
RELATED PARTY TRANSACTIONS

We are seeking a listing on the Hong Kong Stock Exchange pursuant to Chapter 19C of the Hong Kong Listing Rules. Pursuant to Rule 19C.11 of the Hong Kong Listing Rules, Chapter 14A of the Hong Kong Listing Rules governing connected transactions does not apply to us. The following discussion of related party transactions has been prepared pursuant to the requirements of Form 20-F of the SEC, and is included in this prospectus for disclosure purposes only.

CONTRACTUAL ARRANGEMENTS WITH GDS SHANGHAI, GDS BEIJING AND MANAGEMENT HOLDCO AND ITS SHAREHOLDERS

We operate our relevant business through contractual arrangements between our indirect wholly-owned subsidiary, GDS Investment Company, and our VIEs, GDS Shanghai and GDS Beijing and its subsidiaries, and the shareholders of Management HoldCo. For a description of these contractual arrangements, see “Our History and Corporate Structure — Contractual Arrangements.”

TRANSACTIONS WITH CERTAIN DIRECTORS, SHAREHOLDERS, AFFILIATES AND KEY MANAGEMENT PERSONNEL

Our WFOEs provided outsourcing and other services to the VIEs within our Company with revenues being recognized by the WFOEs, and costs being recognized by the VIEs, RMB658.6 million, RMB1,260.5 million, RMB2,017.0 million (US\$285.5 million) and RMB1,319.7 million (US\$186.8 million) in 2017, 2018 and 2019 and the six months ended June 30, 2020, respectively. These inter-company transactions are eliminated on a consolidated basis.

TRANSACTIONS WITH OUR SHAREHOLDERS

During the year ended December 31, 2017, the related interest expenses arising from the convertible bonds due 2019 subscribed by STT GDC amounted to US\$4.4 million.

In November 2017, the convertible bonds due 2019 and the interest accrued thereon due to STT GDC were fully converted into 32,540,515 newly issued Class A ordinary shares at the conversion price of US\$1.675262. In addition, upon conversion, the accrued but unpaid cash interest due to STT GDC of US\$0.8 million was relinquished.

One of our subsidiaries, GDS IDC Services Pte. Ltd., or GDS Singapore, entered into a master service agreement with STT Singapore DC Pte. Ltd., STT DEFU 2 Pte. Ltd. and cloud service providers, pursuant to which GDS Singapore will provide billing and payment collection services as well as other coordination and administration services. During the years ended December 31, 2017, 2018 and 2019, and six months ended June 30, 2020, we recognized

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agency commission from STT Singapore DC Pte. Ltd. of nil, nil, RMB0.6 million (US\$84.9 thousand) and RMB0.2 million (US\$34.8 thousand) and STT DEFU 2 Pte. Ltd. of nil, nil, RMB0.3 million (US\$42.5 thousand) and RMB0.2 million (US\$34.5 thousand), respectively.

EMPLOYMENT AGREEMENTS

See “Directors, Senior Management and Employees — Compensation — Employment Agreements.”

SHARE INCENTIVE PLAN

See “Directors, Senior Management and Employees — Compensation — Share Incentive Plans.”