

Chindata Group Holdings Ltd

Bloomberg: CD US Equity | Reuters: CD.O

Refer to important disclosures at the end of this report

DBS Group Research . Equity

27 May 2022

BUY

Last Traded Price (26 May 2022): US\$7.12 (NASDAQ : 11,741)
 Price Target 12-mth: US\$11.20 (57% upside) (Prev US\$10.80)

Analyst

Tsz Wang Tam +852 36684195 tszwangtam@dbs.com
 Harry Zhuang harryzhuangy@dbs.com

What's New

- 1Q22 results beat, adjusted EBITDA grew by 60.7% y-o-y
- FY22 revenue and adjusted EBITDA guidance midpoints revised up by 1.6% and 2.9%, respectively
- Less impacted by city lockdowns in China due to geographic locations in non-tier 1 cities
- Maintain BUY for its strong capacity expansion; TP raised to US\$11.2 after adjusted EBITDA upward revision

Price Relative



Forecasts and Valuation

FY Dec (RMBm)	2020A	2021A	2022F	2023F
Turnover	1,831	2,852	4,207	5,626
EBITDA	444	1,270	1,985	2,659
Pre-tax Profit	(216)	471	747	1,090
Net Profit	(283)	316	485	708
Net Profit Gth (Pre-ex) (%)	(62.4)	N/A	53.4	45.9
EPS (RMB)	(0.92)	0.87	1.22	1.61
EPS (US\$)	(0.14)	0.13	0.18	0.24
EPS Gth (%)	(5.1)	N/A	39.5	32.7
Diluted EPS (US\$)	(0.14)	0.13	0.18	0.24
DPS (US\$)	0.00	0.00	0.00	0.00
BV Per Share (US\$)	4.71	4.13	3.94	3.82
PE (X)	nm	55.0	39.5	29.8
P/Cash Flow (X)	22.1	16.3	11.9	10.6
P/Free CF (X)	nm	nm	nm	nm
EV/EBITDA (X)	27.0	13.9	11.0	9.5
Net Div Yield (%)	0.0	0.0	0.0	0.0
P/Book Value (X)	1.5	1.7	1.8	1.9
Net Debt/Equity (X)	CASH	0.0	0.3	0.4
ROAE (%)	(4.4)	3.2	4.7	6.5
Adj EBITDA	852	1,419	2,145	2,839
Adj EBITDA Gth (%)	110.9	66.5	51.2	32.4
Adj EBITDA Rev (%)			3.2	3.4
Consensus EPS (RMB)			1.12	1.60
Other Broker Recs:		B:10	S:0	H:0

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

Strong order pipeline to support growth

Investment Thesis

Strong data centre services contract pipeline. Total IT capacity will reach at least 604MW for FY22, supporting a 51% adjusted EBITDA growth in FY22.

Benefiting from fast-growing data centre demand from ByteDance, accounting for c.80% of Chindata's total revenue in FY21. By the end of 1Q22, over 90% of the company's contracts are for a period of 10 years, with a weighted average remaining term of c.8 years.

Expect to acquire more new wholesale customers. Two data centres, each with an IT capacity of 13.8MW, located in Hebei and Tianjin, are under construction to support a leading Chinese cloud provider.

Valuation:

Our TP of US\$11.2 is based on a 15x FY22 EV/adjusted EBITDA, higher than the company's peers (i.e., VNET), for its stronger adjusted EBITDA growth.

Where we differ:

The market is concerned about Chindata's customer concentration risk. We expect it would continue to acquire new wholesale customers to diversify its customer portfolio, which will be a catalyst for its further re-rating.

Key Risks to Our View:

Loss of major customers such as ByteDance will adversely impact the business outlook of the company.

Slowdown in data centre demand will lead to an overcapacity and weaker pricing, resulting in lower utilisation and investment returns.

At A Glance

Issued Capital (m shrs)	363
Mkt Cap (US\$m)	2,585
Major Shareholders (%)	
CPP Investment Board	5.9
Free Float (%)	94.1
3m Avg. Daily Val. (US\$m)	15.91
GICS Industry: Information Technology / IT Services	



Watchlist the stock on Insights Direct to receive prompt updates



Live more, Bank less

Chindata Group Holdings Ltd

WHAT'S NEW

1Q22 results beat expectations; FY22 guidance revised up

1Q22 results highlights

Revenue increased by 43.1% y-o-y to Rmb920.6m, driven by a 44.5% increase in utilised IT capacity to 344MW. Capacity in service expanded by 47.8% y-o-y to 498MW, with the utilisation rate down by 1.5ppts to 69.1% y-o-y or flat q-o-q.

Adjusted EBITDA increased by 60.7% y-o-y to Rmb494.5m, higher than market expectations, due to a strong capacity ramp-up. The adjusted EBITDA margin expanded 5.9ppts y-o-y or 2ppts q-o-q to 53.7%.

Net income increased by 62.5% y-o-y to Rmb94.6m, thanks to strong capacity expansion and margin improvement.

Outlook

Management has revised up revenue and the adjusted EBITDA guidance midpoints for FY22 by 1.5% and 2.9%, respectively. Updated FY22 guidance for revenue and adjusted EBITDA are Rmb4,130m-Rmb4,230m and Rmb2,100m-Rmb2,180m, implying 44.8%-48.3% and 48.0%-53.6% y-o-y growth, respectively. Guidance midpoints imply a 51.2% adjusted EBITDA margin, which is higher than 49.7% in FY21. However, the margin could be lower than 53.7% in 1Q22 due to potentially increasing SG&A expenses after the easing of domestic COVID-19 control measures in China.

Chindata's business operation is less impacted by city lockdowns in China than its peers, thanks to its geographic layout in non-tier 1 cities in China. Its current project delivery is largely in line with the original schedule. Only Project CN13, CN16 and CN17 are slightly delayed. Based on the existing pipeline and development plan, IT capacity in service will reach at least 604MW by end-FY22, representing a 37.3% y-o-y expansion. The company also achieved a strong capacity ramp-up in 1Q22, with a 40MW net addition in utilised IT capacity, mostly from the Hebei and Shanxi campuses. We expect strong customer move-in in FY22, riding on the demand from the expansion of its anchor customer's core business.

We expect Chindata to further expand its business in APAC emerging markets. Chindata has 117MW total capacity in APAC by 1Q22, accounting for 17% of total capacity. Management targets to increase the percentage to 30%. We expect Chindata to diversify its customer base in the long run. However, we do not view the current 80%+ revenue contribution from ByteDance as a key concern in the short to medium term. By the end of 1Q22, over 90% of the company's contracts are for a period of 10 years and the weighted average remaining term of the contracts is c.8 years. Contract & IOI ratio is still high at 88%. Besides, ByteDance still maintains a strong growth momentum in China.

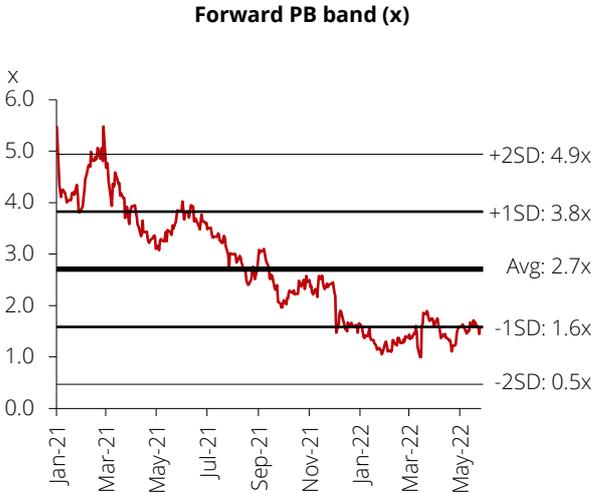
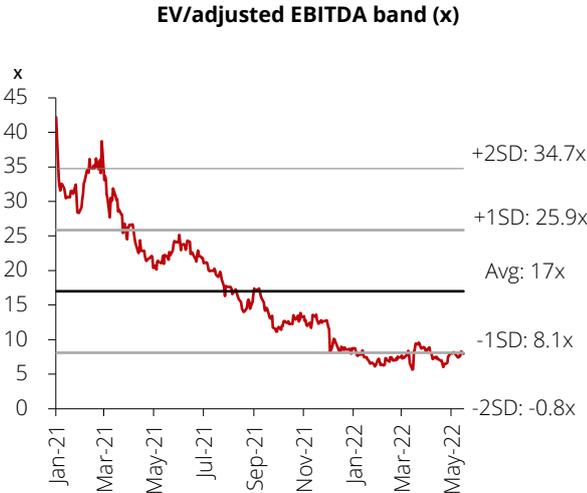
We have revised up our adjusted EBITDA forecast by 3.2% and 3.4% for FY22 and FY23, respectively, given the strong customer ramp-up and improving adjusted EBITDA margin. We forecast adjusted EBITDA to grow by 51.2% and 32.9% in FY22 and FY23, respectively. We maintain a BUY call on Chindata for its strong capacity growth, with a higher TP of US\$11.2. Our TP is based on a 15x FY22 EV/adjusted EBITDA.

Company Background

Chindata is one of the leading carrier-neutral data centre operators in China. It was established in 2018 by Bain Capital and subsequently acquired the China data centre business founded by former chief executive officer Jing Ju and an overseas business founded by Bain Capital as its core operating assets. Bain Capital is the controlling shareholder and has a c.47% beneficial ownership.

Chindata Group Holdings Ltd

Historical EV/adjusted EBITDA band and PB band



Source: Thomson Reuters, DBS HK

1Q22 result highlights

Rmb '000	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q21	y-o-y %chg	q-o-q %chg
Total revenue	392,476	418,128	467,484	552,989	643,382	686,398	740,768	781,729	920,608	43.1%	17.8%
Total cost of revenues	(242,874)	(251,391)	(277,157)	(326,874)	(386,920)	(407,626)	(422,885)	(435,233)	(499,574)	29.1%	14.8%
% of revenue				-59.1%	-60.1%	-59.4%	-57.1%	-55.7%	-54.3%		
Gross profit	149,602	166,737	190,327	226,115	256,462	278,772	317,883	346,496	421,034	64.2%	21.5%
% of revenue				40.9%	39.9%	40.6%	42.9%	44.3%	45.7%		
Total SG&A	(108,603)	(127,864)	(283,571)	(184,515)	(135,433)	(130,546)	(133,475)	(125,014)	(169,468)	25.1%	35.6%
% of revenue				-33.4%	-21.1%	-19.0%	-18.0%	-16.0%	-18.4%		
Operating (loss) profit	40,999	38,873	(93,244)	41,600	121,029	148,226	184,408	221,482	251,566	107.9%	13.6%
% of revenue				7.5%	18.8%	21.6%	24.9%	28.3%	27.3%		
Net interest expense	(49,949)	(63,660)	(54,635)	(42,524)	(57,756)	(55,006)	(66,727)	(56,882)	(84,627)	46.5%	48.8%
Other income and expenses	7,740	(4,620)	(9,364)	(27,222)	17,159	6,128	5,765	3,010	34	-99.8%	-98.9%
(Loss) income before income taxes	(1,210)	(29,407)	(157,243)	(28,146)	80,432	99,348	123,446	167,610	166,973	107.6%	-0.4%
Income tax benefits (expenses)	(12,873)	(15,941)	(16,454)	(22,071)	(22,232)	(34,199)	(45,040)	(52,945)	(72,405)	225.7%	36.8%
Net profit/(loss)	(14,083)	(45,348)	(173,697)	(50,217)	58,200	65,149	78,406	114,665	94,568	62.5%	-17.5%
% of revenue				-9.1%	9.0%	9.5%	10.6%	14.7%	10.3%		
Add: Depreciation & amortization	96,517	96,953	103,342	118,880	140,618	145,881	153,947	154,661	168,363	19.7%	8.9%
Add: Interest income & expense	49,949	63,660	54,635	42,524	57,756	55,006	66,727	56,882	84,627	46.5%	48.8%
Add: Income tax (benefit) expenses	12,873	15,941	16,454	22,071	22,232	34,199	45,040	52,945	72,405	225.7%	36.8%
Add: Share-based compensation	40,333	60,991	150,416	98,106	41,049	37,809	23,578	18,288	72,993	77.8%	299.1%
Other adjustments	(4,980)	11,988	76,841	8,033	(12,083)	445	705	6,763	1,543	n.m	-77.2%
Adjusted EBITDA	180,609	204,185	227,991	239,397	307,772	338,489	368,403	404,204	494,499	60.7%	22.3%
% of revenue				43.3%	47.8%	49.3%	49.7%	51.7%	53.7%		

Source: Company, DBS HK

Chindata Group Holdings Ltd

Key Assumptions

FY Dec	2019A	2020A	2021A	2022F	2023F
DC pricing - Rmb per kW per month (Rmb /month /cabinet)	912.0	900.3	905.5	925.0	915.8
Total capacity in service MW	198.0	291.0	440.0	604.0	744.0
Overall utilisation rate of cabinets (%)	59.2	75.9	69.1	75.2	76.6

Source: Company, DBS HK

Segmental Breakdown (RMB m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Revenues (RMB m)					
Revenue from DC services	853	1,831	2,852	4,207	5,626
Total	853	1,831	2,852	4,207	5,626

Source: Company, DBS HK

Chindata Group Holdings Ltd

Income Statement (RMB m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Revenue	853	1,831	2,852	4,207	5,626
Cost of Goods Sold	(610)	(1,098)	(1,653)	(2,377)	(3,151)
Gross Profit	243	733	1,200	1,830	2,476
Other Opng (Exp)/Inc	(305)	(705)	(524)	(656)	(841)
Operating Profit	(62)	28	675	1,174	1,634
Other Non Opg (Exp)/Inc	(14)	(33)	32	0	0
Associates & JV Inc	0	0	0	0	0
Net Interest (Exp)/Inc	(95)	(211)	(236)	(427)	(544)
Dividend Income	0	0	0	0	0
Exceptional Gain/(Loss)	0	0	0	0	0
Pre-tax Profit	(171)	(216)	471	747	1,090
Tax	2	(67)	(154)	(261)	(381)
Minority Interest	(5)	0	0	0	0
Preference Dividend	0	0	0	0	0
Net Profit	(174)	(283)	316	485	708
Net Profit before Except.	(174)	(283)	316	485	708
EBITDA	182	444	1,270	1,985	2,659
Growth					
Revenue Gth (%)	N/A	114.7	55.8	47.5	33.7
EBITDA Gth (%)	N/A	144.5	186.1	56.2	34.0
Opg Profit Gth (%)	N/A	(145.5)	2,291.8	73.8	39.2
Net Profit Gth (%)	N/A	(62.4)	N/A	53.4	45.9
Margins & Ratio					
Gross Margins (%)	28.5	40.0	42.1	43.5	44.0
Opg Profit Margin (%)	(7.3)	1.5	23.7	27.9	29.0
Net Profit Margin (%)	(20.5)	(15.5)	11.1	11.5	12.6
ROAE (%)	(10.8)	(4.4)	3.2	4.7	6.5
ROA (%)	(4.5)	(2.4)	1.8	2.3	3.0
ROCE (%)	(1.9)	0.3	2.9	4.2	5.1
Div Payout Ratio (%)	N/A	N/A	0.0	0.0	0.0
Net Interest Cover (x)	(0.7)	0.1	2.9	2.8	3.0

Source: Company, DBS HK

Interim Income Statement (RMB m)

FY Dec	2H2019	1H2020	2H2020	1H2021	2H2021
Revenue	632	811	1,020	1,330	1,522
Cost of Goods Sold	(435)	(494)	(604)	(795)	(858)
Gross Profit	197	316	416	535	664
Other Oper. (Exp)/Inc	(198)	(236)	(468)	(266)	(258)
Operating Profit	(1)	80	(52)	269	406
Other Non Opg (Exp)/Inc	(6)	3	(37)	23	9
Associates & JV Inc	0	0	0	0	N/A
Net Interest (Exp)/Inc	(69)	(114)	(97)	(113)	(124)
Exceptional Gain/(Loss)	0	0	0	0	0
Pre-tax Profit	(76)	(31)	(185)	180	291
Tax	1	(29)	(39)	(56)	(98)
Minority Interest	(1)	0	0	0	0
Net Profit	(76)	(59)	(224)	123	193
Net profit bef Except.	(76)	(59)	(224)	123	193
Growth					
Revenue Gth (%)	N/A	266.0	61.6	64.0	49.2
Opg Profit Gth (%)	N/A	(231.7)	3,626.1	237.1	(885.9)
Net Profit Gth (%)	N/A	39.9	(196.4)	N/A	N/A
Margins					
Gross Margins (%)	31.2	39.0	40.8	40.2	43.6
Opg Profit Margins (%)	(0.2)	9.9	(5.1)	20.2	26.7
Net Profit Margins (%)	(12.0)	(7.3)	(21.9)	9.3	12.7

Source: Company, DBS HK

Chindata Group Holdings Ltd

Balance Sheet (RMB m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Net Fixed Assets	4,405	6,424	9,428	12,758	15,275
Invt in Associates & JVs	0	0	0	0	0
Other LT Assets	1,727	2,143	2,544	2,544	2,544
Cash & ST Invt	1,120	6,911	5,241	5,713	5,163
Inventory	0	0	0	0	0
Debtors	305	422	661	922	1,233
Other Current Assets	215	360	836	836	836
Total Assets	7,771	16,260	18,709	22,772	25,050
ST Debt	63	297	1,951	1,951	1,951
Creditors	959	1,186	1,701	2,279	2,849
Other Current Liab	244	350	650	650	650
LT Debt	2,692	3,892	3,526	6,526	7,526
Other LT Liabilities	575	795	767	767	767
Shareholder's Equity	3,237	9,739	10,115	10,600	11,308
Minority Interests	0	0	0	0	0
Total Cap. & Liab.	7,771	16,260	18,709	22,772	25,050
Non-Cash Wkg. Capital	(684)	(754)	(854)	(1,171)	(1,429)
Net Cash/(Debt)	(1,636)	2,722	(236)	(2,764)	(4,314)
Debtors Turn (avg days)	65.2	72.5	69.3	68.7	69.9
Creditors Turn (avg days)	477.6	573.6	498.3	463.9	440.1
Inventory Turn (avg days)	N/A	N/A	N/A	N/A	N/A
Asset Turnover (x)	0.2	0.2	0.2	0.2	0.2
Current Ratio (x)	1.3	4.2	1.6	1.5	1.3
Quick Ratio (x)	1.1	4.0	1.4	1.4	1.2
Net Debt/Equity (X)	0.5	CASH	0.0	0.3	0.4
Net Debt/Equity ex MI (X)	0.5	CASH	0.0	0.3	0.4
Capex to Debt (%)	59.6	64.7	66.0	48.9	37.4
Z-Score (X)	NA	NA	NA	NA	NA

Source: Company, DBS HK

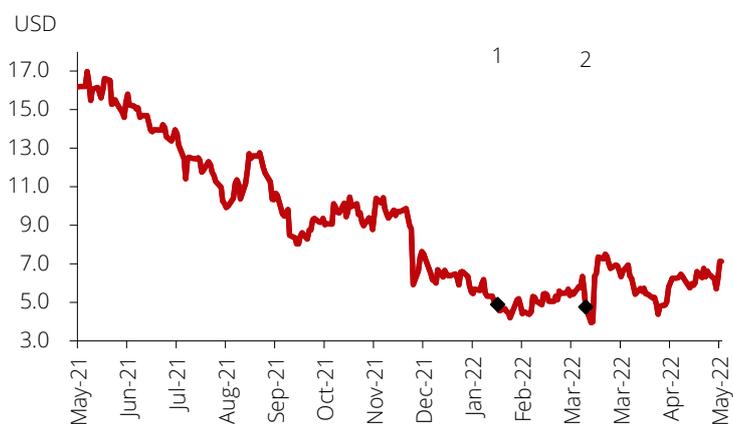
Cash Flow Statement (RMB m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Pre-Tax Profit	(171)	(216)	471	747	1,090
Dep. & Amort.	241	411	587	811	1,025
Tax Paid	2	(67)	(154)	(261)	(381)
Assoc. & JV Inc/(loss)	0	0	0	0	0
(Pft)/ Loss on disposal of FAs	0	0	0	0	0
Chg in Wkg.Cap.	(128)	130	1	177	78
Other Operating CF	97	407	161	140	180
Net Operating CF	40	665	1,066	1,613	1,991
Capital Exp.(net)	(1,642)	(2,712)	(3,617)	(4,141)	(3,541)
Other Invt.(net)	0	0	(186)	0	0
Invt in Assoc. & JV	0	0	0	0	0
Div from Assoc & JV	0	0	0	0	0
Other Investing CF	(1,879)	(57)	(150)	0	0
Net Investing CF	(3,521)	(2,769)	(3,953)	(4,141)	(3,541)
Div Paid	0	0	0	0	0
Chg in Gross Debt	1,893	1,540	1,370	3,000	1,000
Capital Issues	2,274	6,682	0	0	0
Other Financing CF	289	(33)	(77)	0	0
Net Financing CF	4,456	8,189	1,293	3,000	1,000
Currency Adjustments	(1)	(293)	(76)	0	0
Chg in Cash	975	5,792	(1,670)	472	(550)
Opg CFPS (RMB)	0.85	1.74	2.93	3.60	4.36
Free CFPS (RMB)	(8.06)	(6.67)	(7.03)	(6.33)	(3.53)

Source: Company, DBS HK

Chindata Group Holdings Ltd

Target Price & Ratings History



S.No.	Date	Closing Price	12-mth Target Price	Rating
1:	20-Jan-22	US\$4.97	US\$10.20	Buy
2:	11-Mar-22	US\$5.69	US\$10.80	Buy

Source: DBS HK

Analyst: Tsz Wang Tam
Harry Zhuang

Chindata Group Holdings Ltd

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: 27 May 2022 10:20:45 (HKT)

Dissemination Date: 27 May 2022 10:54:24 (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"), 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.

Chindata Group Holdings Ltd

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 do not have a proprietary position in the securities recommended in this report as of 25 May 2022.
2. **Compensation for investment banking services:**
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.
3. **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 6878 8888 for matters arising from, or in connection with the report.
Thailand	<p>This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.</p> <p>For any query regarding the materials herein, please contact [Chanpen Sirithanarattanaku] at [research@th.dbs.com]</p>
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 Bank Ltd, London Branch ("DBS UK"). DBS Bank Ltd is regulated by the Monetary Authority of Singapore. DBS UK is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBS UK, 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 UK. 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	<p>This communication is provided to you as a Professional Client or Market Counterparty as defined in the DFSA Rulebook Conduct of Business Module (the "COB Module"), and should not be relied upon or acted on by any person which does not meet the criteria to be classified as a Professional Client or Market Counterparty under the DFSA rules.</p> <p>This communication is from the branch of DBS Bank Ltd operating in the Dubai International Financial Centre (the "DIFC") under the trading name "DBS Bank Ltd. (DIFC Branch)" ("DBS DIFC"), registered with the DIFC Registrar of Companies under number 156 and having its registered office at units 608 - 610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates.</p> <p>DBS DIFC is regulated by the Dubai Financial Services Authority (the "DFSA") with a DFSA reference number F000164. For more information on DBS DIFC and its affiliates, please see http://www.dbs.com/ae/our--network/default.page.</p> <p>Where this communication contains a research report, this research report is prepared by the entity referred to therein, which may be DBS Bank Ltd or a third party, and is provided to you by DBS DIFC. The research report has not been reviewed or authorised by the DFSA. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBS DIFC.</p> <p>Unless otherwise indicated, this communication does not constitute an "Offer of Securities to the Public" as defined under Article 12 of the Markets Law (DIFC Law No.1 of 2012) or an "Offer of a Unit of a Fund" as defined under Article 19(2) of the Collective Investment Law (DIFC Law No.2 of 2010).</p> <p>The DFSA has no responsibility for reviewing or verifying this communication or any associated documents in connection with this investment and it is not subject to any form of regulation or approval by the DFSA. Accordingly, the DFSA has not approved this communication or any other associated documents in connection with this investment nor taken any steps to verify the information set out in this communication or any associated documents, and has no responsibility for them. The DFSA has not assessed the suitability of any investments to which the communication relates and, in respect of any Islamic investments (or other investments identified to be Shari'a compliant), neither we nor the DFSA has determined whether they are Shari'a compliant in any way.</p> <p>Any investments which this communication relates to may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on any investments. If you do not understand the contents of this document you should consult an authorised financial adviser.</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

Chindata Group Holdings Ltd

DBS Regional Research Offices

HONG KONG

DBS Bank (Hong Kong) Ltd

Contact: Dennis Lam

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

SINGAPORE

DBS Bank Ltd

Contact: Paul Yong

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 Pivat 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