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Tianju Dihe (Suzhou) Technology Co., Ltd.
天聚地合(蘇州)科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
 (Stock Code: 2479)

**INTERIM RESULTS ANNOUNCEMENT
 FOR THE SIX MONTHS ENDED JUNE 30, 2024**

FINANCIAL HIGHLIGHTS

	Six months ended June 30,		
	2024	2023	Change %
	RMB'000	RMB'000	(approximate)
	(unaudited)	(unaudited)	
STATEMENT OF PROFIT OR LOSS			
Revenue	258,715	174,763	48.0%
Gross profit	56,374	34,850	61.8%
Net profit after deducting listing expenses	20,289	14,303	41.9%
	As of	As of	
	June 30,	December 31,	
	2024	2023	Change %
	RMB'000	RMB'000	(approximate)
	(unaudited)	(audited)	
STATEMENT OF FINANCIAL POSITION			
Cash and cash equivalents	384,177	124,417	208.8%
Net assets	989,001	628,417	57.4%
Equity attributable to owners of the Company	989,317	628,464	57.4%

The board (the “**Board**”) of directors (the “**Director(s)**”) of Tianju Dihe (Suzhou) Technology Co., Ltd. (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “**Group**”, “**our**”, “**we**” or “**us**”) for the six months ended June 30, 2024 (the “**Reporting Period**”). The contents of this interim results announcement have been prepared in accordance with applicable disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in relation to preliminary announcements of interim results.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

(1) API-Enabled Services

We are dedicated to eliminating data silos and offering online API services that span across multiple service types and scenarios. Our API product, API marketplace, matches requests and responses and facilitates exchange of data. These services have been widely applied in various vertical industries, such as internet services, software information services, and telecommunications. Since the launch of our product API marketplace in June 2011, we have developed over 790 proprietary APIs. In the first half of 2024, API marketplace handled over 70.0 billion API requests. Our customers include well-known enterprises such as Tencent, Alibaba, Baidu, NetEase, Meituan, China Mobile, China Unicom, China Telecom, and many other internet companies, app developers and individuals. As of June 30, 2024, API marketplace made available over 400 proprietary APIs.

(2) Data Management Solutions

We commenced providing data management solutions in June 2020. Leveraging our integrated API-enabled data exchange capabilities, we offer solutions that integrate API management, data governance, data application, data security, and privacy-preserving computation through our products, including APIMaster, DataArts, QuickBot, SmartShield and AnchorChain, etc., which assist organizations in their digital transformation. Our customized, digitalized, and self-deployed data management solutions cater to a diverse range of customers, including those from government agencies, manufacturing, finance, telecommunications, and various other industries. Our technologies eliminate data silos and cleanse data sets with heterogeneity, forming data that adheres to unified standards. Specifically:

1. Leveraging the underlying technology capability provided by QuickBOT, we commenced the promotion in the public security field. In response to the issues like the extensiveness and variant of data sources, the difficulty in establishing a data chain with high efficiency and value, and the progressively unitary data dimension, we coordinated and managed the progression of the construction of platform One Web General Enquiry (一網通查) (hereinafter referred to as the “**Data Police Project**”), which integrated data resources from multiple sources, and realized the seamless connection and intelligent search across different systems. Meanwhile, we reconstructed the correlation relationship across data, which significantly enhanced the efficiency and accuracy of data flow, providing strong data support to the public security works. Currently, our Data Police Project covered more than ten provincial administrative units, as of June 30, 2024, more than 115 Data Police Projects have been explored.

2. Leveraging the underlying technology capability provided by QuickBOT, we commenced the promotion in the governmental field, which is capable to executive a large number of repetitive, high frequency and time-consuming tasks in an automated way, minimize the occurrence of human error, enhance the quality of works, as well as enhance the work satisfaction of personnel. In addition, RPA technology executes different tasks by simulating the human users, which could complete administrative approval tasks in a swift and accurate manner, and significantly increase the speed and efficiency on approval. Lastly, as a middleware, RPA could access different governmental information systems, and realize the automatic withdrawal, integration and transmission of data, facilitating the data sharing and business synergy.
3. Leveraging the underlying technology capability provided by DataArts and APIMaster, we helped to address the issues faced by the business building management platform of the Office of Housing and Land Resources Bureau during its operation. We leveraged the APIMaster to realize the horizontal integration of the internal governmental data. In the meantime, in addressing the introduction of external innovative data, we realized the transmission and connection across multiple domains, and realized the full lifecycle of the integration, clearance, storage, management and utilization of building data, stationed enterprises data and risk data by leveraging DataArts product.
4. Accelerating the replacement with domestic production. Specifically:
 - i. the product of the Company, QuickBot, benchmarking a foreign competitive products the UiPath, obtained the compatible certification of Kylinsoft, and completed the full compatibility with domestic hardwares and softwares, which includes: Kylin OS and multiple domestic chips like Kunpeng, FeiTeng, Loongson, Hygon, Zhaoxin. It realized the full replacement with products produced domestically in RPA (digital staff) field.
 - ii. the product of the Company, APIMaster, continues its iteration in 2024, which achieved further advancement in functions like complicated operator component, API assembly arrangement and data security. The in-depth compatibility of Kingbase, a database produced domestically, will pave the way for achieving a complete replacement for foreign products of the same category, like IBM APICConnect.
 - iii. ChatArts, a large language model researched and developed by the Company, was launched in the first half of 2024. This is a vertical domain large language model which supports privatize deployment, and can be applied in fields such as public security, judiciary and administration. Based on the foundation of domestic AI model, this can help to realize the replacement for foreign large model products under the same category with products produced domestically. The algorithm approval and filing of this product were passed by the Office of the Central Cyberspace Affairs Commission in June 2024.

5. The Company assists its enterprise customers on including their data assets into their financial statements. Through data governance and quality assessment, data business and product development, we provide an output on data products in a swift manner, guiding the enterprise customers on strengthening the data asset rationale, accelerating the promotion of realizing the value of data capitalization, and promoting the management of data capitalization.

The core technology, professional team and capability of the platform of the Company have been recognized continuously. The Company always insists on self-development and innovation, and enhances its capability on innovation and professional skills of its technological personnel continuously. In 2024, the Company published the thesis “A Point-to-Point Energy Transaction Matching Mechanism that Strike a Balance Between Privacy and Verification of Results” in Big Data Research, a magazine from the MIIT of the PRC (Research Center for Chinese Science Evaluation). As of the end of June 2024, the Company possesses more than 60 valid patents and more than 90 software copyrights. The Company will further increase its investment on R&D, pay close attention to the development of the industry, and enhance the competitiveness and industrial influence of the Company.

(3) Outlook and Future Challenges

Seize the Significant Opportunities Arising from Government and Public Data Authorized Operations to Expand

The 14th Five-Year Plan proposed to carry out pilot projects for government data authorized operation (政府數據授權運營) which selectively open government data for private use by authorized entities and declared that government data authorized operation will be a significant part of its national strategy. As the PRC government placed increasing emphasis on developing China’s digital economy, state-owned data exchanges saw spike in number. From 2014 to 2023, 57 state-owned data exchanges were established, including the Shanghai Data Exchange (上海數據交易所), the Beijing International Data Exchange (北京國際大數據交易所), and the Shenzhen Data Exchange (深圳數據交易所). Local governments are expected to follow these examples and actively construct data exchanges. In light of the favorable trend, we will focus on further exploring opportunities to cooperate with the governments for data opening. We will continue to upgrade technologies, develop new products and APIs for more scenarios, to meet the increasingly diverse needs of our customers. We will undertake research on automated operation systems and further improve the automated selection and matching of data service suppliers, which we expect to enhance our overall service efficiency. Furthermore, we seek to develop API testing tools and platforms to provide professional API testing services for developers. We also aim to expand our customer base and monetize our subscription services.

We are committed to diversified data circulation, such as industrial big data, medical data, and educational data, to promote government and public data opening and sharing. Using advanced technologies such as privacy-preserving computation, blockchain and cloud computing, we are working to ensure that the exchange of data is trustworthy, safe, and controlled, aiming to eliminate data silos and enhance the quality and efficiency of digital economy.

Further Explore Service Capabilities for Diverse Industries and Continuously Expand Regional Coverage, Service Types and Scenarios

We aim to enhance our data management solutions for government organizations by effectively integrating external data sources and government's internal data sources. We strive to maximize the value of data by breaking down the barriers arising from heterogeneous data from the government and third parties, thus optimizing decision making and promoting efficiency in social governance.

Enhance R&D Capabilities

We will continue our research and development efforts to broaden our technical advantages, expand application areas, solidify our position within existing customer segments, and continuously update our technologies to meet the demand of digital transformation. To enhance product advantages and improve core technologies, we are dedicated to attracting excellent technical talent from the industry, reinforcing incentive measures, devoting attention to the control and management of R&D projects, and focusing on the implementation aspects of R&D projects.

Future Challenges

We provide API marketplace and data management solutions based on the demand of our customers. Fluctuations in demand for our services and solutions may adversely affect our business and results of operations. Any loss of or decline in demand for our products and services could materially and adversely affect our business, results of operations and financial condition. In response to this, we will strengthen our sales and marketing capability. In the meantime, we will upgrade the existing products and services of the data management solutions, aiming to develop and expand industry-specific applications and strengthen our technical capabilities and market competitiveness in data management solutions.

Our business requires a large number of information technology talents and sales and operating talents, including software development engineers, algorithm engineers, and core technology personnel. Competition for high-end talents in the industry is fierce, and the rising labor costs in China could make it more costly to attract and retain qualified personnel and adversely affect our results of operations. In response to this, we will attract, cultivate, and retain experienced core technical talents within the industry through competitive compensation to enhance our R&D capabilities. We will recruit sales staff and create related workplace for the sales team, which includes renting local office spaces, and purchasing equipment, software, and tools for our sales team, in order to strengthen our sales and operating capabilities.

FINANCIAL REVIEW

Revenue

Our revenue increased by 48.0% from RMB174.8 million for the six months ended June 30, 2023, to RMB258.7 million for the six months ended June 30, 2024, which was mainly attributable to the increase in revenue from our API marketplace as well as data management solutions.

Revenue from the API Marketplace

- Query business. Revenue from the query business increased by 49.7% from RMB122.6 million for the six months ended June 30, 2023 to RMB183.5 million for the six months ended June 30, 2024, mainly due to the increased purchases from existing customers.
- SMS notice business. Revenue from SMS notice business increased by 8.8% from RMB35.1 million for the six months ended June 30, 2023 to RMB38.2 million for the six months ended June 30, 2024, primarily attributable to the increased business demand from customers.
- Top-up business. Revenue from top-up business increased by 85.0% from RMB2.0 million for the six months ended June 30, 2023 to RMB3.7 million for the six months ended June 30, 2024, mainly due to the increase in business demand from customers.

Revenue from Data Management Solutions

Revenue from data management solutions increased by 122.7% from RMB15.0 million for the six months ended June 30, 2023 to RMB33.4 million for the six months ended June 30, 2024, mainly due to the overall increase in the number of projects delivered to and accepted by customers and the revenue from each project.

Cost of Sales

Cost of sales increased from RMB139.9 million for the six months ended June 30, 2023 to RMB202.3 million for the six months ended June 30, 2024, mainly due to the increase in purchase costs resulted from the growth in revenue.

Gross Profit and Gross Profit Margin

Our gross profit increased by 61.6% from RMB34.9 million for the six months ended June 30, 2023, to RMB56.4 million for the six months ended June 30, 2024, mainly due to the increase in revenue from our API marketplace and data management solutions.

Our overall gross profit margin increased from 19.9% for the six months ended June 30, 2023 to 21.8% for the six months ended June 30, 2024, mainly due to the increase in gross profit margin of query business.

Other Income and Other Gains, Net

Other income and other gains primarily consist of bank interest income and government grants. Other income and other gains for the Reporting Period amounted to RMB4.0 million, representing a decrease of 42.0% as compared with RMB6.9 million for the corresponding period in 2023, which was mainly due to a decrease of government grants.

Selling and Distribution Expenses

Our selling and distribution expenses increased from RMB6.6 million for the six months ended June 30, 2023 to RMB8.2 million for the six months ended June 30, 2024, mainly due to the increase in personnel and increase in remuneration.

Administrative and Other Expenses

Our administrative and other expenses increased from RMB12.0 million for the six months ended June 30, 2023 to RMB18.5 million for the six months ended June 30, 2024, which was mainly due to increase in remuneration and increase in taxes and office expenses.

Research and Development Costs

Research and development costs for the Reporting Period amounted to RMB6.1 million, representing a decrease of 6.2% as compared with RMB6.5 million for the corresponding period in 2023. The decrease was mainly attributable to the decreased remuneration, with slightly decreased number of research and development staff assigned to work on data management solution projects.

Finance Costs

Finance costs increased from RMB1 thousand for the six months ended June 30, 2023 to RMB1.2 million for the six months ended June 30, 2024. This increase was mainly due to our incurrence of interest expenses on our repurchase liabilities up to listing date, arising from our share repurchase obligation under the share transfer agreement signed with China-Singapore Ventures.

Income Tax Expense

Our income tax expense increased from RMB0.3 million for the six months ended June 30, 2023 to RMB0.7 million for the six months ended June 30, 2024, mainly due to the increase in profit before tax.

Net Profit for the Period

As a result of the above, our net profit for the period increased by 6.3% from RMB7.9 million for the six months ended June 30, 2023 to RMB8.4 million for the six months ended June 30, 2024. Net profit after deducting listing expenses increased by 42.0% from RMB14.3 million for the six months ended June 30, 2023 to RMB20.3 million for the six months ended June 30, 2024.

Liquidity and Financial Resources

Financial Position

Our total assets increased by 44.6% from approximately RMB772.1 million as of December 31, 2023 to approximately RMB1,116.2 million as of June 30, 2024, mainly due to the increase in cash balance resulting from the net proceeds received from the Global Offering. Total liabilities decreased by 11.4% from approximately RMB143.6 million as of December 31, 2023 to approximately RMB127.2 million as of June 30, 2024, primarily due to the release of repurchase liabilities.

Inventories

As at June 30, 2024, our inventories amounted to approximately RMB22.9 million, representing an increase of 9.6% from approximately RMB20.9 million as of December 31, 2023, mainly due to the increase in the number of data management solution projects not yet delivered to customers.

Trade Receivables

Our trade receivables increased from RMB175.1 million as of December 31, 2023 to RMB248.4 million as of June 30, 2024, primarily due to the extension of billing terms we granted to certain key customers so as to enhance our competitiveness.

Cash and Cash Equivalents

Cash and cash equivalents are mainly denominated in RMB. As of December 31, 2023 and June 30, 2024, our cash and cash equivalents were RMB124.4 million and RMB384.2 million respectively. The increase in cash and cash equivalents was mainly due to the proceeds raised from the Global Offering.

Trade Payables

Our trade payables increased from RMB61.5 million as of December 31, 2023 to RMB84.4 million as of June 30, 2024, primarily due to the more relaxed payment schedule granted by our suppliers, mainly attributable to our increased purchases and stronger relationship with suppliers, as well as our good settlement history of payables.

Borrowings

As of June 30, 2024, the bank loans of the Group was nil (December 31, 2023: nil).

Capital Structure

As at the date of this announcement, the issued share capital of the Company was RMB50.1 million, comprising 50.1 million Shares of nominal value of RMB1.0 per Share.

Gearing Ratio

Our gearing ratio ((total liabilities ÷ total assets) × 100%) decreased from 18.6% as of December 31, 2023 to 11.4% as of June 30, 2024, primarily due to the increase in total assets resulted from our listing.

Debt to Equity Ratio

Our debt-to-equity ratio ((total liabilities ÷ total equity) × 100%) decreased from 22.9% as of December 31, 2023 to 12.9% as of June 30, 2024, primarily due to an increase in total equity resulted from our listing.

Charges on Assets

As at June 30, 2024, none of the Groups assets were pledged.

Contingent Liabilities

As at June 30, 2024, we did not have any material contingent liabilities.

Financial Policy

We have adopted a prudent financial management approach in our treasury policy to ensure that we can meet our liquidity requirements for daily operations and capital expenditure. The Board closely monitors our liquidity position and invests surplus cash appropriately, taking into account the credit risk, liquidity risk and market risk of the financial instruments.

Risk Factors

Interest Rate Risk

Our interest-bearing financial instruments at fixed interest rates as of June 30, 2024 are fixed deposits and the change of market interest rate does not expose us to fair value interest risk.

Foreign Exchange Risk

The net proceeds from the IPO received by the Company are in Hong Kong dollars and the majority of our monetary assets and liabilities and transactions are primarily denominated in Renminbi. We do not have significant foreign exchange risk apart from the above. As at June 30, 2024, the Group did not have any policy to hedge against foreign exchange risk. However, the management monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Future Plans for Material Investments and Acquisitions of Capital Assets

Saved as disclosed in the section headed “Future Plans and Use of Proceeds” of our Prospectus, we did not have any plans for material investments or capital assets as of June 30, 2024.

Significant Investments, Material Acquisitions and Disposals in respect of Subsidiaries, Associates and Joint Ventures

As of June 30, 2024, we did not hold any significant investments. For the six months ended June 30, 2024, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2024 (for the six months ended June 30, 2023: nil).

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The H Shares of the Company were listed on the Stock Exchange on June 28, 2024. The aggregate net proceeds received by the Company from the Global Offering after deducting underwriting commissions and other expenses payable by the Company in connection with the Global Offering, amounted to approximately HK\$344.0 million. For details of the Global Offering, please refer to the Prospectus and the allotment results announcement of the Company dated June 27, 2024.

The net proceeds from the Global Offering will be used in accordance with the purposes as set out in the Prospectus. The following table sets forth the use of the net proceeds from the Global Offering as of June 30, 2024:

Use of net proceeds as stated in the Prospectus	Allocation of the net proceeds from the Global Offering (HK\$ million)	Percentage of total net proceeds (%)	Actual amount utilized during the Reporting Period (HK\$ million)	Unutilized net proceeds as of June 30, 2024 (HK\$ million)	Expected timeline for full utilization
To comprehensively upgrade the existing suite of APIs in the Group's API marketplace	86.0	25	0	86.0	By the end of December 2026
To upgrade the existing products and services of the Group's data management solutions	154.8	45	0	154.8	By the end of December 2026
To research and develop the technologies for data security and privacy protection	68.8	20	0	68.8	By the end of October 2026
For working capital and general corporate purposes	34.4	10	0	34.4	By the end of June 2026
Total	344.0	100	0	344.0	

As of June 30, 2024, the unused net proceeds were deposited with licensed bank(s) in Hong Kong or the PRC in accordance with the intention of the Board as disclosed in the Prospectus.

The Company expects that the net proceeds from the Global Offering will be used up by the end of December 2026. The expected timeline for full utilization is based on the Directors' best estimation barring unforeseen circumstances. The actual timing for utilizing the net proceeds from the Global Offering may change.

EMPLOYEE AND REMUNERATION POLICY

As of June 30, 2024, the Group employed 194 full-time employees.

The Group provides various forms of incentives to its employees, including Employee Incentive Scheme (as defined in EMPLOYEE INCENTIVE SCHEME below), and a variety of employee benefits, including medical insurance, holiday gifts and other benefits to create better work-life balance for its employees.

The Group pays attention to its employees' individual career development plans and provide career counselling to its employees to motivate them to achieve higher career goals. The Group implements transparent promotion procedures, including a performance review system under which its employees' performance and competence are regularly evaluated. The Group designs and offers different training programs for employees in various positions.

For the six months ended June 30, 2024, our employee benefit expenses (including the emoluments to directors and chief executive), salaries and wages and other allowances were approximately RMB25.0 million.

EMPLOYEE INCENTIVE SCHEME

The Company adopted an employee incentive scheme in relation to Liuju Liuhe (the “**Employee Incentive Scheme**”) in August 2020 for the purpose of attracting and retaining talents for the Group. Under the Employee Incentive Scheme, eligible participants are entitled to equity interest in Liuju Liuhe (the “**Incentive Shares**”). All of the Incentive Shares under the Employee Incentive Scheme have been granted to the eligible participants prior to the Listing. In addition, the Company intends to expand the scope of the Employee Incentive Scheme to include Yiju Liuhe (another employee shareholding platform) in the future. The Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Employee Incentive Scheme does not involve the grant of options by the Company to subscribe for new Shares or award of Shares upon Listing.

Please refer to “D. EMPLOYEE INCENTIVE SCHEME” in Appendix VII to the Prospectus for a summary of the principal terms of the Employee Incentive Scheme.

FUNDING AND TREASURY POLICY

The Group adopts a stable and conservative approach in its finance and treasury policy, aiming to maintain an optimal financial position, the most economic finance costs, and minimal financial risks. Cash and cash equivalents are normally placed at financial institutions that the Group considers the credit risk to be low. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its business operations as well as its research and development, future investments and expansion plans.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has applied the principles and code provisions as set out in the CG Code contained in Part 2 of Appendix C1 to the Listing Rules.

Pursuant to provision C.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. During the Reporting Period and as at the date of this announcement, Mr. ZUO Lei is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. ZUO Lei has been responsible for the overall strategic planning and day-to-day management of the Group since its establishment, the Board believes that with the support of Mr. ZUO Lei's extensive experience and knowledge in the big data industry and the business, vesting the roles of both chairman and chief executive officer in Mr. ZUO Lei strengthens the consistent and solid corporate vision of the Group and promotes efficient business planning and decision. The Board is also of the view that the current management structure is effective for the operation and sufficient checks and balances are in place. The Board currently comprises four executive Directors, two non-executive Directors and three independent non-executive Directors, and therefore has a strong independence element in its composition. The Board will continue to review the effectiveness of the corporate governance structure of the Company in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

Save as disclosed above, since the Listing Date and up to the date of this interim results announcement, the Company has strictly complied with the CG Code.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors, the Supervisors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

Upon specific enquiry, all Directors and Supervisors confirmed that they have complied with the Model Code since the Listing Date and up to the date of this announcement. In addition, the Company is not aware of any non-compliance with the Model Code by the employees of the Group since the Listing Date and up to the date of this announcement.

MATERIAL LITIGATION AND ARBITRATION

Since the Listing Date and up to the date of this announcement, the Group did not have any material litigation or arbitration.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OR SALE OF TREASURY SHARES

Since the Listing Date and up to the date of this announcement, none of the Company or any of its subsidiaries has made any purchase, sale or redemption of the listed securities of the Company (including sales of treasury shares (as defined under the Listing Rules)). As at June 30, 2024, the Company did not hold any treasury shares.

REVIEW OF INTERIM RESULTS

The Audit Committee comprises one non-executive Director, namely Mr. QIU Jianqiang, and two independent non-executive Directors, namely Mr. Li Shun Fai and Mr. Chen Xinhe. The chairman of the Audit Committee is Mr. Li Shun Fai who holds the appropriate qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2024 with the management and the auditor of the Company. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

The independent auditor of the Company, namely BDO Limited, has carried out a review of the interim financial information in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there was no important event affecting the Group which occurred after June 30, 2024 and up to the date of this interim results announcement.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company (<https://www.juhe.cn>), respectively, and the interim report of the Company for the Reporting Period containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended June 30,	
	<i>Notes</i>	2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)	(unaudited)
REVENUE	<i>5</i>	258,715	174,763
Cost of sales		<u>(202,341)</u>	<u>(139,913)</u>
Gross profit		56,374	34,850
Other income and other gains, net	<i>6</i>	3,966	6,855
Selling and distribution expenses		(8,155)	(6,589)
Research and development costs		(6,062)	(6,529)
Administrative and other expenses		(18,451)	(12,038)
Impairment loss on financial and contract assets, net		(5,550)	(1,937)
Finance costs		(1,174)	(1)
Listing expenses		<u>(11,912)</u>	<u>(6,419)</u>
PROFIT BEFORE TAX	<i>7</i>	9,036	8,192
Income tax expense	<i>8</i>	<u>(659)</u>	<u>(308)</u>
PROFIT FOR THE PERIOD		<u>8,377</u>	<u>7,884</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	<i>Note</i>	Six months ended June 30,	
		2024	2023
		RMB'000	RMB'000
		(unaudited)	(unaudited)
PROFIT FOR THE PERIOD		<u>8,377</u>	<u>7,884</u>
OTHER COMPREHENSIVE INCOME			
Item that may be subsequently reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(717)	372
Item that will not be reclassified to profit or loss:			
Changes in fair value of financial assets at fair value through other comprehensive income (“FVOCI”), net of tax		<u>(21,354)</u>	<u>(2,240)</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		<u>(22,071)</u>	<u>(1,868)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>(13,694)</u></u>	<u><u>6,016</u></u>
Profit/(loss) for the period attributable to:			
Owners of the Company		8,646	7,391
Non-controlling interests		<u>(269)</u>	<u>493</u>
		<u><u>8,377</u></u>	<u><u>7,884</u></u>
Total comprehensive income for the period attributable to:			
Owners of the Company		(13,425)	5,523
Non-controlling interests		<u>(269)</u>	<u>493</u>
		<u><u>(13,694)</u></u>	<u><u>6,016</u></u>
Earnings per share (RMB) attributable to owners of the Company			
Basic and diluted	<i>10</i>	<u><u>0.19</u></u>	<u><u>0.16</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As of June 30, 2024 <i>RMB'000</i> (unaudited)	As of December 31, 2023 <i>RMB'000</i> (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		218,644	223,466
Intangible assets		95	100
Financial assets at FVOCI		36,589	61,700
Financial assets at fair value through profit or loss ("FVTPL")		5,041	5,245
Prepayments		16	40
Deferred tax assets		573	545
Total non-current assets		260,958	291,096
Current assets			
Inventories		22,916	20,850
Financial assets at FVTPL		92,792	–
Trade receivables	11	248,384	175,077
Contract assets		2,379	1,865
Prepayments, deposits and other receivables		99,630	78,743
Tax recoverable		–	11
Time deposits		5,000	80,000
Cash and cash equivalents		384,177	124,417
Total current assets		855,278	480,963
Current liabilities			
Trade payables	12	84,381	61,491
Other payables and accruals		14,745	19,816
Contract liabilities		25,083	29,802
Repurchase liabilities		–	23,013
Income tax payable		2,106	3,984
Total current liabilities		126,315	138,106
Net current assets		728,963	342,857
TOTAL ASSETS LESS CURRENT LIABILITIES		989,921	633,953
Non-current liabilities			
Deferred tax liabilities		920	5,536
Total non-current liabilities		920	5,536
Net assets		989,001	628,417

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	As of June 30, 2024 RMB'000 (unaudited)	As of December 31, 2023 RMB'000 (audited)
EQUITY		
Equity attributable to owners of the Company		
Share capital	50,118	45,300
Reserves	<u>939,199</u>	<u>583,164</u>
	989,317	628,464
Non-controlling interests	<u>(316)</u>	<u>(47)</u>
TOTAL EQUITY	<u>989,001</u>	<u>628,417</u>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Tianju Dihe (Suzhou) Technology Co., Ltd. (the “**Company**”) is a limited liability company incorporated in the People’s Republic of China (the “**PRC**”) on February 25, 2010 and its shares are listed on the Main Board of The Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office address and the principal place of business of the Company is located at 16/F, No. 9 Rongfu Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC.

The Company and its subsidiaries (collectively referred as the “**Group**”) are principally engaged in the provision of application programming interfaces (“**API**”) marketplace and data management solutions in the PRC. Mr. Zuo Lei is the largest shareholder of the Company.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“**IASB**”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The interim condensed consolidated financial information have been prepared in accordance with the same accounting policies adopted in the Group’s financial statements for the year ended December 31, 2023 which are the underlying financial statements (“**Underlying Financial Statements**”) for the preparation of historical financial information as set out in the accountants’ report set forth in Appendix I to the Company’s prospectus dated June 20, 2024 (the “**Prospectus**”) except for those that relate to amendments to IFRS Accounting Standards (“**IFRSs**”) issued by IASB effective for the first time for the annual period beginning on or after 1 January 2024. Details of adoption of amendments to IFRSs are set out in Note 3 to the interim condensed consolidated financial information.

The preparation of the interim condensed consolidated financial information in compliance with IAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The areas where significant judgements and estimates have been made in preparing the interim condensed consolidated financial information and the related effect are set out in Note 4 to the interim condensed consolidated financial information.

The interim condensed consolidated financial information are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousands, unless otherwise stated.

The interim condensed consolidated financial information contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the Group’s Underlying Financial Statements for the preparation of historical financial information as set out in the accountants’ report to the Prospectus. The interim condensed consolidated financial information and notes thereon do not include all of the information required for a complete set of financial statements prepared in accordance with the IFRSs and should be read in conjunction with the Underlying Financial Statement for the preparation of historical financial information as set out in the accountant’s report to the Prospectus.

3. ADOPTION OF AMENDMENTS TO IFRSs

In the current period, the Group has adopted all the following amendments to IFRSs issued by the IASB that are relevant to its operations and effective for its accounting year beginning on 1 January 2024.

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group’s financial position and performance for the current and prior periods and/or on the disclosures set out in the interim condensed consolidated financial information.

6. OTHER INCOME AND OTHER GAINS, NET

	Six months ended June 30,	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Bank interest income	786	767
Fair value (loss)/gain on financial assets at FVTPL	(136)	707
Government grants (<i>Note</i>)	2,962	5,103
Loss on disposal of property, plant and equipment	–	(8)
Others	354	286
	<u>3,966</u>	<u>6,855</u>

Note: Government grants mainly comprised of subsidies received/receivable for subsidising the Group's business. There was no unfulfilled condition to receive government grants at the end of both periods.

7. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting) the followings:

	Six months ended June 30,	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Cost of inventories recognized as expenses	27,637	9,247
Auditors' remuneration	500	28
Depreciation of property, plant and equipment	5,988	5,984
– Less: depreciation capitalized to contract costs and inventories	(264)	(168)
	<u>5,724</u>	<u>5,816</u>
Amortization of intangible assets	5	5
Listing expenses	11,912	6,419
Short-term lease expenses	–	10
Employee costs (including directors' emoluments):		
– Salaries and wages	20,693	19,706
– Retirement scheme contributions	4,296	4,115
	<u>24,989</u>	<u>23,821</u>
Equity-settled share-based payments	221	221
Impairment loss on financial and contract assets, net:		
– Trade receivables	5,494	1,999
– Contract assets	54	(7)
– Deposits and other receivables	2	(55)
	<u>5,550</u>	<u>1,937</u>

8. INCOME TAX EXPENSE

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current year – PRC Enterprise Income Tax	1,544	521
Deferred tax	(885)	(213)
	<u>659</u>	<u>308</u>

The Group is subject to income tax on an entity basis on assessable profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the income tax rules and regulations of the PRC, the provision for PRC income tax of the group entities is calculated based on the statutory tax rate of 25% for both periods, except for (a) the Company and a PRC subsidiary which are registered as a High and New-Tech Enterprise pursuant to the PRC tax regulations and entitled to a preferential tax rate of 15% for both periods and (b) two PRC subsidiaries which are registered as a qualified Micro and Small Enterprise pursuant to the PRC tax regulations and entitled to a preferential tax rate of 5% for both periods.

9. DIVIDENDS

No dividend has been paid, declared or proposed during the current interim period (2023: Nil).

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Six months ended June 30,	
	2024	2023
	(unaudited)	(unaudited)
Profit for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share (RMB'000)	<u>8,646</u>	<u>7,391</u>
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u>45,379,421</u>	<u>45,300,000</u>

Diluted earnings per share are the same as the basic earnings per share as the Company had no dilutive potential ordinary shares in existence for both periods.

11. TRADE RECEIVABLES

	As of June 30, 2024 <i>RMB'000</i> (unaudited)	As of December 31, 2023 <i>RMB'000</i> (audited)
Trade receivables	269,755	190,954
Less: impairment loss allowance	<u>(21,371)</u>	<u>(15,877)</u>
	<u>248,384</u>	<u>175,077</u>

An aging analysis of trade receivables, net of impairment losses, as of the end of the reporting period, based on the invoice dates, is as follows:

	As of June 30, 2024 <i>RMB'000</i> (unaudited)	As of December 31, 2023 <i>RMB'000</i> (audited)
Unbilled receivables (<i>Note</i>)	<u>214,872</u>	<u>127,106</u>
Billed receivables		
Within 30 days	5,417	18,480
31-60 days	24,433	15,940
61-90 days	1,786	4,067
91-180 days	1,062	4,085
Over 180 days	<u>814</u>	<u>5,399</u>
	<u>33,512</u>	<u>47,971</u>
	<u>248,384</u>	<u>175,077</u>

Note: The unbilled receivables represent the Group's unconditional right to consideration, of which invoices have not been issued.

12. TRADE PAYABLES

	As of June 30, 2024 <i>RMB'000</i> (unaudited)	As of December 31, 2023 <i>RMB'000</i> (audited)
Trade payables	84,381	61,491

A credit period of up to 3 months, if applicable, from the date of billing is generally granted by the Group's trade suppliers. Based on the receipt of services and goods, which normally coincided with the invoice dates, the aging analysis of the Group's trade payables as of the end of the reporting period is as follows:

	As of June 30, 2024 <i>RMB'000</i> (unaudited)	As of December 31, 2023 <i>RMB'000</i> (audited)
Within one year	66,935	50,130
1-2 years	15,412	7,959
Over 2 years	2,034	3,402
	84,381	61,491

The Group's trade payables are short-term in nature and hence, the carrying amount of trade payables are considered to approximate to their fair value.

DEFINITIONS

In this interim results announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“API”	Application Programming Interface, a set of rules and protocols permitting software applications to communicate with each other
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the Board of Directors of the Company
“CG Code” or “Corporate Governance Code”	the Corporate Governance Code in Appendix C1 to the Listing Rules
“China”, “Mainland China” or the “PRC”	the People’s Republic of China, excluding, for the purpose of this interim results announcement (unless otherwise indicated), the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan Region
“Company” or “the Company”	Tianju Dihe (Suzhou) Technology Co., Ltd. (天聚地合(蘇州)科技股份有限公司), previously named Tianju Dihe (Suzhou) Data Co., Ltd. (天聚地合(蘇州)數據股份有限公司), whose predecessor was named Suzhou ThinkLand Technology Co., Ltd. (蘇州新科蘭德科技有限公司), was established in China on February 25, 2010 and converted into a joint stock company with limited liability on September 20, 2017
“Directors”	the directors of the Company, including all executive, non-executive and independent non-executive Directors
“Global Offering”	the Hong Kong Public Offering and the International Offering
“H Share(s)”	shares in the share capital of the Company with nominal value of RMB1.0 each, which have been listed and traded on the Stock Exchange with effective from June 28, 2024
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

“Hong Kong Public Offering”	the offering of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to reallocation as described in “Structure of the Global Offering”) at the Offer Price (plus brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee), on and subject to the terms and conditions described in the Prospectus, as further described in “Structure of the Global Offering – Hong Kong Public Offering”
“International Offering”	the offer of the International Offer Shares outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act, including to professional investors in Hong Kong, as further described in the section headed “Structure of the Global Offering” in the Prospectus
“Listing”	listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	June 28, 2024
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Liuju Liuhe”	Suzhou Liuju Liuhe Investment Consulting Enterprise (Limited Partnership) (蘇州六聚六合投資諮詢企業(有限合夥)) (formerly known as Suzhou Juhe Cloud Data Technology Enterprise (Limited Partnership) (蘇州聚合雲數據技術企業(有限合夥))), a limited partnership established in the PRC on September 12, 2016 and one of the employee shareholding platforms
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
“MIIT of the PRC”	Ministry of Industry and Information Technology of the People’s Republic of China (中華人民共和國工業和信息化部)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Offer Price”	HK\$83.33 per Offer Share in Hong Kong dollars (exclusive of a brokerage fee of 1.0%, a SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and a Stock Exchange trading fee of 0.00565%) at which the Offer Shares are subscribed for pursuant to the Global Offering

“Prospectus”	the prospectus issued by the Company dated June 20, 2024
“Reporting Period”	for the six months ended June 30, 2024
“RPA”	Robotic Process Automation
“Share(s)”	ordinary shares in the capital of the Company with a nominal value of RMB1.0 each
“Shareholder(s)”	holder(s) of the Share(s)
“SMS”	short message service
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Supervisor(s)”	the supervisors of the Company
“Yiju Liuhe”	Suzhou Yiju Liuhe Investment Consulting Enterprise (Limited Partnership) (蘇州一聚六合投資諮詢企業(有限合夥)) (formerly known as Suzhou Yiju Liuhe Data Technology Partnership (Limited Partnership) (蘇州一聚六合數據科技合夥企業(有限合夥)), a limited partnership established in the PRC on September 6, 2016 and one of the employee shareholding platforms
“%”	per cent

By order of the Board
Tianju Dihe (Suzhou) Technology Co., Ltd.
Zuo Lei
Chairman and Executive Director

Hong Kong
August 27, 2024

As at the date of this announcement, the Board comprises Mr. Zuo Lei, Mr. Wang Haojin, Mr. Lin Shan and Ms. Yang Yanjun as executive Directors; Mr. Qiu Jianqiang and Mr. Gao Yuan as non-executive Directors; and Mr. Huang Xuexian, Mr. Chen Xinhe and Mr. Li Shun Fai as independent non-executive Directors.