

What's Hot Today:

► GDS (9698.HK, HK\$45.98, HK\$11bn) 4Q25 Resilient

Revenue

GDS Holdings is a leading developer and operator of high-performance data centers in mainland China. It reported 4Q25 revenue of RMB2.92bn (+9% YoY, +1% QoQ), with core OP standing at RMB360mn (+28% YoY, -8% QoQ). Revenue was in line with the company's guidance, but earnings missed market expectations.

Fig 1: Comparison of Financial data on YoY/QoQ (RMB'bn)

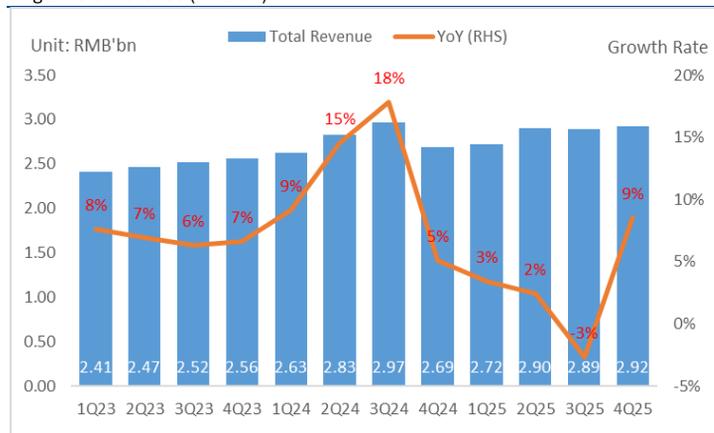
9698.HK GDS	4Q24		3Q25		4Q25			
	RMB bn	% of Rev	RMB bn	% of Rev	RMB bn	% of Rev	YoY	QoQ
Total Revenue	2.69		2.89		2.92	9%	9%	1%
COGS	2.11		2.25		2.3	9%	9%	3%
Gross Profit	0.58	21.6%	0.64	22.1%	0.61	20.9%	-0.5 ppt	-1.2 ppt
R&D Expense	0.01	0.3%	0.01	0.2%	0.01	0.2%	0%	0%
Selling Expense	0.03	1.1%	0.01	0.3%	0.04	1.4%	33%	300%
Administrative Expense	0.26	9.6%	0.23	7.9%	0.20	6.8%	-23%	-12%
OPEX	0.30	11.0%	0.24	8.5%	0.25	8.5%	-17%	1%
Core Operating Profit	0.3	10.6%	0.40	13.7%	0.36	12.4%	28%	-8%
Net Profit	4.18	155.4%	0.71	24.6%	-0.48	-16.4%	T/A	T/A

Source: Company Data, Sunwah Kingsway Research

AI Demand Surge Boosts Revenue: Net revenue in 4Q25 reached RMB2.92bn (+9% YoY, +1% QoQ), mainly driven by robust AI demand for data center expansion. Operating metrics strengthened further during the quarter where total committed and pre-committed area reached 670k sqm (+6% YoY, +2% QoQ). Utilized area came to 504k sqm (+11% YoY, +4% QoQ), raising the operating occupancy rate to 75.5% (4Q24: 73.8%; 3Q25: 74.4%). Amid softer market pricing, edge site expansion and new growth market deployment, unit area revenue (MSR) trended lower to RMB1,964 per sqm (from 1,992) in the quarter. However, overall return on investment (adjusted gross profit / total fixed assets, excluding CWIP) remained stable at 11% as unit development costs fell in tandem.

For FY25, the company achieved a record-high gross additional area utilized of over 86k sqm, while gross additional area committed exceeded 96k sqm, nearly matching the total of the prior two years, underscoring strong demand and improved revenue visibility.

Fig 2: Total Revenue (RMB'bn)



Source: Company Data, Sunwah Kingsway Research

China & HK Indices	CLOSE	1D	YTD
HSI	26,025	0.6%	1.5%
HSCEI	8,835	0.1%	-0.9%
HSCCI	4,302	-0.2%	7.1%
CSI300	4,658	0.5%	0.6%
Shanghai A	4,260	0.3%	4.4%
Shanghai B	264	0.6%	4.4%
Shenzhen A	2,805	1.0%	5.9%
Shenzhen B	1,236	0.1%	-2.2%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	46,225	-1.6%	-3.8%
S&P 500	6,624	-1.4%	-3.2%
Nasdaq	22,152	-1.5%	-4.7%
NIKKEI Index	53,814	-2.6%	6.9%
FTSE Index	10,305	-0.9%	3.8%
CAC Index	7,969	-0.1%	-2.2%
DA-X Index	23,502	-1.0%	-4.0%

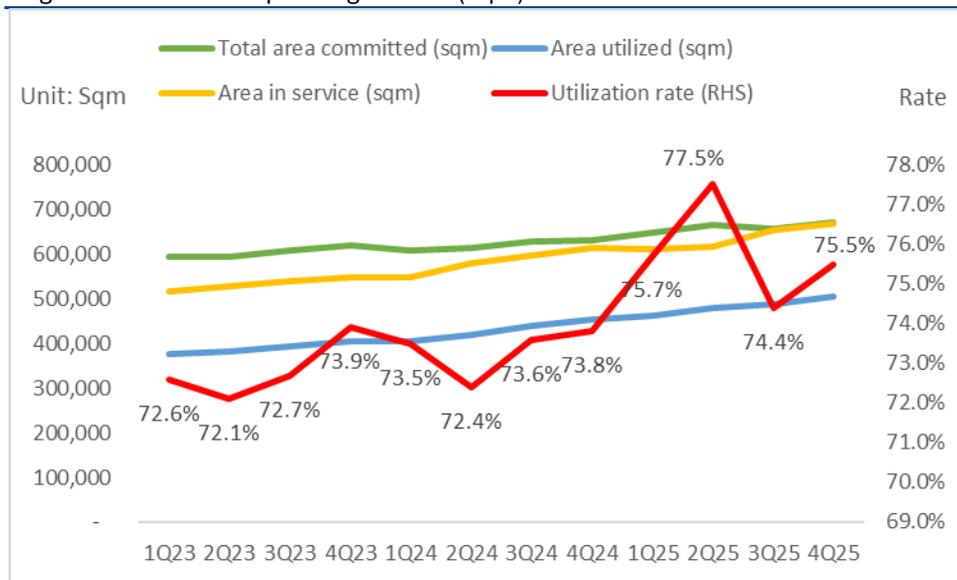
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,818	-3.7%	12.2%
STEEL (US\$/oz.)	2,652	-0.7%	4.3%
SILVER (US\$/oz.)	75	-4.9%	7.0%
CRUDE OIL (US\$/bbl)	96	0.1%	73.3%
COPPER (US\$/lb)	12,395	-3.6%	-0.2%
ALUMINIUM (US\$/oz.)	3,400	0.1%	13.5%
PLATINUM (US\$/oz.)	2,024	-4.9%	-0.7%
ZINC (US\$/oz.)	3,133	-4.2%	0.5%
WHEAT (US\$/bu)	604	2.5%	20.1%
CORN (US\$/bu)	463	2.0%	3.8%
SUGAR (US\$/lb)	134	7.7%	
SOYBEAN (US\$/bu)	1,161	0.4%	10.1%
PVC (US\$/t)	5,837	0.4%	40.0%
CRB	364	1.3%	3.0%
BDI		-0.7%	7.8%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.838	0.873	159.860	0.793	6.888
HKD	0.128		0.111	20.400	10.120	0.879
EUR	1.145	8.977		183.090	1.101	7.906
JPY	0.006	4.902	0.546		0.496	0.043
CHF	1.261	9.881	1.101	201.602		8.692
RMB	0.145	1.138	0.126	23.191	0.115	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	25	3.5%

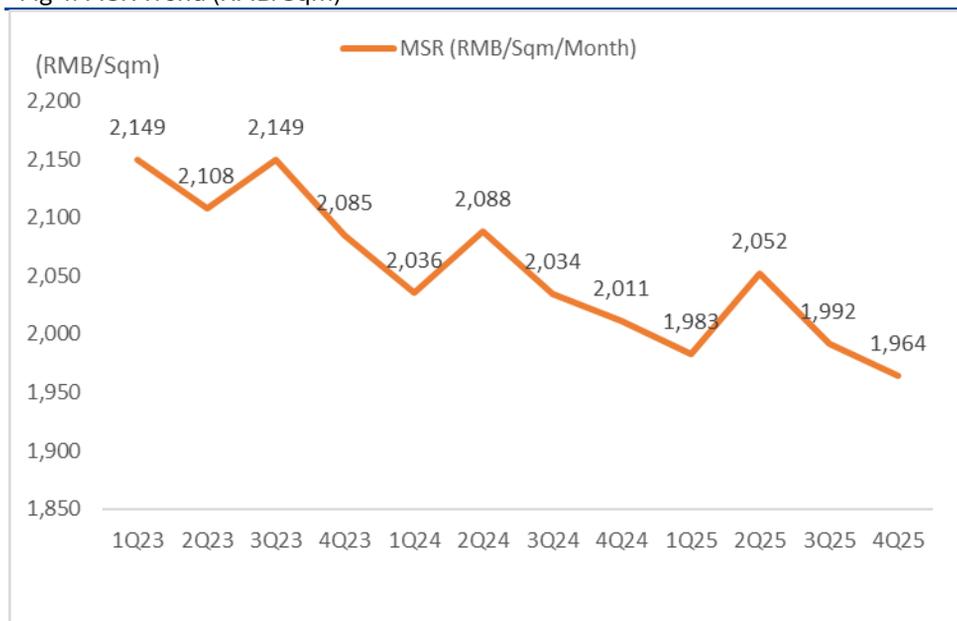
Source: Bloomberg

Fig 3: Breakdown of Operating metrics (Sqm)



Source: Company Data, Sunwah Kingsway Research

Fig 4: MSR Trend (RMB/Sqm)

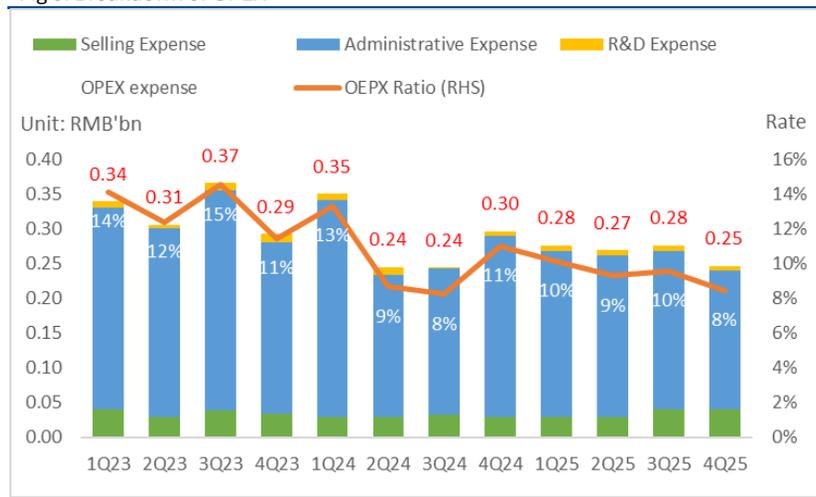


Source: Company Data, Sunwah Kingsway Research

Resilient margins: GPM in 4Q25 was 21.0%, down 0.5 ppt YoY, mainly due to a higher utility cost ratio. Adjusted GPM stood at 50.6% in 4Q25 compared to 51.9% in 4Q24 due to higher utility costs. Adjusted EBITDA improved 5.2% YoY to RMB1.36bn in 4Q25, with adjusted EBITDA margin at 46.7% for the quarter.

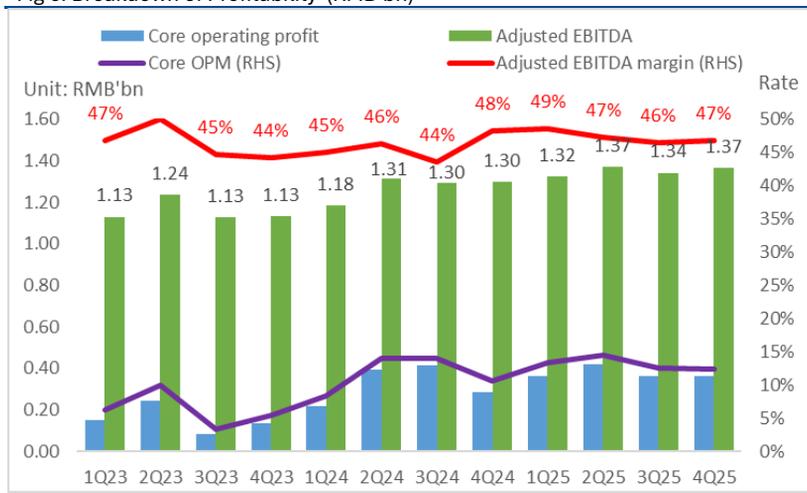
Cash and cash equivalents improved significantly to RMB14.3bn by the end of FY25 from RMB7.9bn in 4Q24, bolstered by the disposal of DayOne shares, C-REIT monetization and private placement financing. Net debt declined to RMB31.9bn from RMB35.2bn in 4Q25, while Net Debt / LQA Adjusted EBITDA fell to 5.8x from 6.8x in 4Q24.

Fig 5: Breakdown of OPEX



Source: Company Data, Sunwah Kingsway Research

Fig 6: Breakdown of Profitability (RMB'bn)

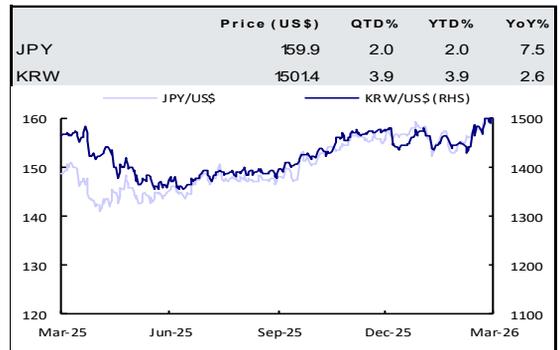
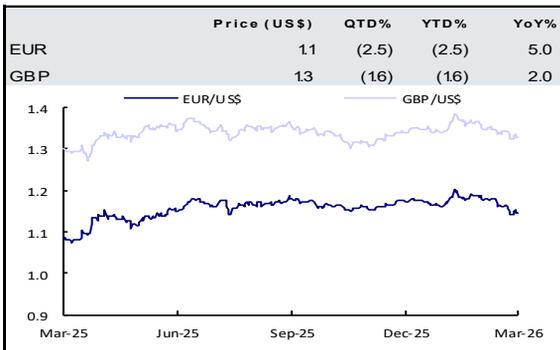
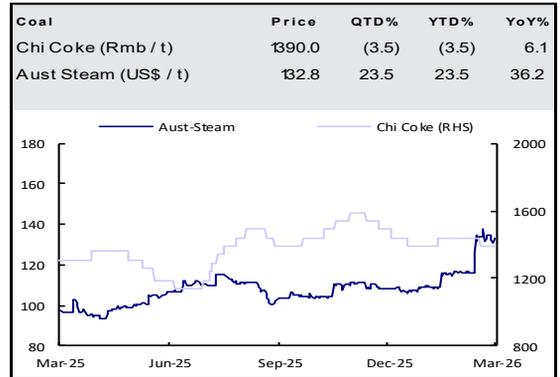
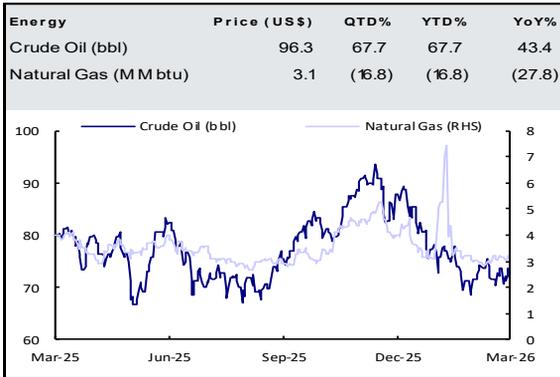
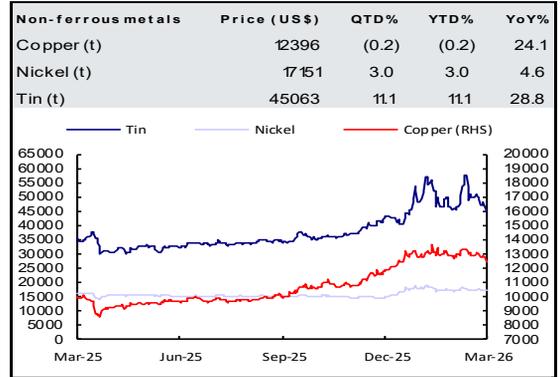


Source: Company Data, Sunwah Kingsway Research

Business outlook: The Mgt is guiding for a FY26 revenue growth of 8.5% ~ 12.8% YoY to RMB12.40 to 12.90bn, with adjusted EBITDA up 6.4% ~ 11.0% YoY to RMB5.75 to 6bn. Driven by robust AI related demand, the company has secured 200 MW of new orders and over 500 MW of MOUs in 2026, with the 700 MW pipeline primarily from China's top three AI customers. It will focus on three key growth markets namely, Hohhot, Zhongwei and Shaoguan. Targeted new committed area for 2026 is flat compared to 2025 and is expected to double in 2027 backed by a stronger booking pipeline. The company is moving towards an asset-light strategy and optimizing capital structure through asset disposals, C-REIT monetization and equity financing, which significantly strengthened cash position and enabled it to raise 2026 CAPEX to RMB9bn.

Our views: 4Q25 revenue demonstrated resilience amid GPU supply constraints and slower capacity expansion due to the legacy heavy-asset model. Looking ahead, the expected ramp up in GPU availability and the company's ongoing asset light transformation are set to underpin its future growth. Its long-term partnerships with China's leading AI players have been converting into a strong order pipeline. Benefiting from China's globally competitive AI industry, strong outbound token demand and robust capacity utilization. We believe GDS is well positioned to benefit from this long-term growth trend. The counter is trading at FY26E 2.8x P/B and 17x EV/EBITDA. (Research Department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Durable Goods Orders	MoM		18-Mar-26
PPI	MoM		18-Mar-26
New home Sales	MoM		19-Mar-26
ISM Manufacturing PMI	MoM		1-Apr-26
Retail Sales	MoM		1-Apr-26
Business Inventories	MoM		1-Apr-26
Trade Balance	MoM		2-Apr-26
Employment Report	MoM		3-Apr-26
Personal Income & Spending	MoM		9-Apr-26
Factory Orders	MoM		18-Mar-26
Initial Jobless Claims	WoW		19-Mar-26
Wholesale Inventories	MoM		19-Mar-26
Housing Starts / Building Permits	MoM		
CPI	MoM		10-Apr-26
Existing Home Sales	MoM		13-Apr-26
Industrial Production	MoM		16-Apr-26
GDP	QoQ		9-Apr-26
Consumer Confidence	MoM		31-Mar-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-Mar-26
Foreign Exchange Reserves	QoQ		7-Apr-26
Money Supply - M2	MoM		9-Apr-26
PPI	MoM		10-Apr-26
CPI	MoM		10-Apr-26
Trade Balance	MoM		14-Apr-26
Retail Sales	MoM		16-Apr-26
Industrial Production	MoM		16-Apr-26
GDP	YoY		16-Apr-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
CPI	MoM		20-Mar-26
Trade Balance	MoM		26-Mar-26
Money Supply - M2	MoM		31-Mar-26
Retail Sales	MoM		1-Apr-26
PMI	MoM		8-Apr-26
Foreign Currency Reserve	MoM		9-Apr-26
Unemployment Rate	MoM		23-Apr-26
GDP	QoQ		5-May-26
Producer Prices Index	QoQ		12-Jun-26
Industrial Production	QoQ		12-Jun-26
Composite Interest Rate	MoM		

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