

China / Hong Kong Company Update

GDS Holdings

Bloomberg: 9698 HK Equity | GDS US Equity | Reuters: 9698.HK | GDS.O

Refer to important disclosures at the end of this report

DBS Group Research . Equity

20 Jan 2022

HK: BUY

Last Traded Price (19 Jan 2022):HK\$41.60(HSI : 24,128)
Price Target 12-mth: HK\$70.00 (68.3% upside) (Prev HK\$71.00)

US: BUY

Last Traded Price (19 Jan 2022):US\$42.57(NASDAQ : 14,340)
Price Target 12-mth: US\$71.00 (66.8% upside) (Prev US\$73.00)

Analyst

Tsz-Wang TAM, CFA +852 36684195 tszwanamt@dbs.com
Harry Zhuang harryzhuang@dbs.com

What's New

- Expect 30% and 23% capacity expansion in FY22 and FY23 respectively to support revenue growth
- Data centre demand is still strong, especially from cloud service providers
- Southeast Asia expansion a long-term catalyst; expect to secure more projects in the region
- Maintain BUY with a TP of HK\$70, as a key beneficiary of strong data centre demand in China and Southeast Asia

Riding on cloud demand

Investment Thesis

Riding on growing demand for cloud services in China. GDS serves fast-growing cloud and Internet giants such as Alibaba, Tencent, and ByteDance. According to iResearch, the cloud market in China is projected to grow at a CAGR of c.42% for 2020-2024E.

Strong data centre services contract pipeline to support growth. GDS has 231k sqm of committed and pre-committed unutilised area (vs 300k sqm utilised area) to support growth in the next one to two years.

Strong capacity expansion pipeline to meet rising demand. GDS has a strong expansion pipeline in the top-tier DC cities and peripheral areas in mainland China, as well as Hong Kong and Southeast Asia, supporting overall capacity growth of 42%, 30%, and 23% in FY21, FY22, and FY23, respectively.

Valuation:

Our TP of HK\$70 is based on a 25x FY22 EV/Adjusted EBITDA, higher than its historical average for its strong adjusted EBITDA growth.

Where we differ:

The market is concerned about the oversupply of DCs in China. However, supply remains tight in top-tier DC cities due to the scarcity of land and power supply. GDS has a strong expansion pipeline in the top-tier DC cities and peripheral areas, supporting overall capacity growth of 42%, 30% and 23% in FY21, FY22 and FY23 respectively.

Key Risks to Our View:

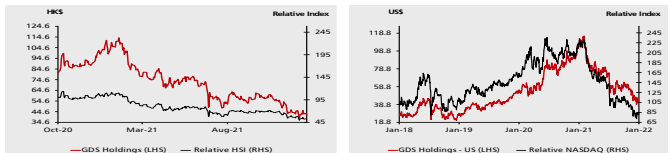
A slowdown in demand from major customers will result in lower utilisation and returns.

Excess DC supply in top-tier cities. Excess supply of DC capacity in top-tier DC cities will lead to pricing pressure and lower profitability.

At A Glance

Issued Capital (m shrs)	1,495
Mkt Cap (HK\$m/US\$m)	62,192 / 7,984
Major Shareholders (%)	
Singapore Technologies Telemedia Pte. Ltd	8.9
Free Float (%)	91.1
3m Avg. Daily Val. (US\$m)	7.34
GICS Industry: Information Technology / Software & Services	

Price Relative



Forecasts and Valuation (H Shares)

FY Dec (RMBm)	2020A	2021F	2022F	2023F
Turnover	5,739	7,798	10,350	13,162
EBITDA	2,311	3,184	4,276	5,507
Pre-tax Profit	(548)	(780)	(1,048)	(1,091)
Net Profit	(738)	(975)	(1,306)	(1,420)
Net Profit Gth (Pre-ex) (%)	(47.5)	(32.1)	(34.0)	(8.7)
EPS (RMB)	(0.59)	(0.62)	(0.83)	(0.91)
EPS (HK\$)	(0.72)	(0.76)	(1.02)	(1.11)
EPS Gth (%)	(29.8)	(5.7)	(34.0)	(8.7)
Diluted EPS (HK\$)	(0.72)	(0.76)	(1.02)	(1.11)
DPS (HK\$)	0.00	0.00	0.00	0.00
BV Per Share (HK\$)	25.04	19.63	19.07	18.56
PE (X)	nm	nm	nm	nm
P/Cash Flow (X)	132.4	20.5	18.4	12.2
P/Free CF (X)	nm	nm	nm	nm
EV/EBITDA (X)	21.7	23.3	19.9	16.9
Net Div Yield (%)	0.0	0.0	0.0	0.0
P/Book Value (X)	1.7	2.1	2.2	2.2
Net Debt/Equity (X)	0.2	0.8	1.2	1.6
ROAE (%)	(4.1)	(3.9)	(5.3)	(5.9)
Adi EBITDA	2,681	3,688	4,922	6,306
Adi EBITDA Gth (%)	47.0	37.6	33.4	28.1
EV/Adi EBITDA	28.2	20.5	15.3	12.0
Adi EBITDA Rev (%)		0.0	(1.3)	(4.2)
Consensus EPS (RMB)		(0.46)	(0.33)	(0.20)
Other Broker Recs:		B:12	S:0	H:0

Source of all data on this page: Company, DBS Bank (Hong Kong) Limited ("DBS HK"), Thomson Reuters



Watchlist the stock on Insights Direct to receive prompt updates

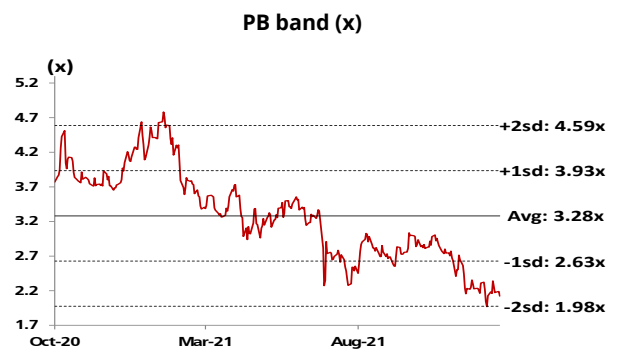
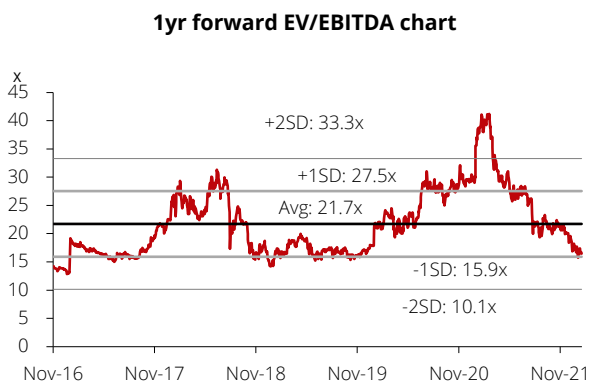


GDS Holdings

Company Background

GDS, based in Shanghai, is one of the leading and fastest-growing Chinese data centre operators. The company mainly serves major Chinese cloud service providers and Internet companies with its self-developed data centres located in Beijing, Shanghai, Shenzhen, Guangzhou, and Chengdu. GDS also started to expand in Southeast Asia market in 2021.

Historical EV/EBITDA and PB band



Source: Thomson Reuters, DBS HK

GDS Holdings

Key Assumptions

FY Dec	2019A	2020A	2021F	2022F	2023F
Area in service (sqm)	229,851.0	333,853.0	473,853.0	613,853.0	753,853.0
Area Utilised (sqm)	156,022.0	234,731.0	314,439.9	421,928.1	533,736.3
Average MSR (end of Quarter;	2,581.6	2,438.4	2,365.2	2,341.6	2,294.8
Rmb/sqm/month)					

Source: Company, DBS HK

Segmental Breakdown (RMB m)

FY Dec	2019A	2020A	2021F	2022F	2023F
Revenues (RMB m)					
Service revenue	4,095	5,717	7,794	10,346	13,158
IT Equipment sales	28	22	4	4	4
Total	4,122	5,739	7,798	10,350	13,162

Source: Company, DBS HK

Income Statement (RMB m)

FY Dec	2019A	2020A	2021F	2022F	2023F
Revenue	4,122	5,739	7,798	10,350	13,162
Cost of Goods Sold	(3,080)	(4,189)	(6,013)	(8,066)	(10,128)
Gross Profit	1,043	1,550	1,784	2,284	3,034
Other Opng (Exp)/Inc	(563)	(878)	(1,193)	(1,532)	(1,895)
Operating Profit	480	673	591	752	1,139
Other Non Opg (Exp)/Inc	9	66	46	40	30
Associates & JV Inc	0	0	0	0	0
Net Interest (Exp)/Inc	(916)	(1,287)	(1,417)	(1,840)	(2,260)
Dividend Income	0	0	0	0	0
Exceptional Gain/(Loss)	0	0	0	0	0
Pre-tax Profit	(426)	(548)	(780)	(1,048)	(1,091)
Tax	(16)	(121)	(195)	(259)	(329)
Minority Interest	0	0	0	0	0
Preference Dividend	(58)	(69)	0	0	0
Net Profit	(500)	(738)	(975)	(1,306)	(1,420)
Net Profit before Except.	(500)	(738)	(975)	(1,306)	(1,420)
EBITDA	1,622	2,311	3,184	4,276	5,507
Growth					
Revenue Gth (%)	47.6	39.2	35.9	32.7	27.2
EBITDA Gth (%)	78.2	42.5	37.8	34.3	28.8
Opg Profit Gth (%)	185.0	40.3	(12.1)	27.2	51.5
Net Profit Gth (%)	(16.3)	(47.5)	(32.1)	(34.0)	(8.7)
Margins & Ratio					
Gross Margins (%)	25.3	27.0	22.9	22.1	23.1
Opg Profit Margin (%)	11.6	11.7	7.6	7.3	8.7
Net Profit Margin (%)	(12.1)	(12.9)	(12.5)	(12.6)	(10.8)
ROAE (%)	(6.3)	(4.1)	(3.9)	(5.3)	(5.9)
ROA (%)	(1.9)	(1.7)	(1.6)	(1.9)	(1.9)
ROCE (%)	2.0	1.7	1.1	1.2	1.7
Div Payout Ratio (%)	N/A	N/A	N/A	N/A	N/A
Net Interest Cover (x)	0.5	0.5	0.4	0.4	0.5

Source: Company, DBS HK

GDS Holdings

Interim Income Statement (RMB m)

FY Dec	1H2019	2H2019	1H2020	2H2020	1H2021
Revenue	1,877	2,245	2,583	3,156	3,570
Cost of Goods Sold	(1,403)	(1,676)	(1,871)	(2,317)	(2,733)
Gross Profit	474	569	711	839	837
Other Oper. (Exp)/Inc	(251)	(311)	(353)	(525)	(569)
Operating Profit	222	257	359	314	268
Other Non Opg (Exp)/Inc	2	3	52	(9)	35
Associates & JV Inc	0	0	0	0	0
Net Interest (Exp)/Inc	(441)	(528)	(562)	(755)	(769)
Exceptional Gain/(Loss)	0	0	0	0	0
Pre-tax Profit	(217)	(268)	(151)	(450)	(467)
Tax	(13)	(3)	(42)	(79)	(110)
Minority Interest	0	0	0	0	0
Net Profit	(230)	(270)	(193)	(529)	(577)
Net profit bef Except.	(230)	(270)	(193)	(529)	(577)

Growth

Revenue Gth (%)	56.5	41.0	37.6	40.6	38.2
Opg Profit Gth (%)	297.6	129.0	61.3	22.1	(25.4)
Net Profit Gth (%)	(22.2)	(11.6)	16.0	(95.6)	(198.9)

Margins

Gross Margins (%)	25.2	25.3	27.5	26.6	23.4
Opg Profit Margins (%)	11.8	11.5	13.9	10.0	7.5
Net Profit Margins (%)	(12.2)	(12.0)	(7.5)	(16.8)	(16.2)

Source: Company, DBS HK

Balance Sheet (RMB m)

FY Dec	2019A	2020A	2021F	2022F	2023F
Net Fixed Assets	19,185	29,596	43,080	53,634	61,343
Invt in Associates & JVs	0	0	0	0	0
Other LT Assets	5,223	9,344	9,267	9,189	9,112
Cash & ST Invt	5,973	16,493	10,387	6,662	6,505
Inventory	0	0	0	0	0
Debtors	880	1,480	1,724	2,529	2,880
Other Current Assets	231	346	346	346	346
Total Assets	31,493	57,259	64,804	72,360	80,186
ST Debt	1,360	2,408	2,408	2,408	2,408
Creditors	1,676	3,657	4,206	4,837	5,562
Other Current Liab	963	1,579	1,788	2,029	2,306
LT Debt	14,829	20,593	27,903	35,294	42,773
Other LT Liabilities	1,308	2,354	2,354	2,354	2,354
Shareholder's Equity	11,356	26,547	26,024	25,318	24,662
Minority Interests	0	121	121	121	121
Total Cap. & Liab.	31,493	57,259	64,804	72,360	80,186
Non-Cash Wkg. Capital	(1,528)	(3,410)	(3,924)	(3,991)	(4,643)
Net Cash/(Debt)	(10,216)	(6,508)	(19,923)	(31,039)	(38,676)
Debtors Turn (avg days)	62.7	75.1	75.0	75.0	75.0
Creditors Turn (avg days)	299.9	381.7	419.5	363.3	329.5
Inventory Turn (avg days)	N/A	N/A	N/A	N/A	N/A
Asset Turnover (x)	0.2	0.1	0.1	0.2	0.2
Current Ratio (x)	1.8	2.4	1.5	1.0	0.9
Quick Ratio (x)	1.7	2.4	1.4	1.0	0.9
Net Debt/Equity (X)	0.9	0.2	0.8	1.2	1.6
Net Debt/Equity ex MI (X)	0.9	0.2	0.8	1.2	1.6
Capex to Debt (%)	30.4	35.7	52.8	37.1	26.6
Z-Score (X)	NA	NA	NA	NA	NA

Source: Company, DBS HK

GDS Holdings

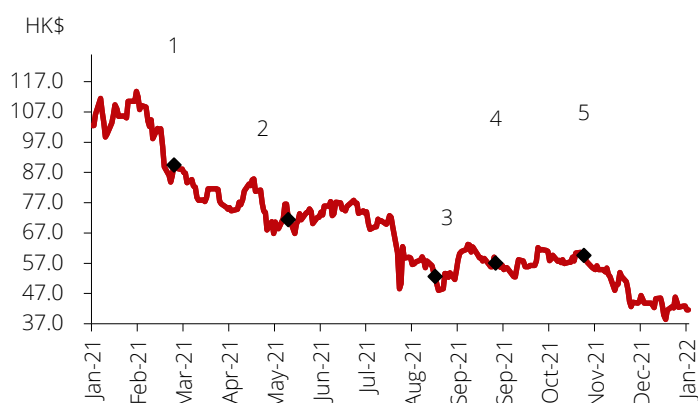
Cash Flow Statement (RMB m)

FY Dec	2019A	2020A	2021F	2022F	2023F
Pre-Tax Profit	(426)	(548)	(780)	(1,048)	(1,091)
Dep. & Amort.	1,142	1,638	2,593	3,524	4,368
Tax Paid	(16)	(121)	(195)	(259)	(329)
Assoc. & JV Inc/(loss)	0	0	0	0	0
(Pft)/ Loss on disposal of FAs	1	3	0	0	0
Chg in Wkg.Cap.	(661)	(995)	514	67	652
Other Operating CF	253	343	452	600	763
Net Operating CF	293	321	2,585	2,884	4,363
Capital Exp.(net)	(4,922)	(8,218)	(16,000)	(14,000)	(12,000)
Other Invt.(net)	0	0	0	0	0
Invt in Assoc. & JV	0	0	0	0	0
Div from Assoc & JV	0	0	0	0	0
Other Investing CF	(210)	(1,160)	0	0	0
Net Investing CF	(5,131)	(9,378)	(16,000)	(14,000)	(12,000)
Div Paid	0	0	0	0	0
Chg in Gross Debt	2,294	3,159	7,310	7,391	7,480
Capital Issues	4,990	16,053	0	0	0
Other Financing CF	1,078	932	0	0	0
Net Financing CF	8,362	20,144	7,310	7,391	7,480
Currency Adjustments	164	(567)	0	0	0
Chg in Cash	3,689	10,520	(6,106)	(3,725)	(157)
Opg CFPS (RMB)	0.86	1.05	1.32	1.80	2.37
Free CFPS (RMB)	(4.20)	(6.30)	(8.56)	(7.09)	(4.87)

Source: Company, DBS HK

GDS Holdings

HK Share - Target Price & Ratings History



S.No.	Date	Closing Price	12-mth Target Price	Rating
1:	11-Mar-21	HK\$89.50	HK\$114.00	Buy
2:	20-May-21	HK\$71.45	HK\$106.00	Buy
3:	18-Aug-21	HK\$53.85	HK\$79.00	Buy
4:	24-Sep-21	HK\$59.05	HK\$79.00	Buy
5:	17-Nov-21	HK\$58.80	HK\$71.00	Buy

Source: DBS HK

Analyst: Tsz-Wang TAM, CFA
Harry Zhuang

US Share - Target Price & Ratings History



S.No.	Date	Closing Price	12-mth Target Price	Rating
1:	11-Mar-21	US\$88.04	US\$118.00	Buy
2:	20-May-21	US\$79.28	US\$109.00	Buy
3:	18-Aug-21	US\$53.16	US\$81.00	Buy
4:	24-Sep-21	US\$59.68	US\$81.00	Buy
5:	17-Nov-21	US\$58.92	US\$73.00	Buy

Source: DBS HK

Analyst: Tsz-Wang TAM, CFA
Harry Zhuang

GDS Holdings

DBS HK recommendations are based on an Absolute Total Return* Rating system, defined as follows:

STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

BUY (>15% total return over the next 12 months for small caps, >10% for large caps)

HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)

SELL (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

*Share price appreciation + dividends

Completed Date: 20 Jan 2022 09:29:38 (HKT)

Dissemination Date: 20 Jan 2022 14:40:14 (HKT)

Sources for all charts and tables are DBS HK unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank (Hong Kong) Limited ("DBS HK"). This report is solely intended for the clients of DBS Bank Ltd., DBS HK, DBS Vickers (Hong Kong) Limited ("DBSV HK"), and DBS Vickers Securities (Singapore) Pte Ltd. ("DBSVS"), its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS HK.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd., DBS HK, DBSV HK, DBSVS, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

- (a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- (b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets. Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBS Vickers Securities (USA) Inc ("DBSVUSA"), a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

Neither DBS Bank Ltd nor DBS HK market makes in equity securities of the issuer(s) or company(ies) mentioned in this Research Report.

ANALYST CERTIFICATION

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible for the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES

1. DBS Bank Ltd, DBS HK, DBSVS or their subsidiaries and/or other affiliates have a proprietary position in GDS Holdings (9698 HK) recommended in this report as of 18 Jan 2022.
2. **Compensation for investment banking services:**
DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA have received compensation, within the past 12 months for investment banking services from GDS Holdings (9698 HK), GDS Holdings Ltd (GDS US) and Tencent Holdings Ltd (700 HK) as of 31 Dec 2021.
3. DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA have managed or co-managed a public offering of securities for Tencent Holdings Ltd (700 HK) in the past 12 months, as of 31 Dec 2021.


DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.

4. **Disclosure of previous investment recommendation produced:**
DBS Bank Ltd, DBSVS, DBS HK, their subsidiaries and/or other affiliates of DBSVUSA may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed on page 1 of this report to view previous investment recommendations published by DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA in the preceding 12 months.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	<p>This report is being distributed in Australia by DBS Bank Ltd, DBSVS or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946.</p> <p>DBS Bank Ltd, DBSVS and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS Bank Ltd and DBSVS are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws.</p> <p>Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.</p>
Hong Kong	This report is being distributed in Hong Kong by DBS Bank Ltd, DBS Bank (Hong Kong) Limited and DBS Vickers (Hong Kong) Limited, all of which are registered with or licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities. DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	<p>This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies.</p> <p style="text-align: right;"> Wong Ming Tek, Executive Director, ADBSR</p>
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
United Kingdom	<p>This report is produced by DBS HK which is regulated by the Hong Kong Monetary Authority</p> <p>This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.</p>
Dubai International Financial Centre	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.

GDS Holdings

United Arab Emirates	<p>This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.</p>
United States	<p>This report was prepared by DBS HK. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.</p>
Other jurisdictions	<p>In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.</p>

DBS Bank (Hong Kong) Limited

13th Floor One Island East, 18 Westlands Road, Quarry Bay, Hong Kong

Tel: (852) 3668-4181, Fax: (852) 2521-1812

GDS Holdings

DBS Regional Research Offices

HONG KONG

DBS Bank (Hong Kong) Ltd

Contact: Carol Wu

13th Floor One Island East,

18 Westlands Road, Quarry Bay, Hong Kong

Tel: 852 3668 4181

Fax: 852 2521 1812

e-mail: dbsvhk@dbs.com

MALAYSIA

AllianceDBS Research Sdn Bhd

Contact: Wong Ming Tek (128540 U)

19th Floor, Menara Multi-Purpose, Capital Square,

8 Jalan Munshi Abdullah 50100, Kuala Lumpur, Malaysia.

Tel.: 603 2604 3333

Fax: 603 2604 3921

e-mail: general@alliancedbs.com

Co. Regn No. 198401015984 (128540-U)

SINGAPORE

DBS Bank Ltd

Contact: Janice Chua

12 Marina Boulevard,

Marina Bay Financial Centre Tower 3

Singapore 018982

Tel: 65 6878 8888

e-mail: groupresearch@dbs.com

Company Regn. No. 196800306E

INDONESIA

PT DBS Vickers Sekuritas (Indonesia)

Contact: Maynard Priajaya Arif

DBS Bank Tower

Ciputra World 1, 32/F

Jl. Prof. Dr. Satrio Kav. 3-5

Jakarta 12940, Indonesia

Tel: 62 21 3003 4900

Fax: 6221 3003 4943

e-mail: indonesiaresearch@dbs.com

THAILAND

DBS Vickers Securities (Thailand) Co Ltd

Contact: Chanpen Sirithanarattanakul

989 Siam Piwat Tower Building,

9th, 14th-15th Floor

Rama 1 Road, Pathumwan,

Bangkok Thailand 10330

Tel. 66 2 857 7831

Fax: 66 2 658 1269

e-mail: research@th.dbs.com

Company Regn. No 0105539127012

Securities and Exchange Commission, Thailand