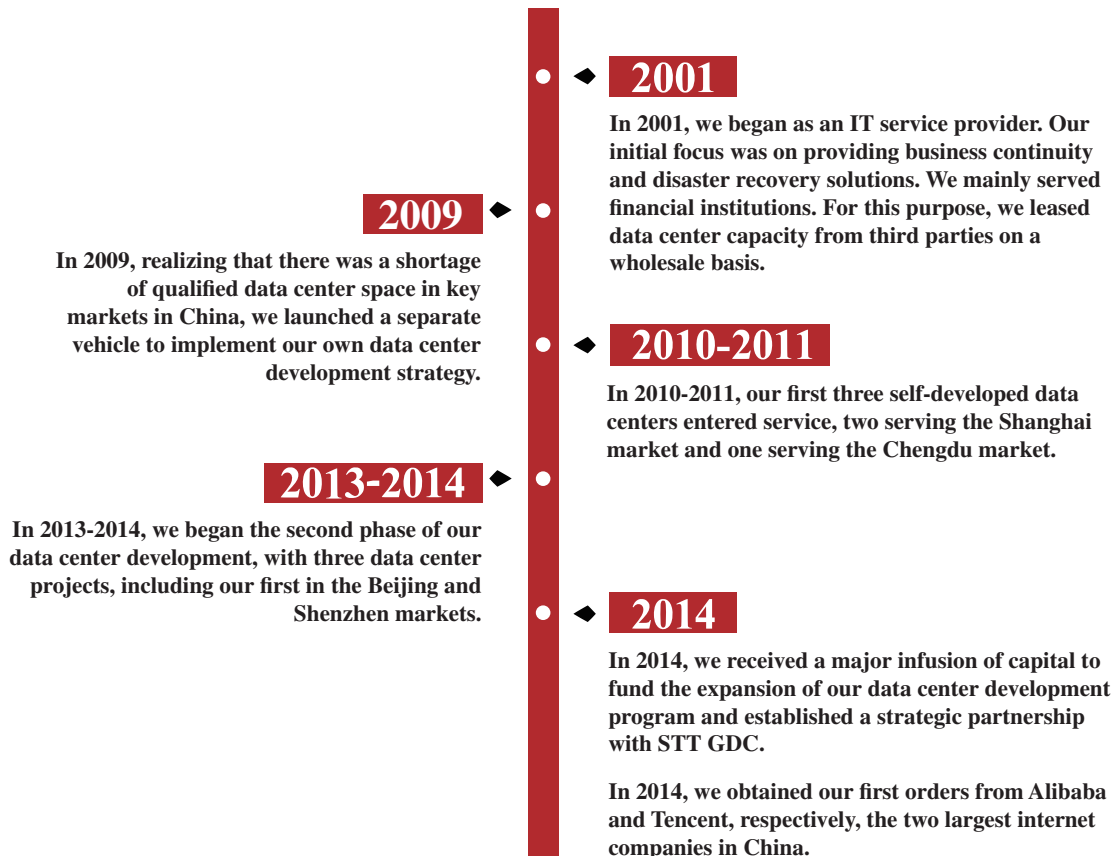

OUR HISTORY AND CORPORATE STRUCTURE

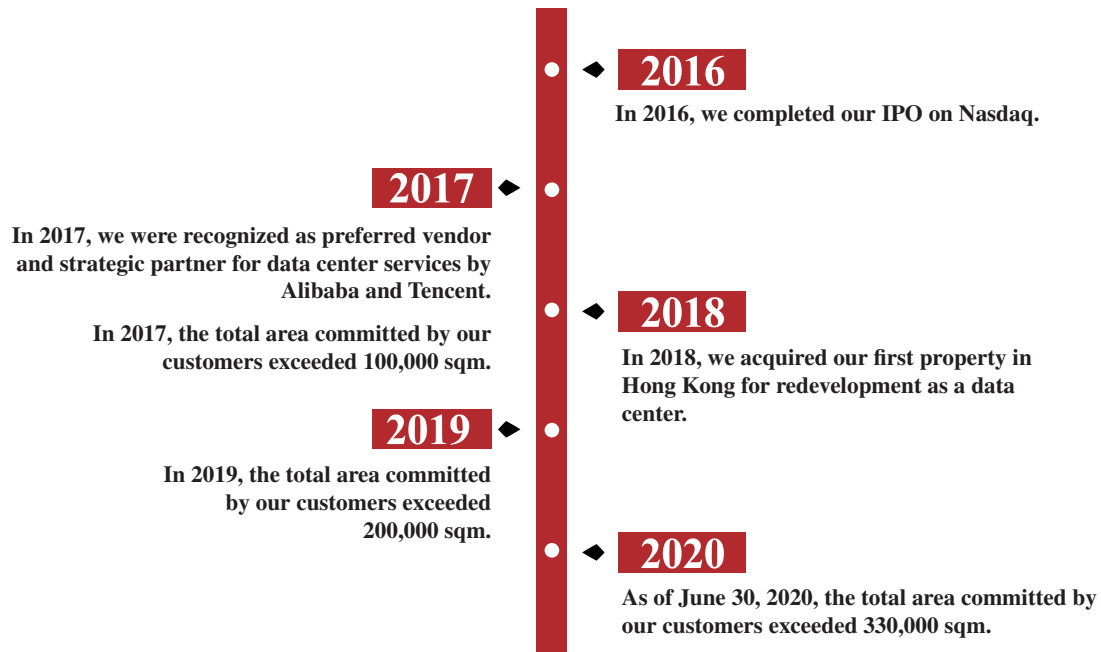
We are a holding company incorporated under the laws of the Cayman Islands on December 1, 2006. We operate our business through our wholly-owned subsidiaries and PRC consolidated VIEs.

Since 2014, we received several rounds of investment from STT GDC, a sophisticated strategic investor. As of the Latest Practicable Date, STT GDC is one of our Controlling Shareholders and we have been benefiting from its industry expertise, access to potential customer and supplier relationships, and solid corporate governance guidance. STT GDC is a wholly owned subsidiary of STTC, which is in turn a wholly owned subsidiary of ST Telemedia. STT GDC is an experienced and strategic data center player that owns a portfolio of data centers in Singapore, Thailand, India, the United Kingdom and China, either directly or through investments in data center operating companies, such as GDS Holdings. Leveraging STT GDC's integrated data center platform, we have access to STT GDC's customer and supplier relationships. We also benefit from STT GDC's platform through knowledge sharing to enhance our technology, operational performance and customer service. We believe that the support, relationships, industry expertise and corporate governance best practices that come from having sophisticated strategic investors provide us with competitive advantages in our industry.

The following is a summary of our key business milestones:



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OUR DEVELOPMENTS DURING THE TRACK RECORD PERIOD

Our Strategic Cooperation

Strategic Cooperation with CyrusOne

In October 2017, we entered into a commercial agreement with CyrusOne, a premier global data center REIT company, and established a strategic partnership with them. At the same time, we issued and sold to CyrusOne 64,257,028 Class A ordinary shares, equivalent to approximately 8.0 million ADSs, at a purchase price of US\$1.55625 per ordinary share, or US\$12.45 per ADS, for a total consideration of US\$100 million. Pursuant to the commercial agreement, the parties have exchanged best practices as to sales and marketing, data center design and construction, supply chain management, customer relationship management, as well as operations, leveraging the core competencies of both companies in order to deliver data center solutions to our respective customers and assist in their global expansion.

Strategic Cooperation with GIC

In August 2019, we entered into a strategic cooperation framework agreement with GIC, Singapore's sovereign wealth fund, to develop and operate hyperscale build-to-suit, or BTS, joint venture data centers at locations in China selected by our customers outside of Tier 1 markets. Together with GIC, we will focus initially on a BTS data center program for a leading internet and cloud service provider, which is our strategic customer. In parallel with the framework agreement, we also signed a memorandum of understanding with the same strategic customer to develop and operate seven BTS data centers at several of its campuses serving different regions of China, including Nantong, Jiangsu Province, Heyuan, Guangdong Province

OUR HISTORY AND CORPORATE STRUCTURE

and Wulanchabu, Inner Mongolia Autonomous Region. Since this strategic customer demand is expanded, we have entered into a strategic cooperation framework agreement with GIC to develop and operate ten BTS data centers.

Our Acquisitions

In addition to organic growth, we have made, or have entered into agreements to make strategic acquisitions that increase and expand our data center network, solidify our position in key markets and provide expanded resources to customers. The financial results for these strategic transactions are reflected in our operating results beginning with the period of their respective completion.

We believe we derive operational synergies from our acquisitions, including by adding strategic locations to our inter-connected data center platform, and expanding our large-scale and high-quality capacity, and high quality customers, which provides strategic benefit to our overall business by solidifying our position in key markets, increasing the attractiveness of our offerings to existing and potential new customers as well as placing us in a better competitive position.

We follow a prudent investment and development strategy according to our investment policy approved by our board. Our investment strategy is to acquire data centers at different stages of construction and at different stages of maturity. Our investment decision-making policy with respect to value is based upon target minimum internal rates of return derived from long-term cash flow forecasts, taking into account any expected remaining costs associated with construction or development of such targets. When evaluating targets, we calculate an enterprise value derived by projecting a stabilized EBITDA for the data center and applying an appropriate valuation multiple. We derive a stabilized EBITDA by estimating stabilized revenue based upon customer contracts that are already in place and our knowledge of prevailing selling prices and expected utilization rates that are reasonably achievable. In addition, we estimate costs based on the specific costs of the facility and our own operating cost benchmarks. We also take into account any estimated costs to complete and time to complete a data center, as well as any assumed liabilities and risks associated with the target to derive a reasonable equity consideration.

We have recorded significant goodwill historically in connection with our acquisitions, with the goodwill primarily representing the expected synergies from combining operations of the target group with those of our Company and intangible assets that do not qualify for separate recognition and are not deductible for tax purposes. See “Risk Factors – Risks Relating to Our Business and Industry – We may experience impairment of goodwill in connection with our acquisition of entities.”

Acquisition of SZ5

In June 2017, we acquired all the equity interests in a target group comprising two onshore entities (Shenzhen Yaode and Shenzhen Jinyao Science & Technology Co., Ltd. or Shenzhen Jinyao) and an offshore entity (RDTJ Limited, or RDTJ, which has an onshore

OUR HISTORY AND CORPORATE STRUCTURE

subsidiary, Guangzhou Shi Wan Guo Yun Lan Data Technology Co., Ltd., or Guangzhou Yunlan) from third parties for an aggregate maximum contingent cash consideration of RMB312.0 million (US\$44.2 million), subject to adjustment, if any, pursuant to the terms and conditions of the equity purchase agreement. As of June 30, 2020, consideration payables of RMB16.8 million (US\$2.4 million) were outstanding, including the contingent portion of RMB5.3 million (US\$0.8 million). The target group owns SZ5 in Shenzhen, China. As of the date of completion of the acquisition, the first phase of the data center, comprising 5,000 sqm net floor area, had just entered service and was 100% committed and the second phase, comprising 5,000 sqm, was under construction. Subsequent to completion of the acquisition, we obtained additional power supply which enabled us to upsize the second phase to 7,858 sqm net floor area and then to add a third phase with capacity of 7,725 sqm net floor area. As of June 30, 2020, SZ5 had a total net floor area of 20,583 sqm in service, 100% of which was committed to a hyperscale cloud service provider customer.

Acquisition of GZ2

In October 2017, we acquired all the equity interests in a target group comprising an onshore entity (Guangzhou Weiteng Network Technology Co., Ltd., or Weiteng Network) and an offshore entity (Raojin Limited, or Raojin, which has an onshore subsidiary, Wan Qing Teng Data (Shenzhen) Co., Ltd., or Wan Qing Teng) from third parties for a cash consideration of RMB234.0 million (US\$33.1 million). The target group owns GZ2 in Guangzhou, China. As of June 30, 2020, the data center was fully operational with a net floor area of 6,131 sqm and was 100% committed.

Acquisition of GZ3

In May 2018, we acquired all the equity interests in a target group comprising an onshore entity (Guangzhou Weiteng Data Science & Technology Co., Ltd., or Weiteng Data) and an offshore entity (PSDC Limited, or PSDC, which has an onshore subsidiary, Shenzhen Qian Hai Wan Chang Technology Services Co., Ltd., or Qian Hai Wan Chang) from third parties for a cash consideration of RMB262.2 million (US\$37.1 million), including a maximum contingent consideration of RMB245.2 million (US\$34.7 million), subject to adjustment, if any, pursuant to the terms and conditions of the equity purchase agreement. Pursuant to a supplemental agreement entered into among Weiteng Data, PSDC, Qian Hai Wan Chang, the sellers of both Weiteng Data and PSDC, and us in May 2020, all parties agreed to reduce the total cash consideration (including contingent consideration) from RMB262.2 million (US\$37.1 million) to RMB207.3 million (US\$29.3 million), subject to the achievement of the revised conditions as set out in the supplemental agreement. As of June 30, 2020, consideration payable of RMB53.1 million (US\$7.5 million) were outstanding, including the contingent portion of RMB37.7 million (US\$5.3 million). The target group owns GZ3 in Guangzhou, China. As of the date of completion of the acquisition, the first phase of the data center, comprising 7,648 sqm net floor area, had just entered service and was 100% committed. As of June 30, 2020, we had completed the second phase of the data center, bringing an additional 3,423 sqm net floor area into service, 100% of which was committed. Subject to obtaining additional power supply, we plan to expand GZ3 further into a third phase with approximately 3,400 sqm net floor area.

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Acquisition of SH11

In June 2018, we acquired all the equity interests in a target company (Cai Tuo Cloud Computing (Shanghai) Co., Ltd., or Shanghai Cai Tuo) from third parties for a cash consideration of RMB320.0 million (US\$45.3 million), including a maximum contingent consideration of RMB70.0 million (US\$9.9 million), subject to adjustment, if any, pursuant to the terms and conditions of the equity purchase agreement. As of June 30, 2020, the consideration had been fully paid. The target company owns SH11 in Shanghai, China. As of June 30, 2020, the data center was fully operational with a net floor area of 4,214 sqm and was 100% committed.

Acquisition of greenfield land in Langfang for data center development

In July 2019, we acquired the right of use for greenfield land with a ground area of approximately 20,000 sqm in the city of Langfang, Hebei Province, located approximately 50 kilometers from Beijing, China, from the local government, for a cash consideration of RMB14.3 million (US\$2.0 million). This acquired land is the first part of a contiguous site with a ground area of approximately 127,000 sqm in aggregate (“Langfang Land Site 1”) that we plan to acquire pursuant to the binding framework agreement that we entered into with the local government in February 2019. Under such framework agreement, the government commits to initiate the sales process for land and to provide assistance to us in obtaining necessary government approvals and resources (including water supply, power supply, heating supply, among others) for the construction and operation of the project, and we commit to invest in developing the land for data center use and to generate taxable income. The major commitments of the government and us are subject to the completion of land expropriation and relocation, satisfaction of other grant conditions and subsequently entering into a land use right grant contract through relevant tender, auction or listing-for-sale procedures. As of June 30, 2020, we were constructing our LF3 data center on this land with a net floor area of 11,664 sqm which is 100% pre-committed.

In December 2019, we acquired the right of use for greenfield land with a ground area of approximately 44,000 sqm in the city of Langfang, Hebei Province, from the local government, for a cash consideration of RMB31.2 million (US\$4.4 million). This acquired land is the second part of Langfang Land Site 1. As of June 30, 2020, we commenced developing two data centers on this land, LF4 and LF5. LF4 has a net floor area of 14,832 sqm and is 50% pre-committed and LF5 has a net floor area of 14,832 sqm and is 51.7% pre-committed.

In December 2019, we acquired the right of use for greenfield land with a ground area of approximately 38,000 sqm in the city of Langfang, Hebei Province, from the local government, at a site adjacent to our LF3, LF4 and LF5 data centers (“Langfang Land Site 2”), for a cash consideration of RMB26.9 million (US\$3.8 million). Once developed, it will yield a total net floor area of approximately 24,000 sqm according to the initial design. Construction is expected to commence in the second half of 2020.

OUR HISTORY AND CORPORATE STRUCTURE

Acquisition of BJ9

In August 2019, we entered into an equity purchase agreement to acquire all of the equity interests in a target company, Beijing Ruiwei Cloud Computing Science & Technology Co., Ltd., or Beijing Ruiwei, from a third party for a cash consideration of RMB797.3 million (US\$112.9 million), subject to adjustment, if any, pursuant to the terms and conditions of the equity purchase agreement. The target company owns a data center which we refer to as BJ9 in Beijing, China. As of June 30, 2020, BJ9 was fully operational, with a net floor area of 8,029 sqm in service, 96.2% of which was committed. In December 2019, we entered into contracts with Beijing Ruiwei to operate BJ9 and with all of the existing customers of BJ9 to provide services to them in lieu of Beijing Ruiwei, pending completion of the acquisition. The completion of the acquisition is subject to customary closing conditions. As of the Latest Practicable Date, the acquisition has not been completed.

Acquisition of GZ6

In October 2019, we acquired all the equity interests in a target company, Guangzhou Yinwu Data Science & Technology Co., Ltd., or Guangzhou Yinwu, from a third party for an aggregate cash consideration of RMB431.7 million (US\$61.1 million), including a maximum contingent consideration of RMB243.7 million (US\$34.5 million). As of June 30, 2020, contingent consideration payables of RMB226.7 million (US\$32.1 million) were outstanding. The target company owns a data center which we refer to as GZ6 in Guangzhou, Guangdong Province, China. GZ6 has a net floor area of approximately 6,600 sqm. The contingent consideration payables are subject to performance obligations, including expansion of power capacity. As of June 30, 2020, the data center had entered service with a commitment rate of 22.3%.

Acquisition of a data center project company in Huizhou

In November 2019, we acquired all the equity interests in a target company, Huizhou Jiacheng Information Communications & Technology Co., Ltd., or Huizhou Jiacheng, from third parties for an aggregate cash consideration of RMB15.5 million (US\$2.2 million), including a maximum contingent consideration of RMB6.0 million (US\$0.8 million). The target company holds a leased property in Huizhou, Guangdong Province, China, located approximately 50 kilometers from Shenzhen, which we intend to convert into a data center, HZ1, with a net floor area of approximately 12,500 sqm according to the initial design. As of June 30, 2020, construction had not commenced.

Acquisition of brownfield site in Hong Kong for data center development

In December 2019, we acquired an existing building located in Kwai Chung, New Territories, Hong Kong, nearby our existing HK1 data center project, for a purchase price of RMB788.3 million (US\$111.6 million). We intend to demolish the existing building and

OUR HISTORY AND CORPORATE STRUCTURE

redevelop the site, to which we hold the right of use, as our HK2 data center, with a net floor area of approximately 7,400 sqm according to the initial design. As of June 30, 2020, we were constructing HK1 data center, which has a net floor area of 7,061 sqm, but construction of HK2 had not commenced.

Acquisition of greenfield land in Changshu for data center development

In December 2019, we acquired the right of use for greenfield land with a ground area of approximately 67,000 sqm in the city of Changshu, Jiangsu Province, located approximately 70 kilometers from Shanghai, China, from the local government for a cash consideration of RMB19.9 million (US\$2.8 million). This acquired land is the first phase of a contiguous site with a ground area of approximately 140,000 sqm in aggregate that we plan to acquire pursuant to the binding framework agreement that we entered into with the local government in November 2018. Once the first phase of the land is developed, it will yield a total net floor area of approximately 32,000 sqm according to the initial design. As of June 30, 2020, we commenced construction of the first building on the first phase of this land, known as CS1. CS1 has a net floor area of 11,088 sqm and is 54.7% pre-committed. The remaining phases of this site will yield an additional net floor area of approximately 32,000 sqm once developed.

Acquisition of a building for data center development in Shanghai

In December 2019, we acquired an existing building in the same area as our data center cluster in Waigaoqiao, Shanghai for a total consideration of RMB330.2 million (US\$46.7 million). We intend to convert the building into a data center which we refer to as SH14. It will yield a net floor area of approximately 11,000 sqm. As of June 30, 2020, we commenced the construction of SH14 and it was 63.4% pre-committed.

Acquisition of BJ10, BJ11 and BJ12

In December 2019, we entered into an equity purchase agreement to acquire all of the equity interests in Lanting (Beijing) Information Science and Technology Co., Ltd. and its subsidiary, Lanting Xuntong (Beijing) Science and Technology Co., Ltd. (collectively, the “Lanting Entities”), from third parties. We completed the acquisition in June 2020. The total cash consideration is approximately RMB847.6 million (US\$120.0 million), including a maximum contingent consideration of RMB130.7 million (US\$18.5 million) which is contingent upon future performance. As of June 30, 2020, consideration payables of RMB527.6 million (US\$74.7 million) were outstanding, including the contingent portion of RMB130.7 million (US\$18.5 million). The Lanting Entities own three data centers, which we refer to as BJ10, BJ11, and BJ12, with a total aggregate net floor area of approximately 19,927 sqm. As of June 30, 2020, BJ10, BJ11 and BJ12 are 100% committed, fully operational and in service.

OUR HISTORY AND CORPORATE STRUCTURE

Acquisition of greenfield land in Chongqing for data center development

In February 2020, we acquired the right of use for greenfield land with a ground area of approximately 49,000 sqm in the city of Chongqing from the local government for a consideration of RMB28.0 million (US\$4.0 million) pursuant to a binding framework agreement that we entered into with the local government in August 2018 and August 2019, respectively. Once developed, it will yield an aggregate net floor area of approximately 33,000 sqm according to the initial design. As of June 30, 2020, construction had not commenced and the land is held for future development.

Acquisition of site in Shanghai for major new data center campus

In March 2020, we acquired a site in Pujiang Area, Minhang District of Shanghai, located around 25 kilometers from our existing data center cluster in Waigaoqiao, Shanghai, from a third party for a cash consideration of RMB1.37 billion (US\$193.9 million). Minhang District is an established data center hub due to its proximity to submarine cable landing stations. The site consists of approximately 212,000 sqm of total ground area, of which approximately half is developed land and half is greenfield land. It will be used for a major new data center campus which we intend to develop in multiple phases over several years. As of June 30, 2020, we have commenced the construction of SH16 and the first phase of SH17 by converting the two existing industrial buildings on the site. SH16 has a net floor area of 3,000 sqm and SH17 Phase 1 has a net floor area of 6,188 sqm. SH17 Phase 1 is already 100% pre-committed. The remaining phases of SH17 with roughly 13,400 sqm of potential net floor area, and the subsequent phases of the site with roughly 50,500 sqm of potential net floor area, are held for future development.

Acquisition of a data center project company in Langfang

In June 2020, we acquired all the equity interests in a target company, Langfang Cloud Base, from third parties for an aggregate cash consideration of RMB34.3 million (US\$4.9 million), including a maximum contingent consideration of RMB10.3 million (US\$1.5 million). The target company holds a leased property in Langfang, Hebei Province, China, located approximately 50 kilometers from Beijing, which we intend to convert into a data center, LF9, with a net floor area of approximately 10,830 sqm according to the initial design.

All the vendors of our acquisition targets listed out above are independent third parties.

OUR HISTORY AND CORPORATE STRUCTURE

MAJOR SUBSIDIARIES AND OPERATING ENTITIES

The principal business activities, date of establishment and place of incorporation of each of our Major Subsidiaries are shown below:

Name of Company	Status (private/ public)	Principal Business Activities	Date of Establishment	Place of Incorporation	Shareholding percentage held by our Company
1. GDS Investment Company	Private	Investment holding company	December 30, 2015	PRC	100%
2. Shanghai Waigaoqiao EDC Technology Co., Ltd.* (上海外高橋萬國數據科技發展有限公司)	Private	Assets holding company and company providing IDC services	March 9, 2009	PRC	nil ⁽¹⁾
3. Shanghai Yungang EDC Technology Co., Ltd.* (上海雲港萬國數據科技發展有限公司)	Private	Assets holding company	August 3, 2012	PRC	100%
4. Shanghai Shuchang Data Science & Technology Co., Ltd.* (上海曙長數據科技有限公司)	Private	Assets holding company	June 16, 2017	PRC	100%
5. Shanghai Puchang Data Science & Technology Co., Ltd.* (上海普長數據科技有限公司)	Private	Assets holding company	June 16, 2017	PRC	100%
6. Shanghai Shuge Data Technology Co., Ltd.* (上海曙格數據科技有限公司)	Private	Assets holding company	March 26, 2018	PRC	100%
7. Cai Tuo Cloud Computing (Shanghai) Co., Ltd.* (財拓雲計算(上海)有限公司)	Private	Assets holding company and company providing IDC services	November 24, 2016	PRC	nil ⁽¹⁾
8. Beijing Hengpu'an Data Technology Development Co., Ltd.* (北京恒普安數碼科技發展有限公司)	Private	Assets holding company	April 3, 2014	PRC	100%

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Name of Company	Status (private/ public)	Principal Business Activities	Date of Establishment	Place of Incorporation	Shareholding percentage held by our Company
9. Beijing Wan Qing Teng Science & Technology Co., Ltd.* (北京萬青騰科技有限公司)	Private	Assets holding company	April 2, 2018	PRC	100%
10. Shou Rong Yun (Beijing) Science & Technology Co., Ltd.* (首融雲(北京)科技有限公司)	Private	Assets holding company	December 29, 2017	PRC	1.6%
11. Shenzhen Yungang EDC Technology Co., Ltd.* (深圳雲港萬國數據科技發展有限公司)	Private	Assets holding company	March 20, 2013	PRC	100%
12. Shenzhen Qian Hai Wan Chang Technology Services Co., Ltd.* (深圳前海萬長技術服務有限公司)	Private	Assets holding company	December 1, 2017	PRC	100%
13. Guangzhou Weiteng Data Services Co., Ltd.* (廣州市維騰數據服務有限公司) (formerly known as Guangzhou Weiteng Construction Co., Ltd.* (廣州市維騰建設有限公司))	Private	Assets holding company and company providing IDC services	May 12, 2015	PRC	nil ⁽¹⁾
14. Guangzhou Weiteng Network Technology Co., Ltd.* (廣州市維騰網絡科技有限公司)	Private	Assets holding company and company providing IDC services	July 11, 2014	PRC	nil ⁽¹⁾
15. Guangzhou Weiteng Data Science & Technology Co., Ltd.* (廣州市維騰數據科技有限公司)	Private	Assets holding company and company providing IDC services	April 15, 2016	PRC	nil ⁽¹⁾

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Name of Company	Status (private/ public)	Principal Business Activities	Date of Establishment	Place of Incorporation	Shareholding percentage held by our Company
16. Guangzhou Shi Wan Guo Yun Lan Data Technology Co., Ltd.* (廣州市萬國雲藍數據科技有限公司)	Private	Assets holding company	August 17, 2016	PRC	100%
17. EDC (Chengdu) Industry Co., Ltd.* (萬國數據(成都)實業有限公司)	Private	Assets holding company	January 31, 2008	PRC	100%
18. Zhangbei Yuntong Data Technology Co., Ltd.* (張北雲通數據網絡科技有限公司)	Private	Assets holding company	April 1, 2017	PRC	nil ⁽¹⁾
19. Langfang Wanguo Yunxin Data Science & Technology Co., Ltd.* (廊坊萬國雲鑫數據科技有限公司)	Private	Assets holding company	February 2, 2019	PRC	100%
20. Beijing Wan Teng Yun Science & Technology Co., Ltd.* (北京萬騰雲科技有限公司)	Private	Assets holding company	December 15, 2017	PRC	100%
21. Beijing Hua Wei Yun Science & Technology Co., Ltd.* (北京華威雲科技有限公司)	Private	Assets holding company	December 15, 2017	PRC	100%
22. GDS Shanghai	Private	Company providing IDC services and other VATS	May 4, 2011	PRC	nil ⁽¹⁾
23. GDS Beijing	Private	Company providing IDC services and other VATS	May 30, 2006	PRC	nil ⁽¹⁾

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Name of Company	Status (private/ public)	Principal Business Activities	Date of Establishment	Place of Incorporation	Shareholding percentage held by our Company
24. Beijing Wan Chang Yun Science & Technology Co., Ltd.* (北京萬長雲科技有限公司)	Private	Assets holding company and company providing IDC services and other VATS	November 8, 2017	PRC	nil ⁽¹⁾
25. GDS Suzhou	Private	Company providing IDC services and other VATS	September 30, 2000	PRC	nil ⁽¹⁾
26. Kunshan Wanyu Data Service Co., Ltd.* (昆山萬宇數據服務有限公司)	Private	Assets holding company and company providing IDC services and other VATS	October 25, 2010	PRC	nil ⁽¹⁾
27. Shenzhen Yaode Data Services Co., Ltd.* (深圳耀德數據服務有限公司)	Private	Assets holding company and company providing IDC services and other VATS	April 5, 2016	PRC	nil ⁽¹⁾
28. Nantong Wanguo Yunzhen Data Science & Technology Co., Ltd.* (南通萬國雲臻數據科技有限公司)	Private	Company providing IDC services	May 17, 2019	PRC	nil ⁽¹⁾
29. Management HoldCo	Private	Management holding company	October 16, 2019	PRC	nil ⁽²⁾
30. Lanting (Beijing) Information Science and Technology Co., Ltd.* (藍廳(北京)信息科技有 限公司)	Private	Assets holding company	June 28, 2016	PRC	100%
31. Lanting Xuntong (Beijing) Science and Technology Co., Ltd.* (藍廳訊通(北京)科技有 限公司)	Private	Assets holding company	March 27, 2018	PRC	100%

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Name of Company	Status (private/ public)	Principal Business Activities	Date of Establishment	Place of Incorporation	Shareholding percentage held by our Company
32. Shanghai Jingshuo Data Science & Technology Co., Ltd.* (上海景燦數據科技有限公司)	Private	Assets holding company	December 30, 2019	PRC	100%
33. GDS (Hong Kong) Limited (萬國數據服務(香港)有限公司)	Private	Company providing IDC services	April 18, 2008	Hong Kong	100%
34. EDP I (HK) Limited	Private	Assets holding company	June 28, 2018	Hong Kong	100%
35. EDJ II (HK) Limited	Private	Assets holding company	December 13, 2018	Hong Kong	100%
36. Wulanchabu Saile Data Science & Technology Co., Ltd.* (烏蘭察布塞勒數據科技有限公司)	Private	Company providing IDC services	December 19, 2019	PRC	nil ⁽¹⁾

Notes:

- (1) These subsidiaries are directly or indirectly wholly-owned by Management HoldCo which is held by five management personnel designated by our board of directors, details of which are set out in note below.
- (2) Management HoldCo is held as to 20% by five management personnel designated by our board of directors namely, Yilin Chen (senior vice president, product and service), Yan Liang (senior vice president, operation and delivery), Liang Chen (senior vice president, data center design), Andy Wenfeng Li (general counsel, compliance officer, and company secretary) and Qi Wang (head of cloud and network business), respectively. Management HoldCo is controlled by our Company through a series of contractual arrangements, details of which are set out in the paragraph headed “Contractual Arrangements” below.

LISTING ON NASDAQ AND REASONS FOR LISTING ON THE HONG KONG STOCK EXCHANGE

On November 2, 2016, we completed an initial public offering and listing of our ADSs on Nasdaq under the symbol “GDS”. Since the date of our listing on Nasdaq and up to the Latest Practicable Date, our directors confirm that we had no instances of non-compliance with the rules of Nasdaq in any material respects and to the best knowledge of our directors after having made all reasonable enquiries, there is no matter that should be brought to investors’ attention in relation to our compliance record on Nasdaq.

We believe that the Listing on the Hong Kong Stock Exchange will present us with an opportunity to further expand our investor base and broaden our access to capital markets.

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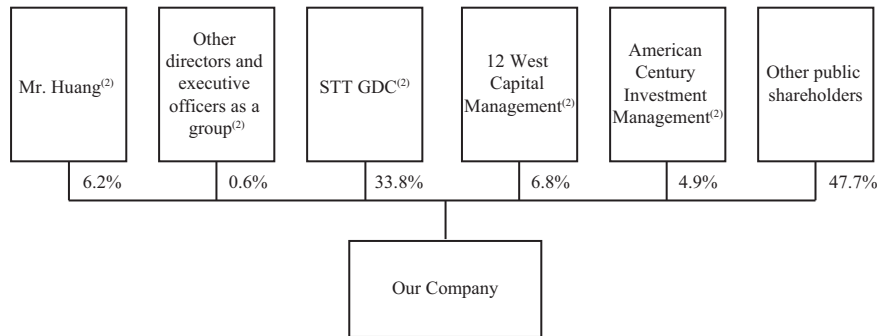
Notes:

1. EDC Holding Limited has 59 direct and indirect subsidiaries incorporated in Hong Kong, and 4 direct and indirect subsidiaries incorporated in British Virgin Islands, Macau and Singapore.
 2. GDS Investment Company directly or indirectly holds equity interest of 37 subsidiaries in China.
 3. Management HoldCo is held as to 20% by five management personnel designated by our board of directors namely, Yilin Chen (senior vice president, product and service), Yan Liang (senior vice president, operation and delivery), Liang Chen (senior vice president, data center design), Andy Wenfeng Li (general counsel, compliance officer, and company secretary) and Qi Wang (head of cloud and network business) respectively.
 4. Jiangsu Wan Guo Xing Tu Data Services Co., Ltd.* (江蘇萬國星圖數據服務有限公司) or Jiangsu Wan Guo Xing Tu, effectively controls a project company, Nantong Wanguo Yunzhen Data Science & Technology Co., Ltd.* (南通萬國雲臻數據科技有限公司) or Nantong Yunzhen, to operate the joint venture data center in Nantong, China through a series of contractual arrangements among Jiangsu Wan Guo Xing Tu, Nantong Yunzhen's shareholder, Shanghai Xingchang Enterprise Management Company Limited or Shanghai Xingchang, and Shanghai Xingchang's shareholders.
- * The diagram above does not include our subsidiaries that are insignificant individually and in the aggregate.

OUR HISTORY AND CORPORATE STRUCTURE

SHAREHOLDING STRUCTURE

The following diagram illustrates our shareholding structure expressed in terms of voting power, with Class A ordinary shares and Class B ordinary shares voting on a 1:1 basis as of the Latest Practicable Date (without taking into account, the Shares to be issued on conversion of convertible bonds, the Shares to be issued pursuant to the Share Incentive Plans, including pursuant to the exercise of options or other awards that have been or may be granted from time to time and any issuance or repurchase of Shares and/or ADSs that we may make)⁽¹⁾:

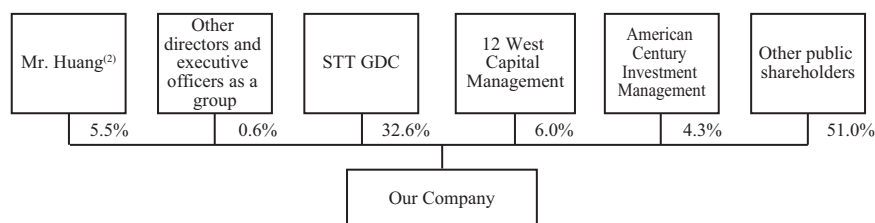


Notes:

- (1) The calculations in the chart above assume there are 1,294,702,851 Shares (including (i) 67,590,336 Class B ordinary shares, (ii) 1,243,588,819 Class A ordinary shares and (iii) the 33,707,864 votes to which the holders of the 150,000 Series A convertible preferred shares are entitled, but excluding ordinary shares issuable upon (x) conversion of our convertible senior notes, (y) the exercise or vesting of share awards granted under our Share Incentive Plans, and the 50,184,168 Class A ordinary shares held by JPMorgan Chase Bank, N.A., as depositary, which are reserved for future delivery upon the exercise or vesting of share awards granted under our Share Incentive Plans) outstanding as of Latest Practicable Date.
- (2) Shares held by Mr. Huang represents (i) 3,286,144 Class B ordinary shares held by Solution Leisure Investment Limited, (ii) 42,975,884 Class B ordinary shares held by EDC Group Limited, (iii) 21,328,308 Class B ordinary shares held by GDS Enterprises Limited, and (iv) 12,855,904 Class A ordinary shares in the form of 1,606,988 ADSs held by himself. See "Major Shareholders" for further details on the voting rights and the beneficial ownership of each of Mr. Huang, STT GDC, EDC Group Limited, 12 West Capital Management and American Century Investment Management. With respect to (i) the election or removal of a simple majority of our directors and (ii) any change to our amended articles of association that would adversely affect the rights of the holders of Class B ordinary shares, at general meetings of our shareholders, each Class A ordinary share is entitled to one vote per share, and each Class B ordinary share is entitled to 20 votes per share. With respect to any other matters at general meetings of our shareholders, each Class A ordinary share is entitled to one vote, and each Class B ordinary share is entitled to one vote, voting together as a combined class.

OUR HISTORY AND CORPORATE STRUCTURE

The following diagram illustrates our shareholding structure expressed in terms of voting power, with Class A ordinary shares and Class B ordinary shares voting on 1:1 basis immediately upon the completion of the Global Offering (assuming all major shareholders' shareholding remain unchanged as of the Latest Practicable Date but assuming the STT GDC Maximum Exercise Amount and without taking into account the Shares to be issued on conversion of convertible bonds, the Shares to be issued pursuant to the Share Incentive Plan, including pursuant to the exercise of options or other awards that have been or may be granted from time to time and any issuance or repurchase of Shares and/or ADSs that we may make and assuming the Over-allotment Option is not exercised)⁽¹⁾:



Notes:

- (1) The calculations in the chart above are based on the total number of 1,454,702,851 ordinary shares in issue (including (i) 67,590,336 Class B ordinary shares, (ii) 1,243,588,819 Class A ordinary shares and (iii) the 33,707,864 votes to which the holders of the 150,000 Series A convertible preferred shares are entitled, but excluding ordinary shares issuable upon (x) conversion of our convertible senior notes, (y) the exercise or vesting of share awards granted under our Share Incentive Plans, and the 50,184,168 Class A ordinary shares held by JPMorgan Chase Bank, N.A., as depositary, which are reserved for future delivery upon the exercise or vesting of share awards granted under our Share Incentive Plans; and assuming the Over-allotment Option is not exercised) following the completion of the Global Offering.
- (2) Shares held by Mr. Huang represents (i) 3,286,144 Class B ordinary shares held by Solution Leisure Investment Limited, (ii) 42,975,884 Class B ordinary shares held by EDC Group Limited, (iii) 21,328,308 Class B ordinary shares held by GDS Enterprises Limited, and (iv) 12,855,904 Class A ordinary shares in the form of 1,606,988 ADSs held by himself.

SPECIAL RIGHTS GRANTED TO SPECIFIC SHAREHOLDERS

Our Company has granted certain special rights to specific holders of our Class A ordinary shares and our convertible preferred shares which are not available to other shareholders of Class A ordinary shares. See "Risk Factors — Risks Related to Our Corporate Structure — Our corporate actions are substantially controlled by our principal shareholders, including our founder, chairman and chief executive officer, Mr. Huang, who have the ability to control or exert significant influence over important corporate matters that require approval of shareholders, which may deprive you of an opportunity to receive a premium for your Shares and/or ADSs and materially reduce the value of your investment."

OUR HISTORY AND CORPORATE STRUCTURE

Special Rights Granted to STT GDC

Our Company has granted STT GDC the following special rights pursuant to the investor rights agreements between the Company and STT GDC, originally dated October 23, 2017 (together with its interim amendments on March 27, 2019 and December 10, 2019) and dated June 26, 2020 (together with its interim amendment on August 4, 2020, the “**STT GDC Investor Rights Agreement**”), the sixth amended and restated members agreement dated May 19, 2016 entered into between the Company and certain investors including STT GDC (the “**Members Agreement**”), the information rights agreement between the Company and STT GDC dated November 7, 2016 (the “**Information Rights Agreement**”) and under our Articles of Association and charters of our Compensation Committee, Nominating and Corporate Governance Committee and Executive Committee:

Anti-dilution right:	Pursuant to the STT GDC Investor Rights Agreement, STT GDC was granted a pre-emptive right with respect to future issuances of equity or equity linked securities by our Company any time within 18 months following June 26, 2020, whereby STT GDC has the right to subscribe for up to a 35% pro rata share of any such future issuances of securities.
Appointment of directors:	In connection with our Company’s IPO in November 2016, we have granted directors’ appointment rights to STT GDC. Our Articles of Association provides that for so long as STT GDC beneficially owns: (i) not less than 25% of our issued and outstanding share capital on an as converted basis, they may appoint three directors to our board, including its vice-chairman; (ii) less than 25%, but not less than 15%, of our issued and outstanding share capital on an as converted basis, they may appoint two directors to the board, including its vice-chairman; and (iii) less than 15%, but not less than 8%, of our issued and outstanding share capital on an as converted basis, they may appoint one director to the board, including its vice-chairman, none of which appointments will be subject to a vote by our shareholders.

OUR HISTORY AND CORPORATE STRUCTURE

Right to requisition an extraordinary general meeting: In connection with our Company's IPO in November 2016, we have granted requisition right to STT GDC. For so long as STT GDC has the right to nominate or appoint directors to the board according to our Articles of Association, STT GDC shall at all times have the right, by written requisition to the board or the secretary of our Company, to require an extraordinary general meeting to be called by the board for the transaction of any business necessary for the nomination and appointment of any such directors.

Committee rights: In connection with our Company's IPO in November 2016, we have granted committee rights to STT GDC. The charters (or terms of reference) of three of our board's committees contain provisions regarding representation by STT GDC:

- a. Under the Compensation Committee Charter of our Company, the Compensation Committee must consist of three members, one of whom shall be a STT GDC director for so long as STT GDC has the right to appoint one or more directors to the board. The chairman of the Compensation Committee shall be a Compensation Committee member that is a STT GDC director for so long as STT GDC has the right to appoint one or more directors to the board.
- b. Under the Nominating and Corporate Governance Committee Charter of our Company, the Nominating and Corporate Governance Committee must consist of three members, one of whom shall be a STT GDC director for so long as STT GDC has the right to appoint one or more directors to the board.

OUR HISTORY AND CORPORATE STRUCTURE

- c. Under the Executive Committee Charter of the Company, the Executive Committee must consist of at least four members, initially one of whom shall be a STT GDC director and one of whom shall be a person designated by STT GDC for so long as STT GDC has the right to appoint one or more directors to the board. The chairman shall initially be a member that is a STT GDC director for so long as STT GDC has the right to appoint one or more directors to the board.

Registration rights:

Pursuant to the Members Agreement, our Company granted STT GDC registration rights to effect a registration, qualification or compliance with respect to Registrable Securities (as defined in the Members Agreement) to permit or facilitate the sale and distribution of such Registrable Securities within a specified time after receipt of a written request remain effective. Such registration rights shall expire five years after our Company's listing in the U.S. in November 2016, but according to the Investor Rights Agreement, our Company undertook to STT GDC that it shall either (i) modify the Members Agreement to provide that such registration rights will terminate only when all such Registrable Securities may then be sold under Rule 144 under the Securities Act without volume limitations; (ii) grant registration rights to STT GDC substantially identical to those as described in the immediately preceding clause (i); or (iii) in the event that our Company is unable to perform the actions described in the immediately preceding clauses (i) and (ii), act so as to effect the intent of clause (i) to the greatest extent possible under the circumstances.

Information rights:

Pursuant to the Information Rights Agreement, the Company granted to STT GDC the right to receive certain information from our Company on a periodic basis for so long as STT GDC or any of its affiliates has the right to appoint one or more directors to the board.

OUR HISTORY AND CORPORATE STRUCTURE

Subscription by STT GDC

STT GDC has indicated to our Company that it intends to exercise the pre-emptive right granted under the STT GDC Investor Rights Agreement to subscribe for a number of Offer Shares, at the International Offer Price, with an aggregate subscription amount of up to US\$420 million, subject to a maximum number of Offer Shares that does not exceed STT GDC's shareholding in the Company of 33.8% as at the Latest Practicable Date.

Information on the final number of Offer Shares allocated to STT GDC pursuant to the exercise of its pre-emptive rights will be disclosed in the allotment results announcement. Any Shares so subscribed by STT GDC will be subscribed under the same terms as those generally offered to other investors under the Global Offering.

We have applied for and the Hong Kong Stock Exchange has granted a consent under paragraph 5(2) of Appendix 6 to and a waiver from strict compliance with the requirements of Rule 10.04 of the Hong Kong Listing Rules for the proposed subscription by STT GDC. Please refer to the section headed "Waivers from Compliance with the Hong Kong Listing Rules and Exemptions from Strict Compliance with the Companies (WUMP) Ordinance – Participation by STT GDC in the Global Offering" for details.

Special Rights Granted to PA Goldilocks, Hillhouse and other shareholders

Our Company granted to PA Goldilocks Limited ("**PA Goldilocks**"), an affiliate of China Ping An Insurance Overseas (Holdings) Limited ("**Ping An**", a subsidiary of Ping An Insurance (Group) Company of China), which holds US\$150 million convertible preferred shares of the Company convertible into Class A ordinary shares (33,707,864 Class A ordinary shares or 4,213,483 ADSs at a conversion rate corresponding to a conversion price of US\$35.60 per ADS, representing 2.64% of the enlarged Class A ordinary share capital prior to the Global Offering on an as converted basis) at any time at Ping An's election (through an Investor Rights Agreement dated March 13, 2019, the "**Ping An IRA**", entered into with PA Goldilocks and amended on June 26, 2020): (a) pre-emptive rights with respect to issuances of new securities in unregistered offerings for 18 months from the date of the agreement, or until September 13, 2020; and (b) registration rights to effect a registration, qualification or compliance with respect to Registrable Securities (as defined in the agreement) to permit or facilitate the sale and distribution of such Registrable Securities within a specified time after receipt of a written request. Through the Ping An IRA, our Company also granted to PA Goldilocks the right to designate one non-voting observer to attend any meetings of our board, subject to it and/or its affiliates continuing to hold such number of convertible preferred shares, or Class A ordinary shares post-conversion, which are equal to at least ninety percent (90%) of the total number of convertible preferred shares that were originally issued to PA Goldilocks, which percentage shall be subject to adjustment for any Recapitalization (as defined in the Ping An IRA) that does not trigger an adjustment of the conversion rate of the convertible preferred shares pursuant to and in accordance with their terms.

OUR HISTORY AND CORPORATE STRUCTURE

Our Company has also granted to Hillhouse Capital (“Hillhouse”) (through an Investor Rights Agreement dated June 26, 2020, the “Hillhouse Investor Rights Agreement”, entered into with its affiliates, Gaoling Fund L.P. and YHG Investment, L.P.) registration rights to effect a registration, qualification or compliance with respect to Registrable Securities (as defined in the Hillhouse Investor Rights Agreement) to permit or facilitate the sale and distribution of such Registrable Securities within a specified time after receipt of a written request.

Pursuant to the Members Agreement, other than STT GDC, our Company granted Seabright SOF(I) Paper Limited, Maxpoint Development Limited, Forebright Management Limited, SBCVC Fund II, L.P., SBCVC Fund II-Annex, L.P., SBCVC Company Limited, SBCVC Venture Capital and SBCVC Fund III L.P., registration rights to effect a registration, qualification or compliance with respect to Registrable Securities (as defined in the Members Agreement) to permit or facilitate the sale and distribution of such Registrable Securities within a specified time after receipt of a written request remain effective. Such registration rights shall expire five years after our Company’s listing in the U.S. in November 2016.

Unless otherwise disclosed above, all special rights granted to the above shareholders will survive after the Listing.

Reasons for Granting such Special Rights

The special rights to STT GDC were granted in recognition of the strategic importance of STT GDC as an investor of our Company and as part of the governance structure agreed with STT GDC in connection with our Company’s IPO in November 2016, as part of the arrangement that gave Mr. Huang super voting rights to nominate/appoint/elect a simple majority of our board. The registration rights are customary rights granted for a U.S. listed company and information rights are granted in consideration of prior investments by STT GDC. It was commercially and strategically reasonable from our Company’s perspective to facilitate STT GDC’s maintenance of its significant shareholding in our Company. We consider STT GDC’s support and participation in our capital markets financing transactions to be for the benefit of our Company as well as our shareholders as a whole.

The special rights to PA Goldilocks were granted in recognition of the significant investment made by the investor as well as our desire to see such investor maintain its significant shareholding interest in our Company. The registration rights to Hillhouse and to Seabright SOF(I) Paper Limited, Maxpoint Development Limited, Forebright Management Limited, SBCVC Fund II, L.P., SBCVC Fund II-Annex, L.P., SBCVC Company Limited, SBCVC Venture Capital and SBCVC Fund III L.P. under the Members Agreement are customary rights granted for a U.S. listed company. As such, we consider that the granting of special rights to PA Goldilocks, Hillhouse, Seabright SOF(I) Paper Limited, Maxpoint Development Limited, Forebright Management Limited, SBCVC Fund II, L.P., SBCVC Fund II-Annex, L.P., SBCVC Company Limited, SBCVC Venture Capital and SBCVC Fund III L.P. to be beneficial to both our Company and our shareholders as a whole.

OUR HISTORY AND CORPORATE STRUCTURE

Our directors have reviewed the terms of the STT GDC Investor Rights Agreement, the Members Agreement, the Information Rights Agreement, the Ping An IRA and the Hillhouse Investor Rights Agreement, including the special rights granted to STT GDC, PA Goldilocks, Hillhouse, Seabright SOF(I) Paper Limited, Maxpoint Development Limited, Forebright Management Limited, SBCVC Fund II, L.P., SBCVC Fund II-Annex, L.P., SBCVC Company Limited, SBCVC Venture Capital and SBCVC Fund III L.P. and, with a view to the best interests of our Company and the commercial benefits to our Company, our directors have approved the relevant documentation in a duly-convened board meeting. Having considered that our directors have exercised fiduciary duty in approving the relevant documents with a view to the best interests of us and the commercial benefits to our Company, and granting of such rights was driven by commercial reasons, and after consultation with our legal advisers, we are of the view that (i) the granting of such special rights does not contravene with the shareholders' protection required under Rule 19C.07 of the Hong Kong Listing Rules, the relevant U.S. federal securities law and the Nasdaq Listing Rules; and (ii) the terms of the relevant investment agreements in relation to the grant of such special rights do not violate the applicable laws and regulation in the Cayman Islands.

Sponsors' confirmation

The Joint Sponsors have reviewed the relevant documents and information in relation to the grant of the special rights set out in the paragraph headed "SPECIAL RIGHTS GRANTED TO SPECIFIC SHAREHOLDERS" above, have participated in the due diligence and discussions with our management and relevant legal advisers, and have reviewed the practices of other listed companies in the United States and Hong Kong in relation to the grant to specific investors of certain rights which are similar to those granted by our Company. Based on the above, the Joint Sponsors are of the view that nothing has come to their attention that would lead them to cast doubt on the conclusion of the Company that (i) granting of the special rights does not contravene with the shareholders' protection requirements under Rule 19C.07 of the Hong Kong Listing Rules, the relevant U.S. federal securities law and the Nasdaq Listing Rules; and (ii) the terms of the relevant investment agreements in relation to the grant of such special rights do not violate the applicable law and regulation in the Cayman Islands.

OUR HISTORY AND CORPORATE STRUCTURE

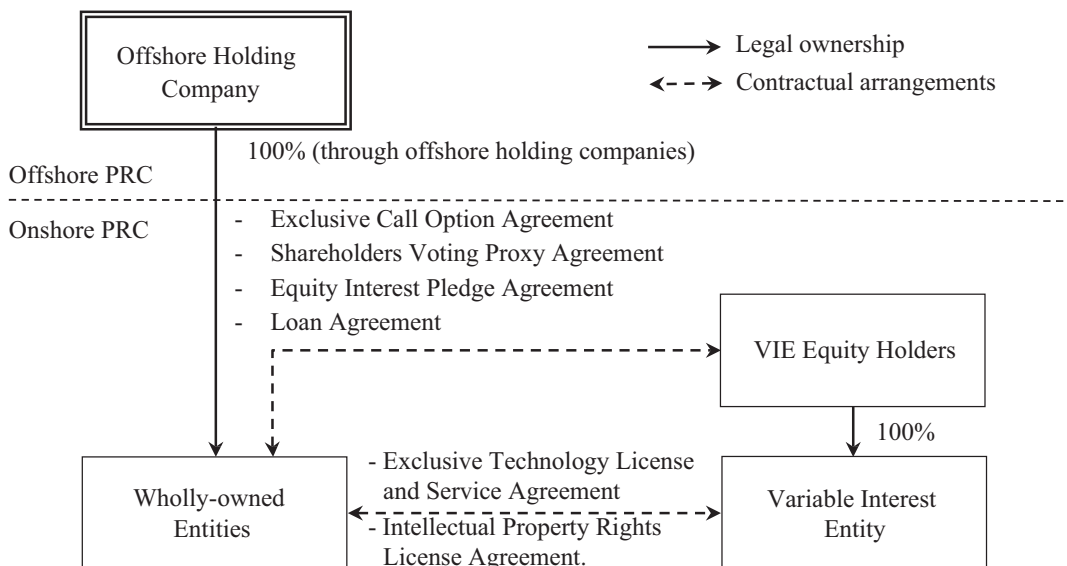
CONTRACTUAL ARRANGEMENTS

Due to PRC legal restrictions on foreign ownership and investment in value-added telecommunications businesses in China, and internet data center or IDC services in particular, we currently conduct these activities mainly through our PRC consolidated VIEs, namely Management HoldCo, GDS Shanghai, GDS Beijing and its subsidiaries. Each of GDS Beijing and GDS Shanghai holds an IDC license which is required to operate our business. We effectively control GDS Beijing, GDS Shanghai and their shareholder, Management HoldCo, through a series of contractual arrangements among these consolidated VIEs, Management HoldCo's shareholders and GDS Investment Company. These contractual arrangements allow us to:

- exercise effective control over our consolidated VIEs, namely Management HoldCo, GDS Shanghai, GDS Beijing and its subsidiaries;
- receive substantially all of the economic benefits of our variable interest entities; and
- have an exclusive option to purchase all or part of the equity interests in Management HoldCo, GDS Beijing and GDS Shanghai when and to the extent permitted by PRC law.

As a result of these contractual arrangements, we are the primary beneficiary of Management HoldCo, GDS Beijing, GDS Shanghai, and their subsidiaries. We have consolidated their financial results in our consolidated financial statements in accordance with U.S. GAAP.

The following diagram is a simplified illustration of the ownership structure and contractual arrangements for variable interest entities of our Group:



OUR HISTORY AND CORPORATE STRUCTURE

Contractual Arrangements with GDS Shanghai, GDS Beijing and Management HoldCo and its shareholders

Our relationships with GDS Shanghai, GDS Beijing and Management HoldCo and its shareholders are governed by a series of contractual arrangements. The following is a summary of the currently effective contractual arrangements by and among our wholly-owned subsidiary, GDS Investment Company, GDS Shanghai, GDS Beijing, Management HoldCo and its shareholders.

Agreements that Provide us with Effective Control over GDS Beijing, GDS Beijing's subsidiaries and GDS Shanghai

Equity Interest Pledge Agreements. Pursuant to the equity interest pledge agreements, Management HoldCo has pledged all of its equity interest in GDS Beijing and GDS Shanghai as a continuing first priority security interest, as applicable, to respectively guarantee GDS Beijing's, GDS Shanghai's and Management HoldCo's performance of their obligations under the relevant contractual arrangement, which include the exclusive technology license and service agreement, loan agreement, exclusive call option agreement, shareholder voting rights proxy agreement, and intellectual property rights license agreement. If GDS Beijing or GDS Shanghai or Management HoldCo breaches their contractual obligations under these agreements, GDS Investment Company, as pledgee, will be entitled to certain rights regarding the pledged equity interests, including receiving proceeds from the auction or sale of all or part of the pledged equity interests of GDS Beijing and GDS Shanghai in accordance with PRC law. Management HoldCo agrees that, during the term of the equity interest pledge agreements, it will not dispose of the pledged equity interests or create or allow creation of any encumbrance on the pledged equity interests without the prior written consent of GDS Investment Company. The equity interest pledge agreements remain effective until GDS Beijing and GDS Shanghai and Management HoldCo discharge all their obligations under the contractual arrangements. We have registered the equity pledge by both GDS Beijing and GDS Shanghai in favor of GDS Investment Company with the relevant office of the Administration for Market Regulation in accordance with the PRC Property Rights Law.

Shareholder Voting Rights Proxy Agreement. Pursuant to the shareholder voting rights proxy agreements, each of GDS Beijing, GDS Shanghai and Management HoldCo has irrevocably appointed the PRC citizen(s) as designated by GDS Investment Company to act as GDS Beijing's, GDS Shanghai's and Management HoldCo's exclusive attorney-in-fact to exercise all shareholder rights, including, but not limited to, voting on all matters of GDS Beijing, GDS Beijing's subsidiaries and GDS Shanghai requiring shareholder approval, and appointing directors and executive officers. GDS Investment Company is also entitled to change the appointment by designating another PRC citizen(s) to act as exclusive attorney-in-fact of GDS Beijing, GDS Shanghai and Management HoldCo with prior notice to Management HoldCo. Each shareholder voting rights proxy agreement will remain in force for so long as Management HoldCo remains a shareholder of GDS Beijing or GDS Shanghai, as applicable.

OUR HISTORY AND CORPORATE STRUCTURE

Agreements that Provide us with Effective Control over our Management HoldCo

Equity Interest Pledge Agreements. Pursuant to the equity interest pledge agreements, each shareholder of Management HoldCo has pledged all of his or her equity interest in Management HoldCo as a continuing first priority security interest, as applicable, to respectively guarantee Management HoldCo's and its shareholders' performance of their obligations under the relevant contractual arrangement, which include the exclusive technology license and service agreement, loan agreement, exclusive call option agreement, shareholder voting rights proxy agreement, and intellectual property rights license agreement. If Management HoldCo or any of its shareholders breaches their contractual obligations under these agreements, GDS Investment Company, as pledgee, will be entitled to certain rights regarding the pledged equity interests, including receiving proceeds from the auction or sale of all or part of the pledged equity interests of Management HoldCo in accordance with PRC law. Each of the shareholders of Management HoldCo agrees that, during the term of the equity interest pledge agreements, he or she will not dispose of the pledged equity interests or create or allow creation of any encumbrance on the pledged equity interests without the prior written consent of GDS Investment Company. The equity interest pledge agreements remain effective until Management HoldCo and its shareholders discharge all their obligations under the contractual arrangements. We have registered the equity pledge by Management HoldCo in favor of GDS Investment Company with the relevant office of the Administration for Market Regulation in accordance with the PRC Property Rights Law.

Shareholder Voting Rights Proxy Agreement. Pursuant to the shareholder voting rights proxy agreements, each of the shareholders of Management HoldCo and Management HoldCo has irrevocably appointed the PRC citizen(s) as designated by GDS Investment Company to act as such shareholder's and Management HoldCo's exclusive attorney-in-fact to exercise all shareholder rights, including, but not limited to, voting on all matters of Management HoldCo and its subsidiaries requiring shareholder approval, and appointing directors and executive officers. GDS Investment Company is also entitled to change the appointment by designating another PRC citizen(s) to act as exclusive attorney-in-fact of the shareholders of Management HoldCo and Management HoldCo with prior notice to such shareholders. Each shareholder voting rights proxy agreement will remain in force for so long as the shareholder remains a shareholder of Management HoldCo, as applicable.

Agreements that Allow us to Receive Economic Benefits from GDS Beijing and GDS Shanghai

Exclusive Technology License and Service Agreements. Under the exclusive technology license and service agreements, GDS Investment Company licenses certain technology to each of GDS Beijing and GDS Shanghai and GDS Investment Company has the exclusive right to provide GDS Beijing and GDS Shanghai with technical support, consulting services and other services. Without GDS Investment Company's prior written consent, each of GDS Beijing and GDS Shanghai agrees not to accept the same or any similar services provided by any third party. Each of GDS Beijing and GDS Shanghai agrees to pay service fees on a yearly basis and at an amount equivalent to all of its net profits as confirmed by GDS Investment Company.

OUR HISTORY AND CORPORATE STRUCTURE

GDS Investment Company owns the intellectual property rights arising out of its performance of these agreements. In addition, each of GDS Beijing and GDS Shanghai has granted GDS Investment Company an exclusive right to purchase or to be licensed with any or all of the intellectual property rights of either GDS Beijing or GDS Shanghai at the lowest price permitted under PRC law. Unless otherwise agreed by the parties, these agreements will continue remaining effective.

Intellectual Property Rights License Agreement. Pursuant to an intellectual property rights license agreement between GDS Investment Company and each of GDS Beijing and GDS Shanghai, GDS Beijing and GDS Shanghai has granted GDS Investment Company an exclusive license to use for free any or all of the intellectual property rights owned by each of them from time to time, and without the parties' prior written consent, GDS Beijing and GDS Shanghai cannot take any actions, including without limitation to, transferring or licensing outside its ordinary course of business any intellectual property rights to any third parties, which may affect or undermine GDS Investment Company's use of the licensed intellectual property rights from GDS Beijing and GDS Shanghai. The parties have also agreed under the agreement that GDS Investment Company should own the new intellectual property rights developed by it regardless whether such development is dependent on any of the intellectual property rights owned by GDS Beijing and GDS Shanghai. This agreement can only be early terminated by prior mutual consent of the parties and need to be renewed upon GDS Investment Company's unilateral request.

Agreements that Allow us to Receive Economic Benefits from our Management HoldCo

Exclusive Technology License and Service Agreements. Under the exclusive technology license and service agreements, GDS Investment Company licenses certain technology to Management HoldCo and GDS Investment Company has the exclusive right to provide Management HoldCo with technical support, consulting services and other services. Without GDS Investment Company's prior written consent, Management HoldCo agrees not to accept the same or any similar services provided by any third party. Management HoldCo agrees to pay service fees on a yearly basis and at an amount equivalent to all of its net profits as confirmed by GDS Investment Company. GDS Investment Company owns the intellectual property rights arising out of its performance of these agreements. In addition, Management HoldCo has granted GDS Investment Company an exclusive right to purchase or to be licensed with any or all of the intellectual property rights of Management HoldCo at the lowest price permitted under PRC law. Unless otherwise agreed by the parties, these agreements will continue remaining effective.

Intellectual Property Rights License Agreement. Pursuant to an intellectual property rights license agreement between GDS Investment Company and Management HoldCo, Management HoldCo has granted GDS Investment Company an exclusive license to use for free any or all of the intellectual property rights owned by Management HoldCo from time to time, and without the parties' prior written consent, Management HoldCo cannot take any actions, including without limitation to, transferring or licensing outside its ordinary course of business any intellectual property rights to any third parties, which may affect or undermine

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GDS Investment Company's use of the licensed intellectual property rights from Management HoldCo. The parties have also agreed under the agreement that GDS Investment Company should own the new intellectual property rights developed by it regardless whether such development is dependent on any of the intellectual property rights owned by Management HoldCo. This agreement can only be early terminated by prior mutual consent of the parties and need to be renewed upon GDS Investment Company's unilateral request.

Agreements that Provide Us with the Option to Purchase the Equity Interest in GDS Beijing and GDS Shanghai

Exclusive Call Option Agreements. Pursuant to the exclusive call option agreements, Management HoldCo has irrevocably granted GDS Investment Company an exclusive option to purchase, or have its designated person or persons to purchase, at its discretion, to the extent permitted under PRC law, all or part of Management HoldCo's equity interests in GDS Beijing and GDS Shanghai. The purchase price should be equal to the minimum price required by PRC law or such other price as may be agreed by the parties in writing. Without GDS Investment Company's prior written consent, Management HoldCo has agreed that each of GDS Beijing and GDS Shanghai shall not amend its articles of association, increase or decrease the registered capital, sell or otherwise dispose of its assets or beneficial interest, create or allow any encumbrance on its assets or other beneficial interests, provide any loans, distribute dividends to the shareholders and etc. These agreements will remain effective until all equity interests of GDS Beijing and GDS Shanghai held by their shareholders have been transferred or assigned to GDS Investment Company or its designated person(s).

Loan Agreements. Pursuant to the loan agreements between GDS Investment Company and Management HoldCo, GDS Investment Company has agreed to extend loans in an aggregate amount of RMB310.1 million to Management HoldCo solely for the capitalization of GDS Beijing and GDS Shanghai. Pursuant to the loan agreements, GDS Investment Company has the right to require repayment of the loans upon delivery of 30 days' prior notice to Management HoldCo, and Management HoldCo can repay the loans by either sale of their equity interests in GDS Beijing and GDS Shanghai to GDS Investment Company or its designated person(s) pursuant to their respective exclusive call option agreements, or other methods as determined by GDS Investment Company pursuant to its articles of association and the applicable PRC laws and regulations.

Agreements that Provide Us with the Option to Purchase the Equity Interest in Management HoldCo

Exclusive Call Option Agreements. Pursuant to the exclusive call option agreements, each shareholder of Management HoldCo has irrevocably granted GDS Investment Company an exclusive option to purchase, or have its designated person or persons to purchase, at its discretion, to the extent permitted under PRC law, all or part of such shareholder's equity interests in Management HoldCo. The purchase price should be equal to the minimum price required by PRC law or such other price as may be agreed by the parties in writing. Without GDS Investment Company's prior written consent, the shareholders of Management HoldCo

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have agreed that Management HoldCo shall not amend its articles of association, increase or decrease the registered capital, sell or otherwise dispose of its assets or beneficial interest, create or allow any encumbrance on its assets or other beneficial interests, provide any loans, distribute dividends to the shareholders and etc. These agreements will remain effective until all equity interests of Management HoldCo held by its shareholders have been transferred or assigned to GDS Investment Company or its designated person(s).

Loan Agreements. Pursuant to the loan agreements between GDS Investment Company and the shareholders of Management HoldCo, GDS Investment Company has agreed to extend loans in an aggregate amount of RMB1 million to the shareholders of Management HoldCo solely for the capitalization of Management HoldCo. Pursuant to the loan agreements, GDS Investment Company has the right to require repayment of the loans upon delivery of 30 days' prior notice to the shareholders, and the shareholders can repay the loans by either sale of their equity interests in Management HoldCo to GDS Investment Company or its designated person(s) pursuant to their respective exclusive call option agreements, or other methods as determined by GDS Investment Company pursuant to its articles of association and the applicable PRC laws and regulations.

As a result of these contractual arrangements, we have the power to direct the activities of GDS Shanghai and GDS Beijing and its subsidiaries, and through the service fees paid to us under the exclusive technology license and service agreement, we can receive substantially all of the economic benefits of GDS Shanghai and GDS Beijing and its subsidiaries even though we do not receive all of the revenues generated by GDS Shanghai and GDS Beijing and its subsidiaries.

In the opinion of King & Wood Mallesons, our PRC legal counsel,

- (i) the ownership structures of GDS Investment Company, Management HoldCo, GDS Shanghai and GDS Beijing, currently do not violate any of the applicable PRC laws or regulations currently in effect; and
- (ii) the contractual arrangements among GDS Investment Company, Management HoldCo, GDS Shanghai, GDS Beijing, and the shareholders of Management HoldCo, are governed by PRC law, and are currently valid, binding and enforceable in accordance with the applicable PRC laws or regulations currently in effect, and do not violate any of the applicable PRC laws or regulations currently in effect.

Furthermore, as of the Latest Practicable Date, we had not encountered any interference or encumbrance from any PRC governing bodies in operating our business through the various variable interest entities under the contractual arrangements.

However, our PRC legal counsel has also advised us that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules; accordingly, the PRC regulatory authorities may take a view that is contrary to the opinion of our PRC legal counsel. It is uncertain whether any new PRC laws

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or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. If we or our VIEs are found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. See “Risk Factors — Risks Related to Our Corporate Structure.”

If the current foreign ownership restrictions under the relevant PRC laws in the value-added telecommunications business in China, and internet data center or IDC services in particular, cease to exist, we will assess and consider unwinding the above contractual arrangements as appropriate after taking into account factors such as policy, cost and tax considerations at the relevant time.

We have determined that the costs of insurance for the risks associated with our corporate structure and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Accordingly, as of the Latest Practicable Date, we did not purchase any insurance to cover the risks relating to the contractual arrangements.