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Investor Presentation | Asia Pacific

Asia Summer School: Powering AI: Asia Datacenters

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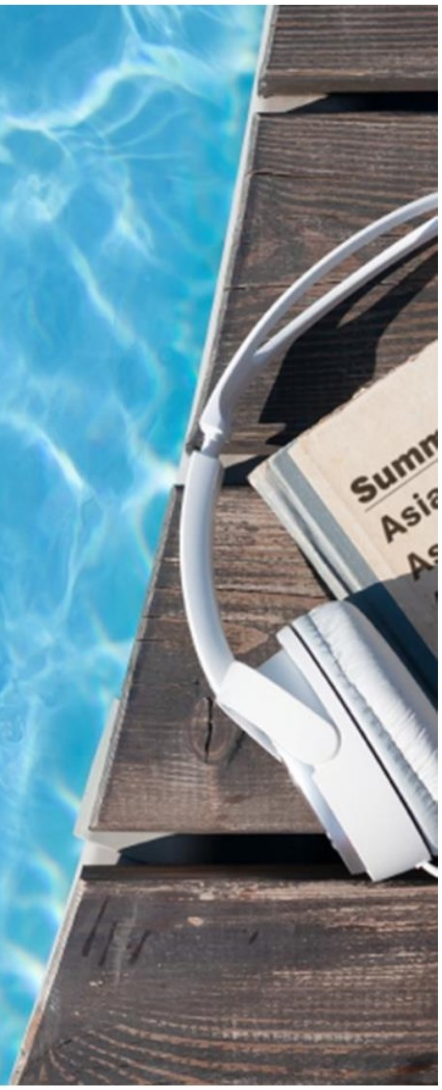
GREATER CHINA TELECOMS
Asia Pacific
Industry View **In-Line**

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Asia Summer School 2026

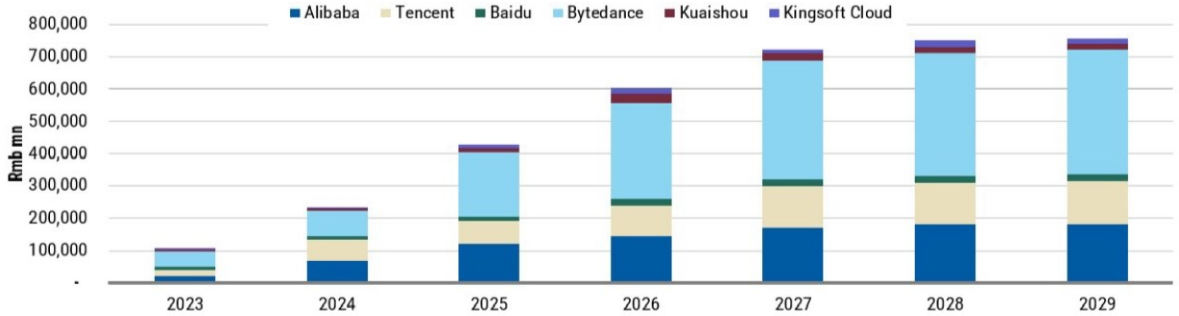


China Data Centers

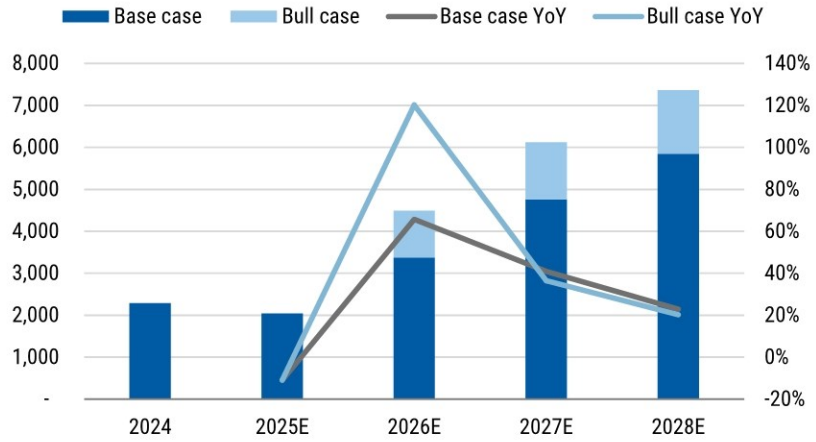
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Demand: We forecast total data center orders to grow 66% YoY in 2026

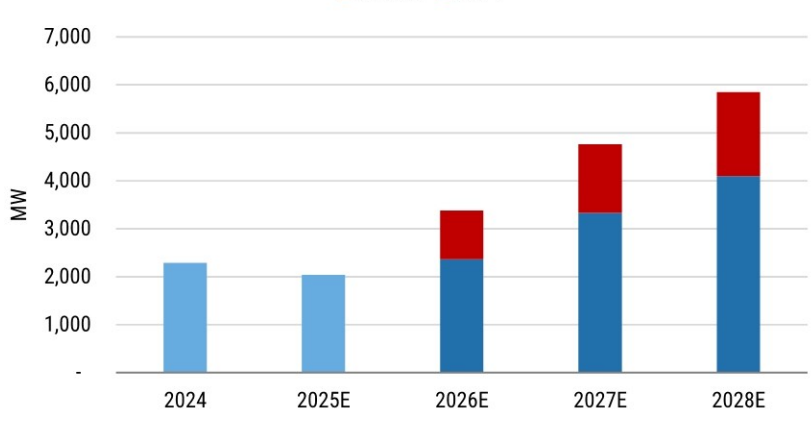
We forecast 2026 hyperscaler capex of ~Rmb600bn(+41%YoY)



We forecast 2026E orders of 3.4GW
Bull case = 4.5GW



Remote to show 60% CAGR vs. Tier 1 at 19%

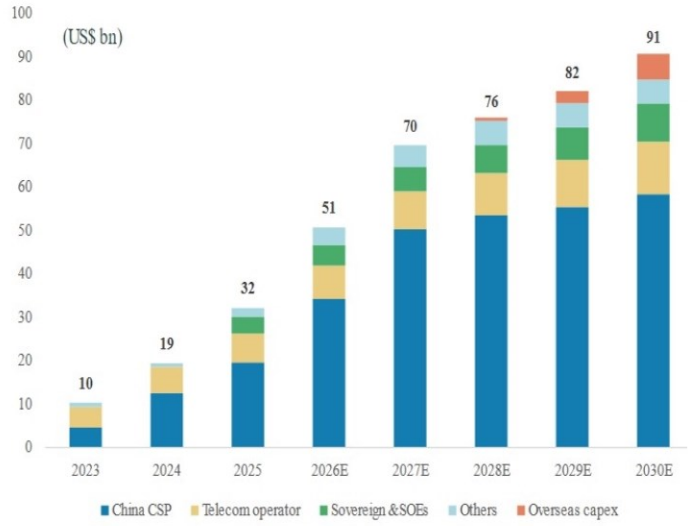


Source: Company data, Morgan Stanley Research estimates.

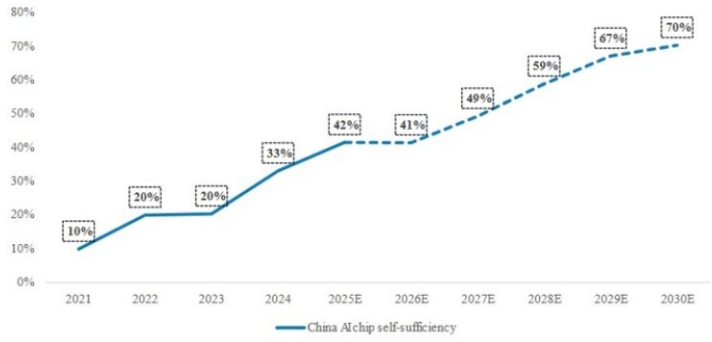
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Demand: Domestic GPUs are more important demand driver

Domestic GPU TAM to expand to US$70bn by 2027E



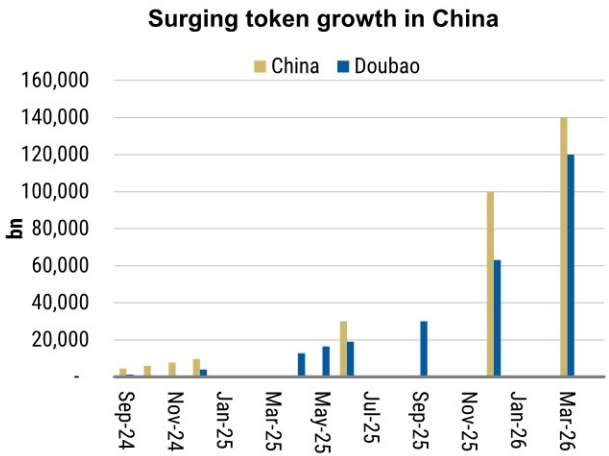
Self sufficiency rate to improve to 70% By 2030E

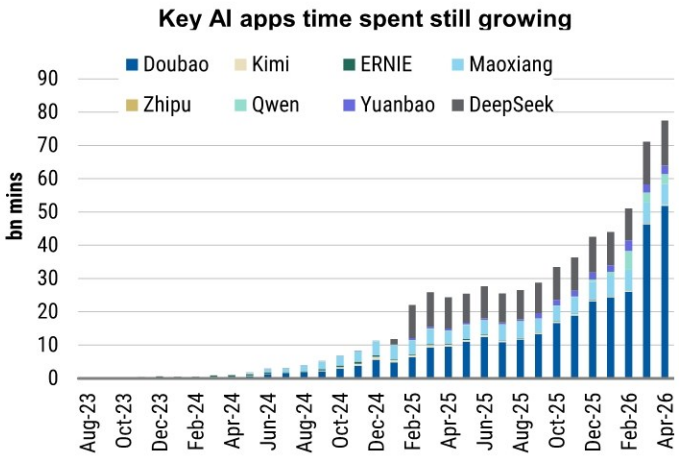


Source: Company data, Morgan Stanley Research estimates.

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Demand: Surging Token Usage



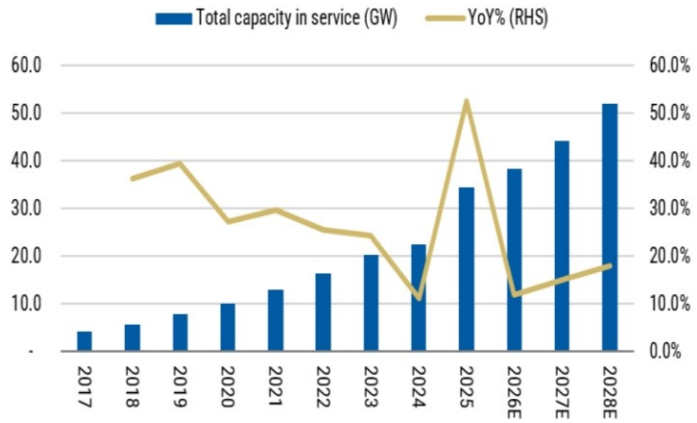


Source: QuestMobile, Company data, Morgan Stanley Research.

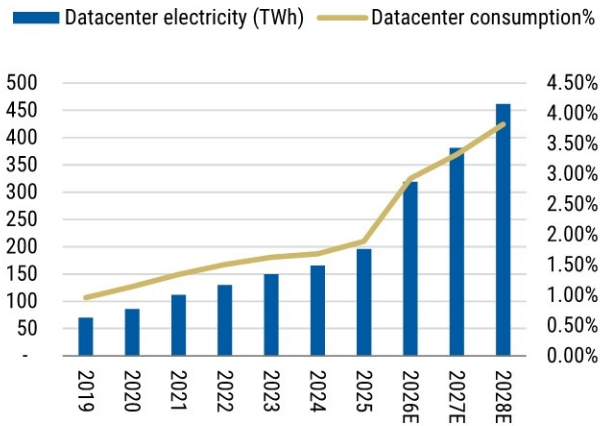
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Supply: Data center capacity in China

Total data center capacity reached 34GW in 2025



Data center consumes ~2% of social electricity



Source: MIIT, Company data, Morgan Stanley Research.

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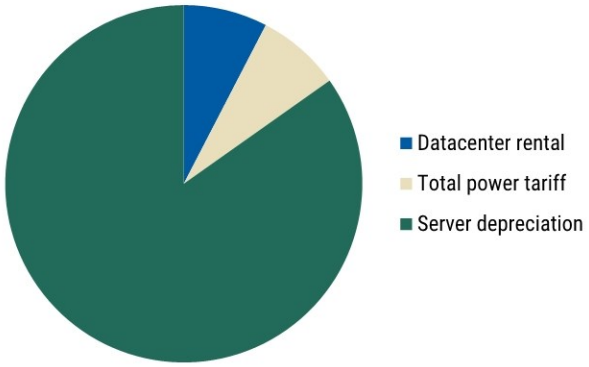
Supply: Why choose remote areas?

- **Scale** – much higher scale requirement
- **Policy** – supports development in certain remote regions
- **Power cost** – cheaper and abundant green energy
- **Latency** – not a top priority for AI training and the current application workloads

Cost of owning a data center

Customer TCO		
H200	**Ulanqab**	**Hebei**
Datacenter rental	3,360	3,600
Total power tariff	3,364	5,256
Server depreciation	37,500	37,500
Total cost	**44,224**	**46,356**
Key assumption		
Per kW rental	280	300
per kWh price	0.40	0.60
Load factor	80%	80%
PUE	1.20	1.25

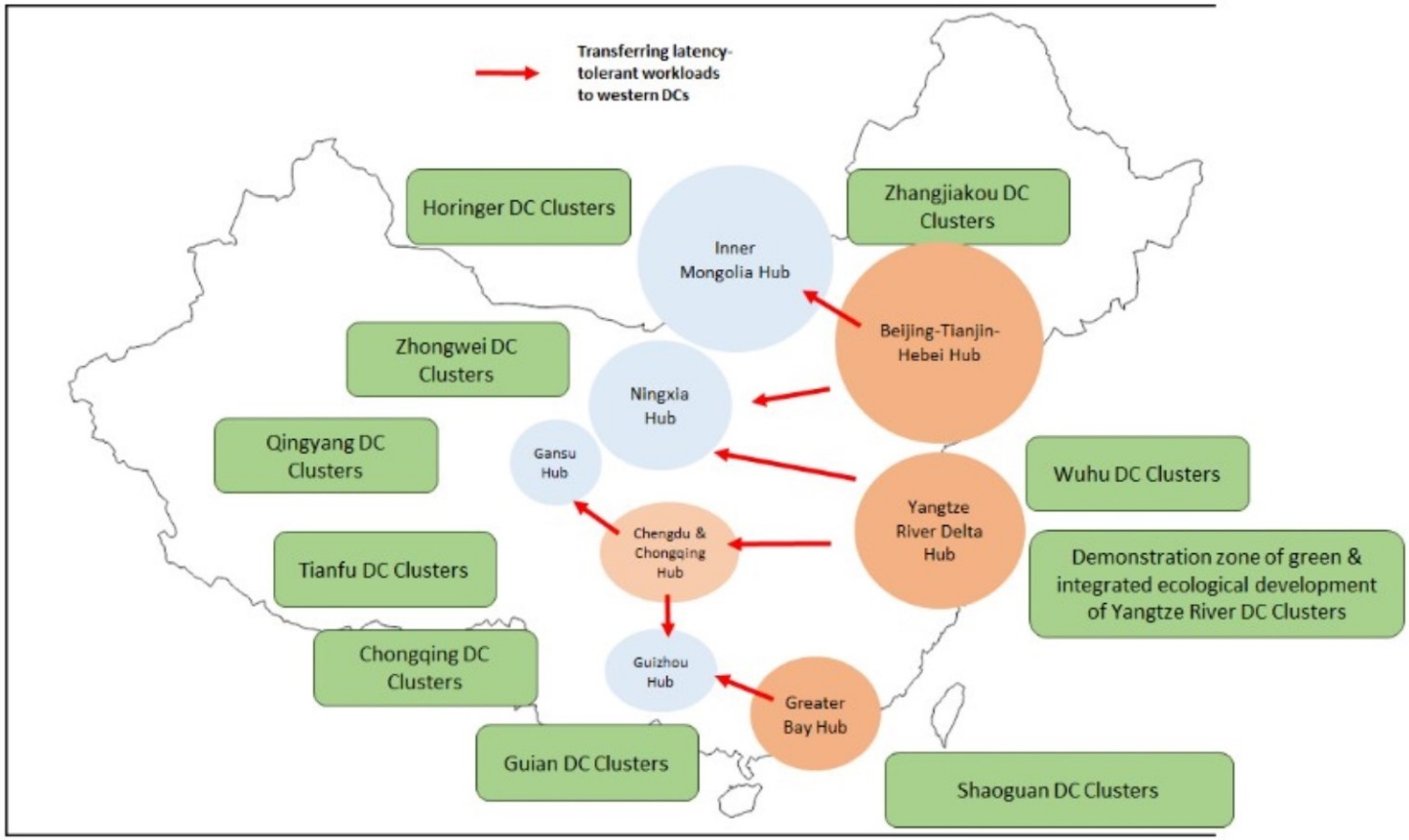
Cost mix breakdown



Source: Company data, Morgan Stanley Research estimates. * We assume H200 for server depreciation

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Supply: "Eastern Data, Western Computing" Nodes



Source: NDRC, Morgan Stanley Research estimates. The size of the bubble represents the size of the datacenter market

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Supply: Cloud era vs. AI era – what are the differences?

	Cloud era	AI era
Rack density	5kW	10-30kW now, higher in future
Hyperscale order	5-20MW	50MW+
Preferred location	Tier 1 markets for low latency	Remote areas for scale and low cost
CSPs' In-house strategy	Outsource in tier 1 markets; In-house in remote sites	Prefer outsourcing for time-to-market and flexibility
Move-in speed	Usually 1-2 years depending on the demand	As fast as 6 months
Delivery time	Usually 1-2 years of construction	6-9 months construction through pre-fab model
Supply side	Power quota scheme; tight in tier 1 market, loose in remote areas	Large DC clusters must be in East Data West Computation nodes; NDRC strictly controlling the supply through construction permit
Cost of capital	High due to high interest rate and lack of alternate financing vehicle	Low interest environment and availability of REITs for alternative financing

Source: Company data, Morgan Stanley Research.

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Supply: The two top destinations for remote data centers

	Ulanqab	Zhongwei
Current capacity	490k racks, ~1.2GW	300k racks, ~750MW in 2025
Distance to Beijing	300km	1000km
Latency to Beijing	4ms	8-10ms
Average temperature	8 °C	8 °C
Power tariff	0.26-0.28 yuan/KwH	0.27-0.29 yuan/KwH
Green energy	Abundant solar and wind	Abundant solar and wind
Key players	VNET, Centrin	Centrin, Chindata, GDS

Source: Company data, Morgan Stanley Research.

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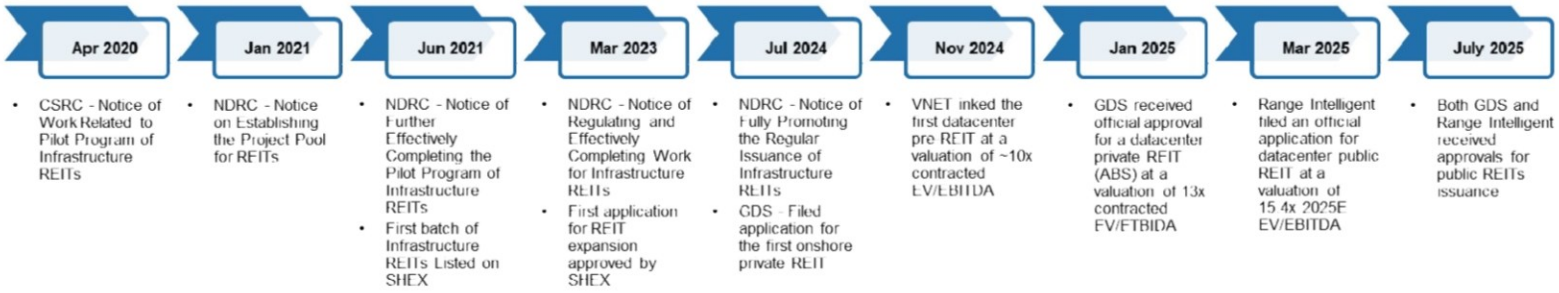
Supply: Key beneficiaries of remote data centers



Source: Company data, Morgan Stanley Research.

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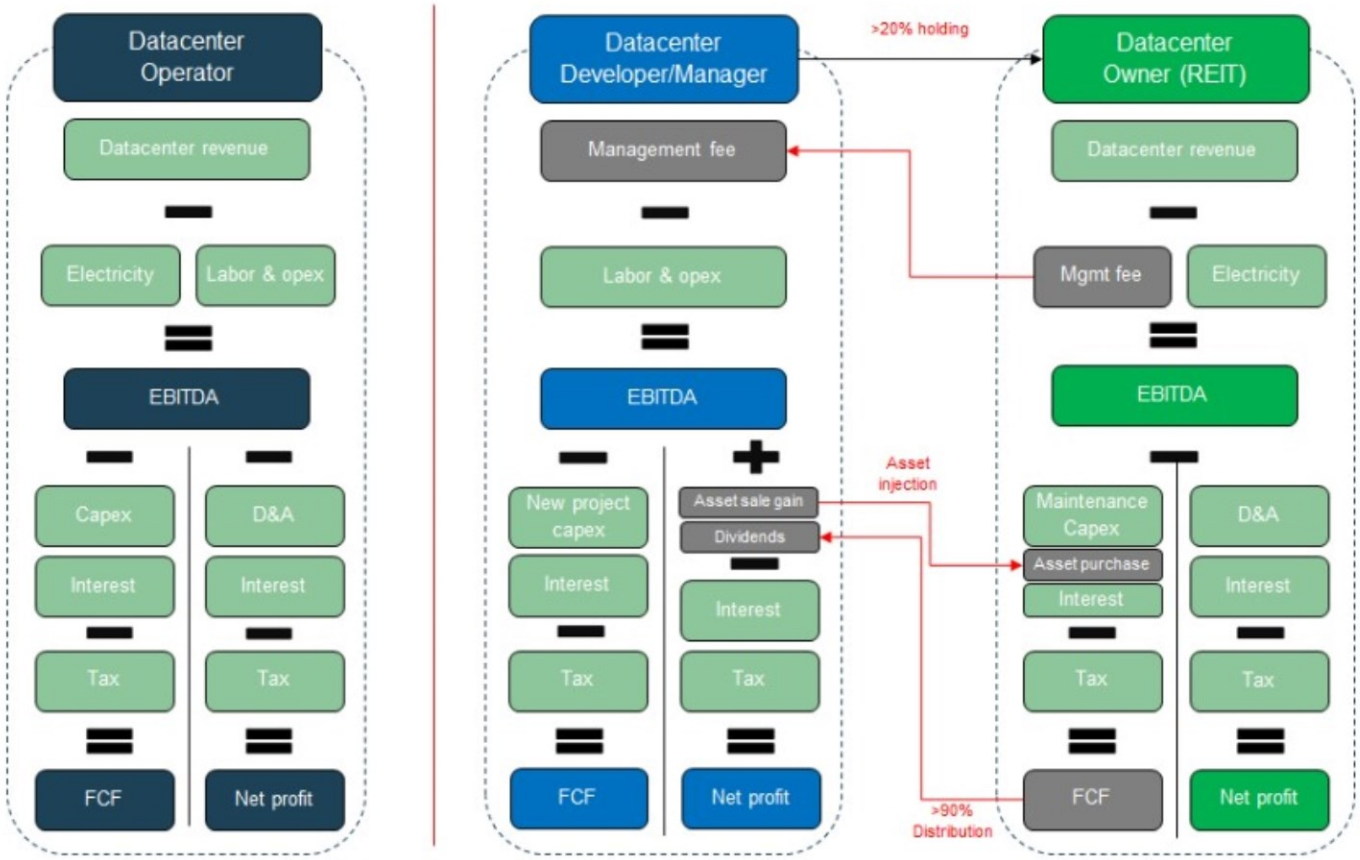
REITs: Development has accelerated recently



Source: NDRC, SCRC, Mogan Stanley Research

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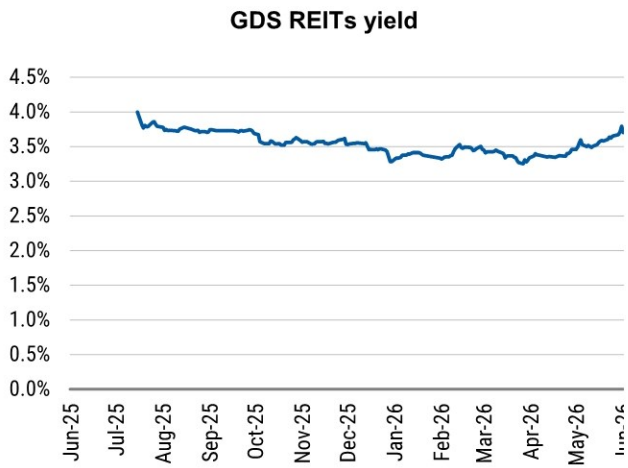
REITs: Change in the business model of datacenter vendors

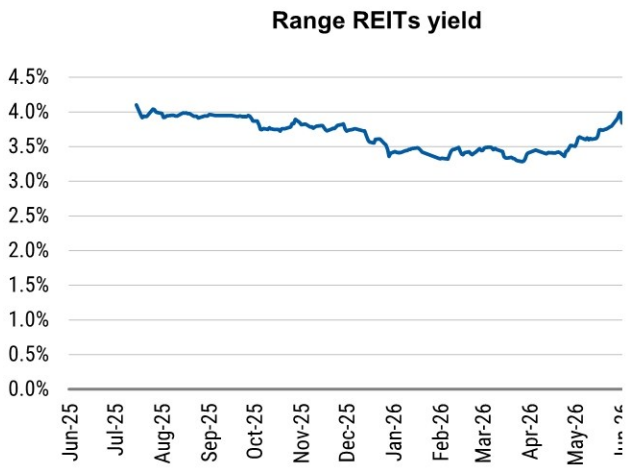


Source: Mogan Stanley Research

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REIT: DC REITS trade at 3.5-4% yield, but we estimate 5-7% as fair issuance range





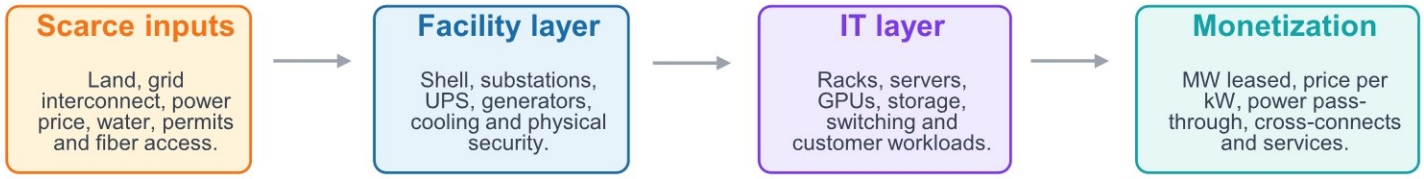
Source: SHEX, SZEX, Morgan Stanley Research

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ASEAN Data Centers

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ASEAN Data Centers: Transforming Power Into Compute



1. MW is the core capacity unit, but revenue is a function of leased load, price, power structure and utilization.
2. AI shifts the bottleneck from space to power density, cooling and networks.
3. Equity exposure is a supply chain, not only data center landlords.

KPI bridge

Capacity -> Leasing -> Utilization -> EBITDA -> ROIC

Revenue depends on contracted capacity, billing model, power pass-through, ramp schedule, interconnection services and customer mix.

24x7
Mission-critical workload expectation

MW
Primary capacity unit sold or built

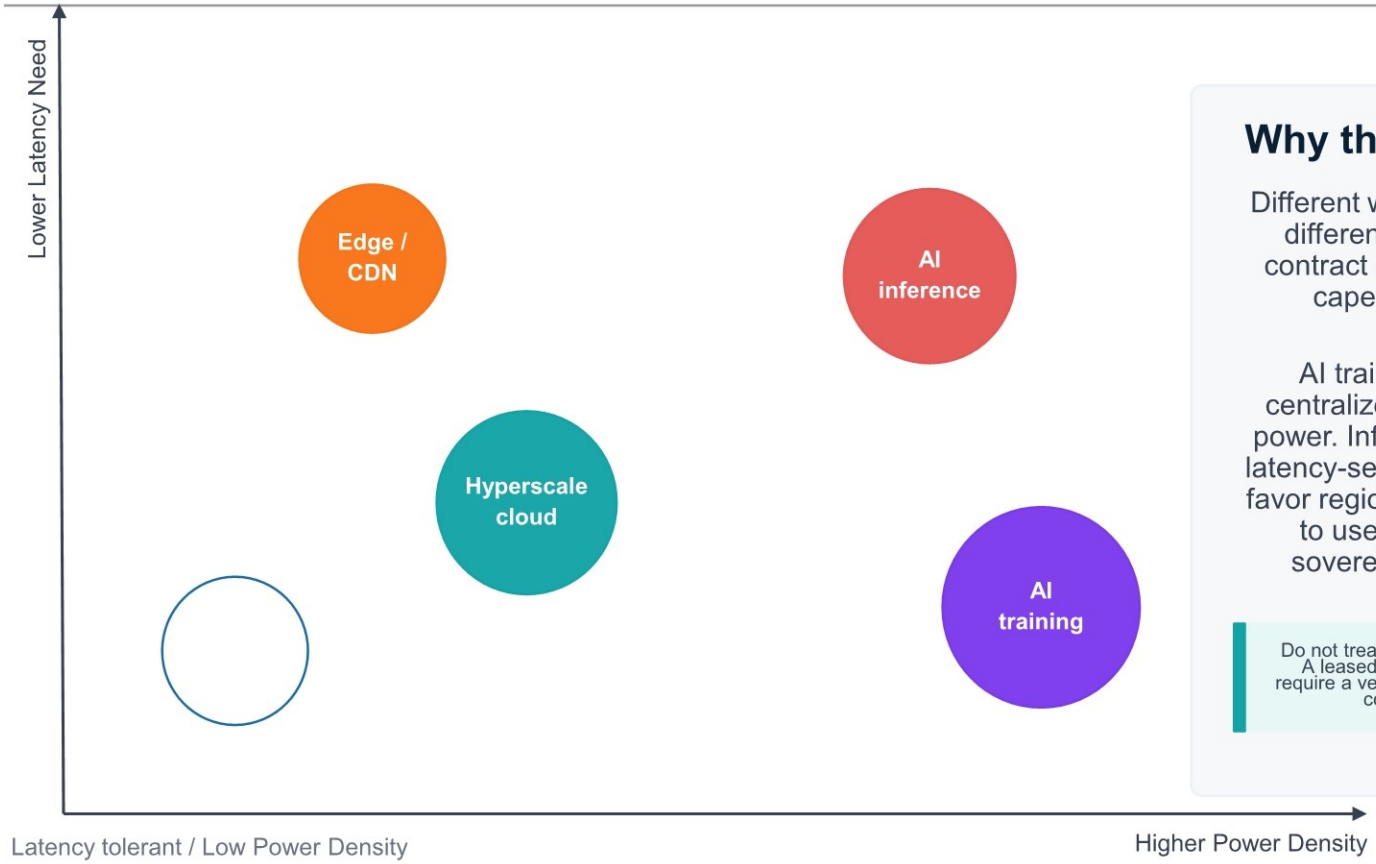
PUE
Efficiency bridge between IT load and site power

ROIC
The investor lens on growth capex

Source: Morgan Stanley Research.

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ASEAN Data Centers: Workload Management



Why this matters

Different workloads imply different siting logic, contract structures and capex intensity.

AI training can be centralized near cheap power. Inference is more latency-sensitive and may favor regional hubs closer to users and data sovereignty zones.

Do not treat every MW as equal. A leased AI-ready MW may require a very different capex and cooling spec.

Source: Morgan Stanley Research.

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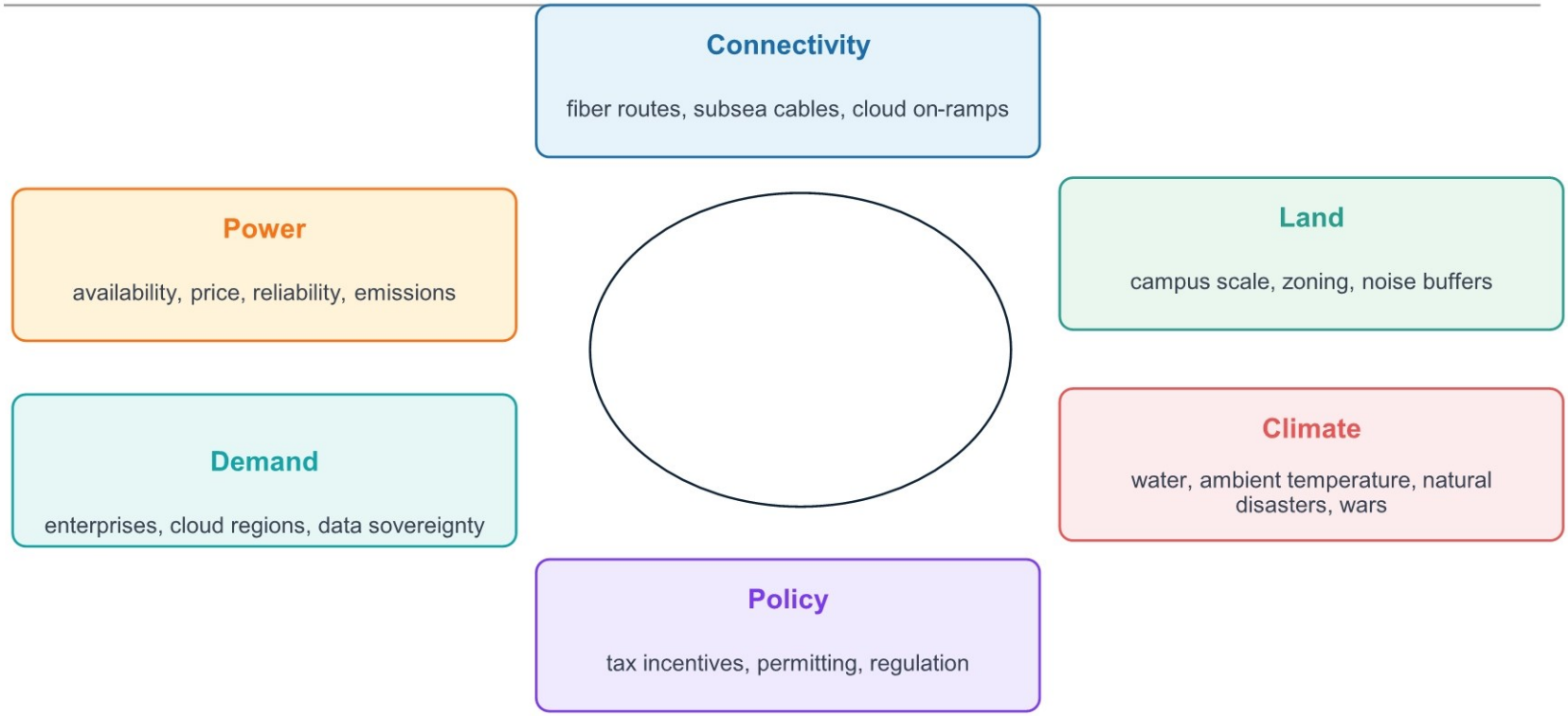
ASEAN Data Centers: Business Models

Retail colocation Many enterprise customers	Operator sells smaller blocks plus connectivity. Higher interconnection revenue; more operational complexity.	Power/cooling	Security	Cross-connects
Wholesale colocation Large tenants / hyperscalers	Operator sells MW-scale suites or buildings. Longer leases; lower customer count; pre-leasing matters.	Large MW suites	Long leases	Ramp schedules
Build-to-suit / hyperscaler-owned Single tenant or owner-operated	Hyperscaler controls design and capex. Third parties may provide land, power shells or JVs.	Tenant design	Custom power	Dedicated campus
GPU cloud / AI factory Compute as a service	Provider controls facility and GPUs, then sells capacity or API/compute access to enterprises and AI labs.	GPUs	Orchestration	AI services

Source: Morgan Stanley Research.

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ASEAN Data Centers: Formation of Data Center Clusters

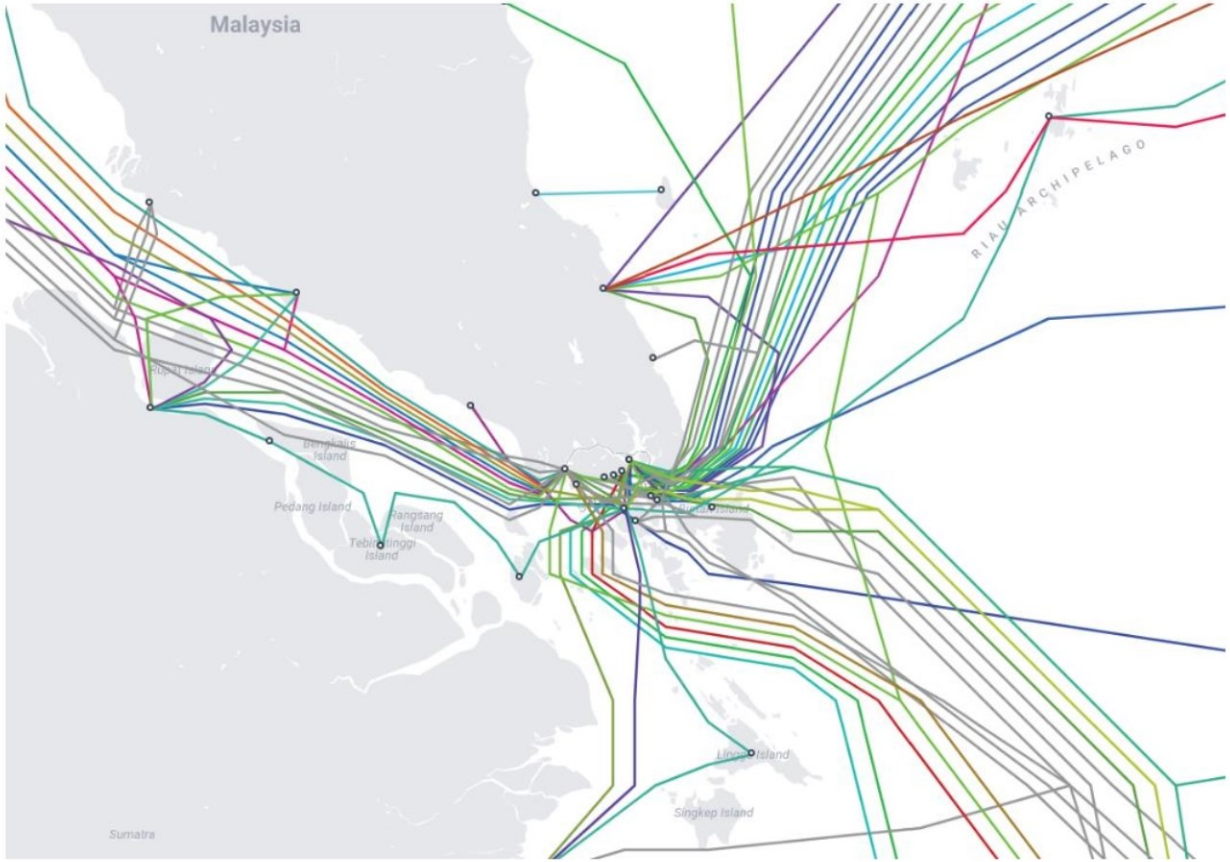


The best locations maximize connectivity and customer access while minimizing power, land and permitting risk.

Source: Morgan Stanley Research.

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ASEAN Data Centers: Singapore is a Submarine Cable Hub



Source: TeleGeography, Morgan Stanley Research.

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ASEAN Data Centers: Key Changes in the Stack

Power density moves from room-level planning to rack-level thermodynamics

Traditional enterprise rack	5-15 kW
AI GPU rack today	40-200 kW
Next-gen AI platforms	hundreds of kW+

Cooling progression for higher density racks

Air → Direct-to-chip → Immersion

GPUs / accelerators	Compute engines
HBM memory	Model state + throughput
High-speed networking	Cluster scale-out
Power distribution	High-current delivery
Liquid cooling loop	Heat removal

Training

Massive, centralized clusters; economics tilt toward cheap power, high utilization and low-latency intra-cluster networking.

Inference

Workloads can be more distributed; latency, data sovereignty and proximity to enterprises matter more.

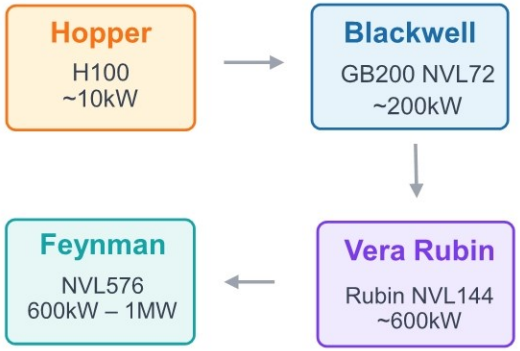
The winners are not only builders of square footage. They are operators with secure power, liquid-cooling expertise, dense fiber and customers willing to commit to high-density capacity.

Source: Morgan Stanley Research.

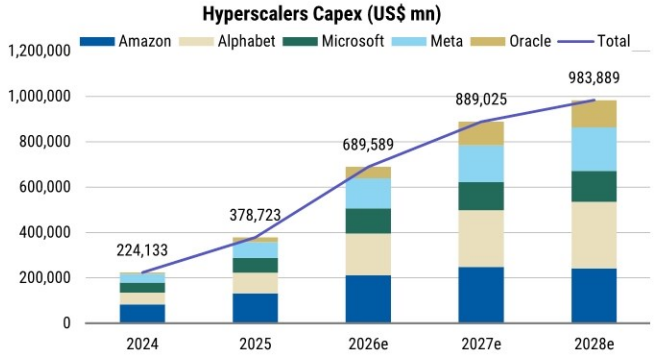
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ASEAN Data Centers: Rise of the New Compute Paradigm

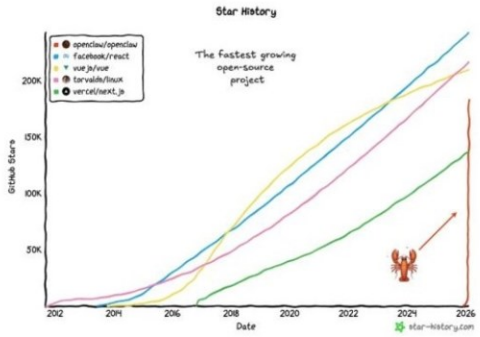
Evolving AI Hardware Stack



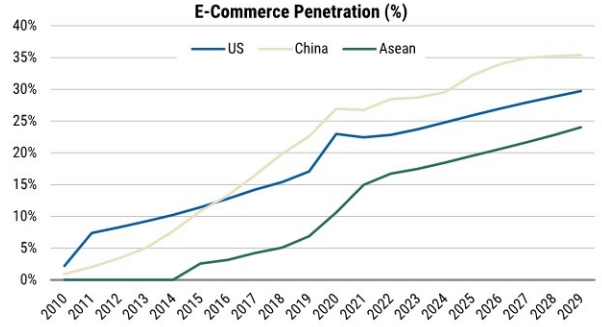
Surge in Global Hyperscalers' Capex



Rise of Agentic AI



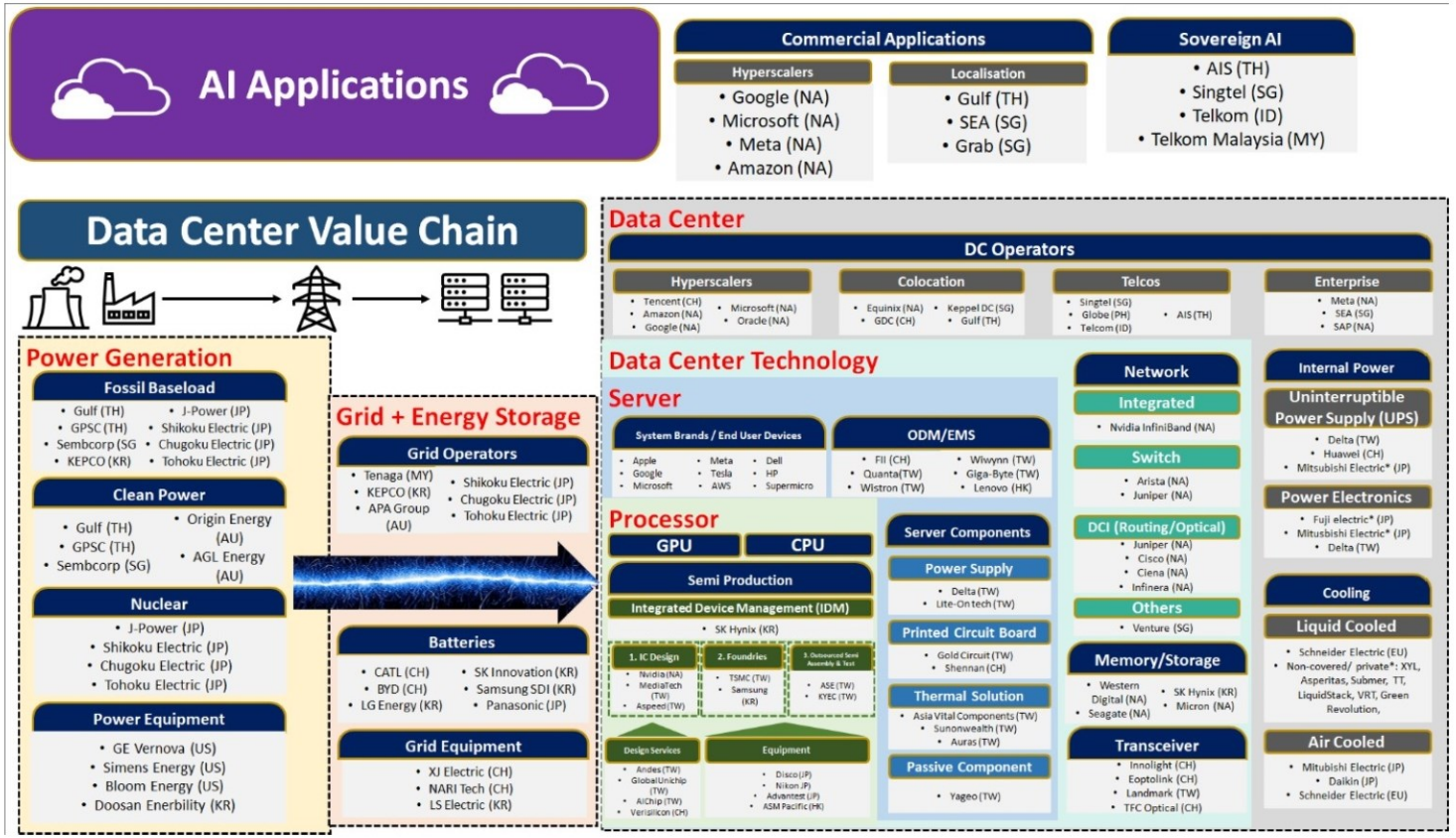
US-China-Asean Tech Diffusion Cycle



Source: Company data, Morgan Stanley Research.

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ASEAN Data Centers: Global AI Infrastructure Supply Chain Players

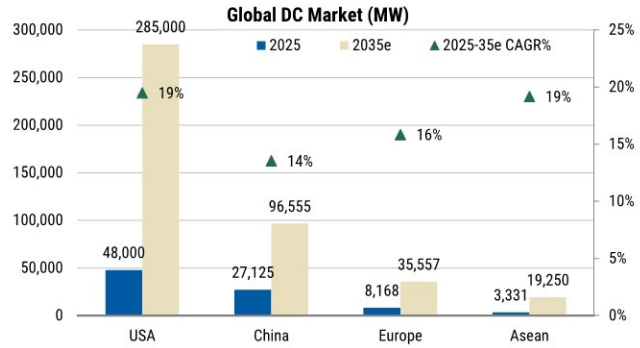


Source: Morgan Stanley Research.

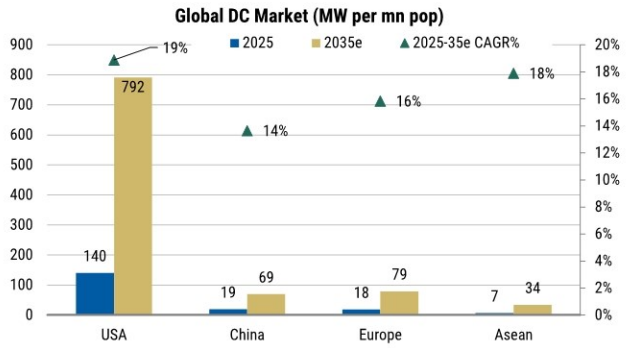
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ASEAN Data Centers: Emerging AI Infrastructure Hub

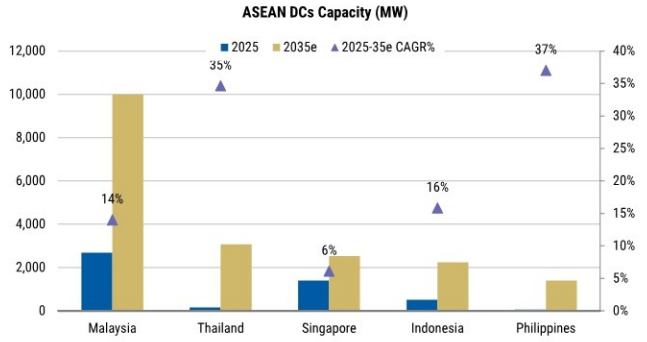
Global DC Market Growing Double-Digits



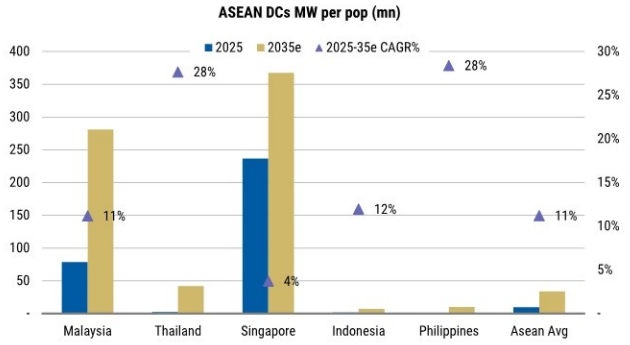
US Remains Most Saturated DC Market



MY>TH>SG in terms of DC Capacity



Singapore Remains Most Saturated DC Market



Source: Company data, Morgan Stanley Research.

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ASEAN Data Centers: Singtel's AI Factory Stack

Integrated stack: more than colocation

Four layers that convert regional connectivity and capacity into AI workloads.

Orchestration	Paragon	Platform layer to coordinate AI workloads, networks and enterprise deployments.
GPUaaS & AIaaS	RE:AI	On-demand GPU capacity and AI services, with NVIDIA ecosystem access and partner reach.
AI DC platform	Nxera	High-density, sustainable and AI-ready campuses in Singapore, Thailand, Indonesia and Malaysia.
Connectivity	Network Fabric	APAC telco, subsea and edge connectivity for low-latency AI adoption.

Enabled outcome: sovereign AI applications and enterprise workflows

Investor read-through

Why the stack matters for monetization, customer capture and differentiation.

Move up the value chain

Beyond wholesale colo: adds GPUaaS / AIaaS, orchestration and managed AI services.

Sovereign AI wedge

Targets government and regulated enterprises needing local, secure AI infrastructure.

Replicable ASEAN playbook

JVs combine Singtel blueprint + NVIDIA platform with local power, land and telco partners.

Connectivity advantage

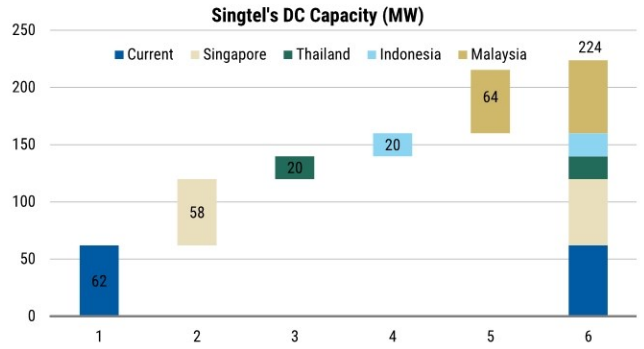
Telco networks, subsea cables and edge locations create a low-latency demand funnel.

Source: Company data, Morgan Stanley Research. Note: We have not included STT GDC's contribution in Singtel's Digital Infraco

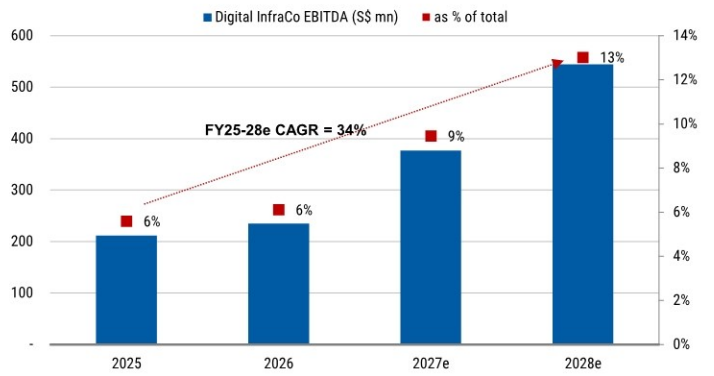
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ASEAN Data Centers: Singtel – The Leading AI DC Platform

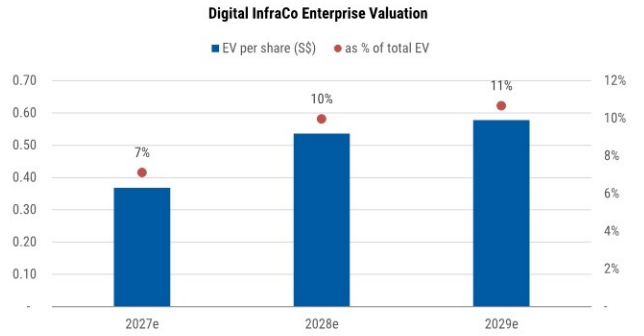
Singtel's First Phase Organic Pipeline



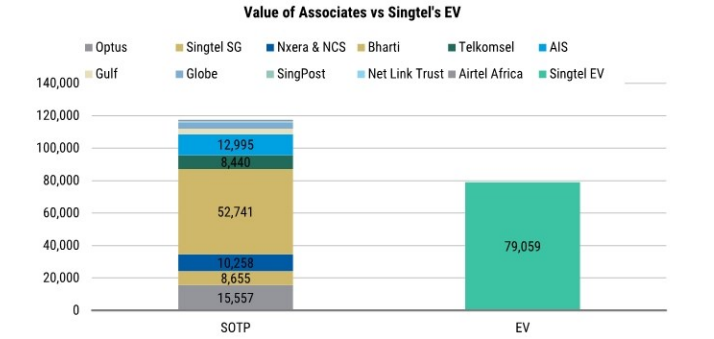
Singtel's Digital Infraco's EBITDA grow >30%



Singtel's Digital InfraCo to be >10% of SOTP



Singtel's Digital InfraCo Not Priced In



Source: Company data, Morgan Stanley Research. Note: We have not included STT GDC's contribution in Singtel's Digital Infraco

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ASEAN Data Centers: Singtel Scaling through Acquisition of STT GDC

Overview of STT GDC

Operational scale and footprint acquired by the consortium.

50	~673MW	12
data centers	in operation	markets

Footprint by market

Operational count / presence; asterisk = upcoming or pipeline market.

India 23	UK 11	Singapore 6
Philippines 5	Thailand 2	Japan 1
Vietnam 1	Indonesia 1	Malaysia*
Germany*	Italy*	S. Korea*

Capacity / footprint bridge

A fast path from regional pipeline to a global AI data-center platform.

Nxera base	STT operating	STT pipeline	Combined platform
>400MW	+673MW	+~1.7GW	~2.8GW
medium-term pipeline	current capacity	pipeline across markets	design capacity / 12 markets

Transaction snapshot

EV S$13.8bn; S$6.6bn cash for 100% of STT GDC. Singtel contributes S$740mn for 25% stake.

Equity-accounted; no dividend impact. Expected close in 2H26 per management.

Additional Singtel capex: ~S$400-500mn over the next three years.

Why it matters for Singtel

- **Capacity access:** scarce operating MW + pipeline
- **Customer base:** global hyperscalers and blue-chip enterprises
- **Footprint:** 12 markets anchored by SG, India and UK
- **Value read-through:** ~4% Singtel EV uplift based on MSe

Strategic read-through: access to constrained capacity, multi-market customer relationships and geographic optionality, while retaining a partnership-led model.

Source: Company data, Morgan Stanley Research.

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(as of May 31, 2026)

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	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1542	42%	465	51%	30%	707	43%
Equal-weight/Hold	1571	43%	369	40%	23%	723	44%
Not-Rated/Hold	3	0%	0	0%	0%	1	0%
Underweight/Sell	551	15%	86	9%	16%	201	12%
Total	3,667		920			1632	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

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Gary Yu		
China Mobile Limited (0941.HK)	E (01/27/2026)	HK$77.25
China Mobile Limited (600941.SS)	E (07/06/2023)	Rmb87.60
China Telecom (601728.SS)	E (07/06/2023)	Rmb5.29
China Telecom (0728.HK)	E (01/27/2026)	HK$4.39
China Tower Corp Ltd (0788.HK)	O (01/21/2025)	HK$8.95
China Unicom (0762.HK)	E (01/27/2026)	HK$6.35
China United Network Communications (600050.SS)	U (10/30/2016)	Rmb4.02
Tom Tang		
Beijing Sinnet Technology (300383.SZ)	U (05/16/2022)	Rmb11.90
China Communication Service Co Ltd (0552.HK)	E (11/12/2024)	HK$3.95
Chunghwa Telecom (2412.TW)	E (04/29/2025)	NT$142.00
Far Eastone (4904.TW)	O (10/16/2024)	NT$106.00
Guangdong Aofei Data Technology Co Ltd (300738.SZ)	E (10/23/2023)	Rmb18.88
HKBN Ltd (1310.HK)	E (10/20/2025)	HK$5.89
HKT Trust and HKT Ltd. (6823.HK)	O (12/11/2020)	HK$11.81
PCCW Ltd (0008.HK)	E (09/07/2023)	HK$5.44
SUNeVision Holdings Limited (1686.HK)	O (08/03/2020)	HK$4.35
Taiwan Mobile (3045.TW)	E (01/27/2026)	NT$118.00
VNET Group Inc (VNET.O)	O (10/04/2017)	US$7.51
Yang Liu		
GDS Holdings Ltd (GDS.O)	++	US$29.33

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