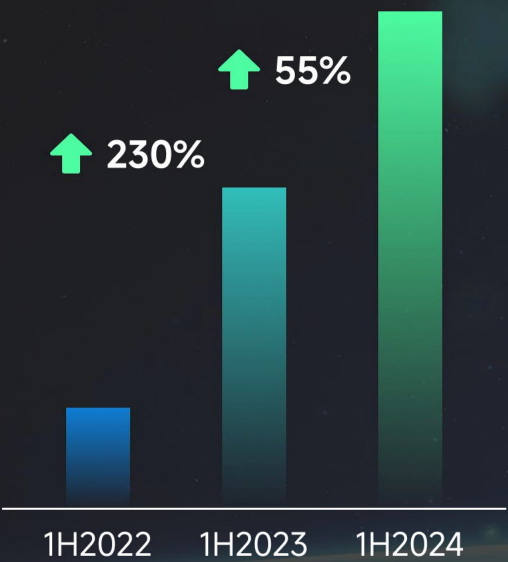
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Ian Fu
VP
Expert in the fields of TMT, Information Technology, Smart Cities and Data Analytics. Ex-China Communications Services General Manager.

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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数字
中国

Customer Success   Value Creation   Excellence   Mutually Beneficial