This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by and should be read in conjunction with, the full prospectus. You should read the whole document before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set forth in the section headed "Risk Factors" of this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

Overview

We are the largest carrier-neutral data center service provider in China with a 21.9% revenue market share of the carrier-neutral market in 2019, according to iResearch. We focus on developing and operating high-performance data centers. Our facilities are strategically located in China's primary economic hubs where demand for high-performance data center services is concentrated. Our data centers are designed and configured as high-performance data centers with large net floor area and power capacity, high power density and efficiency, and multiple redundancy across all critical systems. We are carrier and cloud-neutral, which enables our customers to access all the major PRC telecommunications networks, as well as the largest PRC and global public clouds which we host in many of our facilities. We offer colocation and managed services, including an innovative and unique managed cloud value proposition. We have a 19-year track record of service delivery, successfully fulfilling the requirements of some of the largest and most demanding customers for outsourced data center services in China. As of June 30, 2020, we had an aggregate net floor area of 266,260 sqm in service, 94.1% of which was committed by customers, and an aggregate net floor area of 133,208 sqm under construction, 62.3% of which was pre-committed by customers, in each case excluding joint venture data centers.

We have experienced significant growth in recent years. Our net revenue grew from RMB1,616.2 million in 2017 to RMB2,792.1 million in 2018, representing an increase of 72.8%, and increased to RMB4,122.4 million (US$583.5 million) in 2019, representing an increase of 47.6%, and grew from RMB1,877.0 million in the six months ended June 30, 2019 to RMB2,582.6 million (US$365.5 million) in the same period in 2020, representing an increase of 37.6%. We incurred net losses of RMB326.9 million, RMB430.3 million, RMB442.1 million (US$62.6 million) and RMB193.1 million (US$27.3 million) in 2017, 2018 and 2019 and the six months ended June 30, 2020, respectively. We had an accumulated deficit of RMB1,185.6 million, RMB1,615.1 million, RMB2,057.2 million and RMB2,250.3 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. We had cash used in operating activities of RMB167.8 million and RMB12.9 million in 2017 and 2018, respectively and cash provided by operating activities of RMB293.4 million and RMB16.2 million in 2019 and the six months ended June 30, 2020, respectively.

Our Strengths

- A leader in one of the largest and fastest growing data center markets in the world.
- Well-established and rapidly expanding relationships with large, fast-growing and diverse customers.
- An innovative and unique platform of interconnected data centers hosting all of the leading cloud service providers.
- Largescale, high-performance data centers that are strategically located in China's Tier 1 markets.
- Large secured expansion capacity and a proven ability to source and develop additional data centers.
- Visionary and experienced management team supported by sophisticated strategic investors.
- Proven ability to develop and implement innovative new technologies to meet increasingly demanding customer requirements.

Our Strategies

- Capitalize on the rising adoption of cloud computing and emerging technologies in China.
- Expand our unique platform of strategically located, interconnected, high-performance data centers.
- Pursue strategic sourcing of data center resources to expand our data center platform across markets.
- Increase market share by leveraging customer relationships and attracting new customers.
- Continue to focus on operational excellence and capital efficiency.

Summary of Historical Financial Information

The selected consolidated income statements data for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, and the selected consolidated balance sheet data as of December 31, 2017, 2018 and 2019 and June 30, 2020 have been derived from our historical financial information contained in the Accountants' Report in Appendix I to this prospectus. Our consolidated financial statements have been prepared in accordance with U.S. GAAP.

The following selected consolidated financial data for the periods and as of the dates indicated are qualified by reference to and should be read in conjunction with the Accountants' Report in Appendix I to this prospectus and the section headed "Financial Information" in this prospectus.

The summary of historical financial information set forth below includes translations of financial data in Renminbi into U.S. dollars for the convenience of the reader. These translations were made at a rate of RMB7.0651 to US$1.00 and HK$7.7501 to US$1.00, the respective exchange rate on June 30, 2020 set forth in the H.10 statistical release of the Federal Reserve Board.

Our historical results for any prior period do not necessarily indicate our results to be expected for any future period.

Factors Affecting Our Results of Operations

The following are the primary factors affecting our results of operations:

- Our ability to source and develop data centers;
- Our ability to secure commitments from our customers;
- Our pricing structure and power costs;
- Our utilization of existing capacity;
- Our cost structure depending on data center tenure and location;
- Our ability to manage our development costs;
- Our data center development and financing costs; and
- Our ability to identify and acquire other businesses.

Demand for carrier-neutral data center services in China estimated to increase by a CAGR of 31.8% in the next four years, according to iResearch. Our strong customer and industry relationships offer us insight into the size, timing, and location of future demand which is reflected in our data center capacity development plan. We have accelerated expansion of our data center capacity in order to keep pace with market demand for our services.

However, the data center business is capital-intensive. Our ability to grow and maximize our revenue depends on our ability to source and develop additional data centers on an economically feasible basis, and provide services to customers on commercially acceptable terms. Constructing, developing and operating our data centers require significant capital expenditures. We need to fund these costs with various forms of financing, in addition to cash retained from operations. We have historically funded data center development through additional equity or debt financing. We expect to continue to fund future developments through debt financing from bank and other borrowings or through the issuance of additional equity securities if necessary and when market conditions permit.

Based on our current expansion plans, we expect to continue to rely upon a combination of cash retained from operations as well as the financing methods we have historically used to fund our expansion, as net revenue and cash generated from our business operations in the short term is not expected to be sufficient to meet our anticipated capital requirements for our growth plan. Our planned capital expenditures will cause substantial cash outflows. We may therefore continue to incur losses in the future due to our continued investments in data center capacity to meet industry and customer demand and support the growth of our operations. See "Risk Factors — Risks Relating to Our Business and Industry — We have a history of net losses and negative cash flows from operating activities and may continue to incur losses and experience negative cash flows from operating activities in the future."

For additional information, see "Financial Information — Key Factors Affecting Our Results of Operations."

We had cash and cash equivalents of RMB7,742 million and unused working capital and project financing credit facilities of RMB6,555 million as of June 30, 2020. In addition, since June 30, 2020, we have obtained additional new loan facilities for a total amount of RMB4,662 million from July 1, 2020 to October 19, 2020. We follow a prudent development strategy and our management also closely monitors uses of cash to maintain a healthy liquidity for our operations.

Our directors are of the opinion that, taking into account the financial resources available to us, including cash and cash equivalents, cash flows from operations and the estimated net proceeds from the Global Offering, we have sufficient working capital to cover at least the next 12 months from the date of this prospectus.

Selected Consolidated Income Statements Data

The following table sets out our selected consolidated income statements data for the periods indicated:

	Year ended December 31,							Six months ended June 30,				
	2017		2018		2019			2019		2020		
	RMB	%	RMB	%	RMB	US$	%	RMB	%	RMB	US$	%
								(unaudited)				
	(in thousands, except for percentages)											
Net revenue	1,616,166	100.0	2,792,077	100.0	4,122,405	583,489	100.0	1,877,030	100.0	2,582,623	365,546	100.0
Cost of revenue	(1,207,694)	(74.7)	(2,169,636)	(77.7)	(3,079,679)	(435,900)	(74.7)	(1,403,252)	(74.8)	(1,871,183)	(264,849)	(72.5)
Gross profit	408,472	25.3	622,441	22.3	1,042,726	147,589	25.3	473,778	25.2	711,440	100,697	27.5
Operating expenses												
Selling and marketing expenses	(90,118)	(5.6)	(110,570)	(4.0)	(129,901)	(18,386)	(3.2)	(57,637)	(3.1)	(60,060)	(8,501)	(2.3)
General and administrative expenses	(228,864)	(14.2)	(329,601)	(11.8)	(411,418)	(58,232)	(10.0)	(185,003)	(9.8)	(273,722)	(38,743)	(10.6)
Research and development expenses	(7,261)	(0.4)	(13,915)	(0.5)	(21,627)	(3,061)	(0.5)	(8,839)	(0.5)	(18,987)	(2,687)	(0.7)
Income from operations	82,229	5.1	168,355	6.0	479,780	67,910	11.6	222,299	11.8	358,671	50,766	13.9
Other income (expenses)												
Net interest expense	(406,403)	(25.1)	(636,973)	(22.8)	(915,676)	(129,606)	(22.2)	(441,023)	(23.5)	(561,514)	(79,477)	(21.7)
Foreign currency exchange (loss) gain, net	(12,299)	(0.8)	20,306	0.8	(6,000)	(849)	(0.1)	(2,758)	(0.1)	(17,206)	(2,435)	(0.7)
Government grants	3,062	0.2	3,217	0.1	9,898	1,401	0.3	1,195	0.1	12,578	1,780	0.5
Gain from purchase price adjustment	—	—	—	—	—	—	—	—	—	55,154	7,807	2.1
Others, net	435	0.0	5,436	0.2	5,565	786	0.1	3,325	0.2	1,326	188	0.1
Loss before income taxes	(332,976)	(20.6)	(439,659)	(15.7)	(426,433)	(60,358)	(10.3)	(216,962)	(11.5)	(150,991)	(21,371)	(5.8)
Income tax benefits (expenses)	6,076	0.4	9,391	0.3	(15,650)	(2,215)	(0.4)	(12,817)	(0.7)	(42,087)	(5,957)	(1.7)
Net loss	(326,900)	(20.2)	(430,268)	(15.4)	(442,083)	(62,573)	(10.7)	(229,779)	(12.2)	(193,078)	(27,328)	(7.5)

For a discussion and analysis of the reasons for the changes in our key financial statement line items across periods, please refer to "Financial Information — Components of Results of Operations" and "Financial Information — Results of Operations."

Selected Consolidated Balance Sheet Data

The table below sets forth our selected consolidated balance sheet data as of the dates indicated:

	As of December 31,				As of June 30,	
	2017	2018	2019		2020	
	RMB	RMB	RMB	US$	RMB	US$
	(in thousands)					
Cash	1,873,446	2,161,622	5,810,938	822,485	7,742,082	1,095,821
Accounts receivable, net	364,654	536,842	879,962	124,551	1,388,535	196,534
Total current assets	2,454,028	3,037,396	7,084,709	1,002,775	9,618,087	1,361,352
Property and equipment, net	8,165,601	13,994,945	19,184,639	2,715,409	24,542,951	3,473,829
Goodwill	1,570,755	1,751,970	1,905,840	269,754	2,409,325	341,018
Total assets	13,144,567	20,885,243	31,492,531	4,457,478	41,608,850	5,889,350
Short-term borrowings and current portion of long-term borrowings	790,484	1,283,320	1,137,737	161,036	1,681,787	238,041
Total current liabilities	2,423,071	3,507,879	3,999,514	566,094	6,468,154	915,508
Long-term borrowings, excluding current portion	3,459,765	5,203,708	8,028,473	1,136,357	9,337,882	1,321,691
Total liabilities	8,669,055	15,363,318	20,136,969	2,850,203	26,716,051	3,781,411
Net current assets/(liabilities)	30,957	(470,483)	3,085,195	436,681	3,149,933	445,844
Net assets	4,475,512	5,521,925	11,355,562	1,607,275	14,892,799	2,107,939

For a detailed discussion on our cash position, being the balance sheet items that have material impact on our liquidity, as well as material changes in the various working capital items, see "Financial Information — Liquidity and Capital Resources."

Key Performance Indicators

The following table sets forth our key performance indicators for our data center portfolio (excluding joint venture data centers) as of December 31, 2017, 2018 and 2019 and as of June 30, 2019 and 2020.

	As of December 31,			As of June 30,	
(Sqm, %)	2017	2018	2019	2019	2020
Area in service	101,258	160,356	225,963	180,441	266,260(2)
Area under construction	24,505	65,201	89,834	78,373	133,208(2)
Area committed	92,961(1)	152,163(1)	207,716(1)	169,010(1)	250,467(1)(2)
Area pre-committed	9,567(1)	31,580(1)	57,162(1)	51,808(1)	82,994(1)(2)
Total area committed	102,528(1)	183,743(1)	264,878(1)	220,818(1)	333,461(1)(2)
Commitment rate	91.8%	94.9%	91.9%	93.7%	94.1%
Pre-commitment rate	39.0%	48.4%	63.6%	66.1%	62.3%
Area utilized	61,713	108,326	156,022	127,107	193,162
Utilization rate	60.9%	67.6%	69.0%	70.4%	72.5%

Notes:

(1) Includes data center area for which we have entered into non-binding agreements or letters of intent with, or have received other confirmations from, certain customers.

(2) Excludes approximately 11,665 sqm relating to three joint venture data centers in service, 100% of which were committed and approximately 11,665 sqm relating to three joint venture data centers which were under construction and 100% pre-committed, as of June 30, 2020.

For additional information on our key performance indicators, see “Financial Information — Key Performance Indicators.”

Non-GAAP Financial Measures

In evaluating our business, we consider and use the following non-GAAP measures as supplemental measures to review and assess our operating performance:

	Year ended December 31,				Six months ended June 30,		
	2017	2018	2019		2019	2020	
	RMB	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)						
Non-GAAP Consolidated Financial Data:							
Adjusted EBITDA[(1)]	512,349	1,046,538	1,824,021	258,173	811,642	1,205,491	170,625
Adjusted EBITDA margin[(2)]	31.7%	37.5%	44.2%	44.2%	43.2%	46.7%	46.7%
Adjusted net operating income (Adjusted NOI)[(3)]	764,726	1,322,585	2,163,442	306,216	979,255	1,385,938	196,165
Adjusted NOI margin[(4)]	47.3%	47.4%	52.5%	52.5%	52.2%	53.7%	53.7%

Notes:

(1) Adjusted EBITDA is defined as net income or net loss (computed in accordance with U.S. GAAP) excluding net interest expenses, income tax expenses (benefits), depreciation and amortization, operating lease cost relating to prepaid land use rights, accretion expenses for asset retirement costs, share-based compensation expenses and gain from purchase price adjustment. See "Financial Information—Non-GAAP Measures" for more details regarding certain adjustments.

(2) Adjusted EBITDA margin is defined as adjusted EBITDA as a percentage of net revenue.

(3) Adjusted net operating income (Adjusted NOI) is defined as net income or net loss (computed in accordance with U.S. GAAP), excluding: net interest expenses, income tax expenses (benefits), depreciation and amortization, operating lease cost relating to prepaid land use rights, accretion expenses for asset retirement costs, share-based compensation expenses, gain from purchase price adjustment, selling and marketing expenses, general and administrative expenses, research and development expenses, foreign currency exchange loss (gain), government grants and others.

(4) Adjusted NOI margin is defined as adjusted NOI as a percentage of net revenue.

Our management and board of directors use adjusted EBITDA, adjusted EBITDA margin, adjusted NOI, and adjusted NOI margin, which are non-GAAP financial measures, to evaluate our operating performance, establish budgets and develop operational goals for managing our business. In particular, we believe that the exclusion of the income and expenses eliminated in calculating adjusted EBITDA and adjusted NOI can provide a useful measure of our core operating performance.

We also present these non-GAAP measures because we believe these non-GAAP measures are frequently used by securities analysts, investors and other interested parties as measures of the financial performance of companies in our industry.

These non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. These non-GAAP financial measures have limitations as analytical tools, and when assessing our operating performance, cash flows or our liquidity, investors should not consider them in isolation, or as a substitute for net income (loss), cash flows provided by operating activities or other consolidated statements of operations and cash flow data prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of these non-GAAP financial measures instead of their nearest U.S. GAAP equivalent. First, adjusted EBITDA, adjusted EBITDA margin, adjusted NOI, and adjusted NOI margin are not substitutes for gross profit, net income (loss), cash flows provided by operating activities or other consolidated statements of operation and cash flow data prepared in accordance with U.S. GAAP. Second, other companies may calculate these non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of these non-GAAP financial measures as tools for comparison. Finally, these non-GAAP financial measures do not reflect the impact of net interest expenses, income tax benefits, depreciation and amortization, accretion expenses for asset retirement costs, and share-based compensation expenses, each of which have been and may continue to be incurred in our business.

We mitigate these limitations by reconciling the non-GAAP financial measure to the most comparable U.S. GAAP performance measure, all of which should be considered when evaluating our performance.

The following table reconciles our adjusted EBITDA in the periods presented to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP, which is net income or net loss:

	Year ended December 31,				Six months ended June 30,		
	2017	2018	2019		2019	2020	
	RMB	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)						
Net loss	(326,900)	(430,268)	(442,083)	(62,573)	(229,779)	(193,078)	(27,328)
Net interest expenses	406,403	636,973	915,676	129,606	441,023	561,514	79,477
Income tax (benefits) expenses	(6,076)	(9,391)	15,650	2,215	12,817	42,087	5,957
Depreciation and amortization	378,130	741,507	1,142,032	161,644	523,213	709,223	100,384
Operating lease cost relating to prepaid land use rights	—	—	—	—	—	5,217	738
Accretion expenses for asset retirement costs	949	1,840	2,990	423	1,434	1,840	260
Share-based compensation expenses	59,843	105,877	189,756	26,858	62,934	133,842	18,944
Gain from purchase price adjustment	—	—	—	—	—	(55,154)	(7,807)
Adjusted EBITDA	512,349	1,046,538	1,824,021	258,173	811,642	1,205,491	170,625

The following table reconciles our adjusted NOI in the periods presented to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP, which is net income or net loss:

	Year ended December 31,				Six months ended June 30,		
	2017	2018	2019		2019	2020	
	RMB	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)						
Net loss	(326,900)	(430,268)	(442,083)	(62,573)	(229,779)	(193,078)	(27,328)
Net interest expenses	406,403	636,973	915,676	129,606	441,023	561,514	79,477
Income tax (benefits) expenses	(6,076)	(9,391)	15,650	2,215	12,817	42,087	5,957
Depreciation and amortization	378,130	741,507	1,142,032	161,644	523,213	709,223	100,384
Operating lease cost relating to prepaid land use rights	—	—	—	—	—	5,217	738
Accretion expenses for asset retirement costs	949	1,840	2,990	423	1,434	1,840	260
Share-based compensation expenses	59,843	105,877	189,756	26,858	62,934	133,842	18,944
Gain from purchase price adjustment	—	—	—	—	—	(55,154)	(7,807)
Selling and marketing expenses[(1)]	71,728	85,357	90,465	12,804	42,940	33,936	4,803
General and administrative expenses[(1)]	165,785	207,255	240,433	34,031	118,988	127,505	18,047
Research and development expenses[(1)]	6,062	12,394	17,986	2,546	7,447	15,704	2,223
Foreign currency exchange loss (gain), net	12,299	(20,306)	6,000	849	2,758	17,206	2,435
Government grants	(3,062)	(3,217)	(9,898)	(1,401)	(1,195)	(12,578)	(1,780)
Others, net[(1)]	(435)	(5,436)	(5,565)	(786)	(3,325)	(1,326)	(188)
Adjusted NOI	764,726	1,322,585	2,163,442	306,216	979,255	1,385,938	196,165

Note:

(1) See "Financial Information—Non-GAAP Measures" for more details regarding certain adjustments.

Our Shareholding and Corporate Structure

Our Major Shareholders and Controlling Shareholders

Immediately following the Global Offering, without taking into account any allotment and issuance of Shares upon exercise of the Over-allotment Option, the Shares to be issued on conversion of convertible bonds and convertible preferred Shares, the Shares to be issued pursuant to the Share Incentive Plans, including pursuant to the exercise of options or the vesting of 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, Mr. Huang, our founder, Chairman and chief executive officer, and STT GDC will be our Controlling Shareholders for the purposes of the Hong Kong Listing Rules.

Our Articles of Association entitle Mr. Huang, through his beneficial ownership of our Class B ordinary shares, (i) to nominate one less than a simple majority, or five, of our directors, provided that Mr. Huang continues to have beneficial ownership in not less than 5% of our issued share capital on an as converted basis, and (ii) to have 20 votes per share with respect to (a) the appointment and removal of a simple majority, or six, of our directors and (b) any change to our Articles of Association that would adversely affect the rights of shareholders of Class B ordinary shares. As of the Latest Practicable Date, Mr. Huang held 52.9% of our aggregate voting power with Class A and Class B ordinary shares voting on a 1:20 basis and 6.2% with Class A and Class B ordinary shares voting on a 1:1 basis.

STT GDC is a wholly owned subsidiary of STT Communications Ltd., or STTC, which is in turn a wholly owned subsidiary of Singapore Technologies Telemedia Pte Ltd, or ST Telemedia. STT GDC first invested in our Company in August 2014. As of the Latest Practicable Date, STT GDC held 33.8% of our aggregate voting power with Class A and Class B ordinary shares voting on a 1:1 basis. Our Articles of Association provide that STT GDC has the right to appoint up to three directors to our board of directors for so long as they beneficially own certain percentages of our issued share capital.

For further details, please see "Major Shareholders" and "Relationship with our Controlling Shareholders."

Weighted Voting Rights Structure and WVR Beneficiary

Class A ordinary shares and Class B ordinary shares carry equal rights, generally rank *pari passu* with one another and are entitled to one vote per share at general meetings of shareholders, except for only the following matters at general meetings of shareholders, with respect to which Class B ordinary shares are entitled to 20 votes per share: (i) the election or removal of a simple majority, or six, of our directors; and (ii) any change to our Articles of Association that would adversely affect the rights of shareholders of Class B ordinary shares. Class B ordinary shares are convertible into Class A ordinary shares, and will automatically convert into Class A ordinary shares under certain circumstances. As of the Latest Practicable Date, Mr. Huang was the sole beneficial owner of our Class B ordinary shares. For further details, please see "Share Capital — Weighted Voting Rights Structure."

Prospective investors are advised to be aware of the potential risks of investing in companies with a WVR structure, in particular that the interests of the WVR beneficiary may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR beneficiary will be in a position to exert significant influence over the affairs of our Company and the outcome of Shareholders' resolutions, irrespective of how other Shareholders vote. Prospective investors should make the decision to invest in the Company only after due and careful consideration. For further information about the risks associated with the WVR structure adopted by the Company, please refer to "Risk Factors — Risks Related to Our Corporate Structure."

Our VIE Structure

Our internet data center businesses are classified as VATS businesses by the PRC government. Current PRC laws, rules and regulations restrict foreign ownership in VATS. Due to PRC legal restrictions on foreign ownership and investment in VATS, and IDC services in particular, we currently conduct these activities mainly through 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 gain effective control over our PRC consolidated VIEs. We have entered into certain contractual arrangements, as described in more detail in "Our History and Corporate Structure — Contractual Arrangements" which collectively enable us to exercise effective control over the variable interest entities and realize substantially all of the economic risks and benefits arising from the variable interest entities. As a result, we include the financial results of each of the variable interest entities in our consolidated financial statements in accordance with U.S. GAAP as if they were our wholly-owned subsidiaries.

Risk Factors

There are certain risks involved in our business and industries, our corporate structure, our business operations in China, investing in our Shares and ADSs, the Listing and the Global Offering, many of which are beyond our control. For example, these risks include, among others, the following risks relating to our business. See "Risk Factors" for details of our risk factors, which we strongly urge you to read in full before making an investment in us. Some of the major risks we face include:

- a potential slowdown in the demand for data center resources or managed services;
- our ability to manage the growth of our operations and successfully implement our expansion plan;
- having a long selling and implementation cycle for our services that requires us to make significant capital expenditures and resource commitments prior to recognizing revenue for those services;
- our ability to expand our service offerings;
- we have a long selling cycle for our services, which typically requires significant investment of capital, human resources and time by both our customers and us;
- the data center business is capital-intensive, and we expect our capacity to generate capital will be insufficient to meet our anticipated capital requirements;
- our substantial level of indebtedness could adversely affect our ability to raise additional capital to fund our operations, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations under our indebtedness;
- the ongoing COVID-19 pandemic may further negatively impact the Chinese economy and our business;
- the deterioration of the China-U.S. relationship may lead to further changes in trade or investment policies, as well as an increased possibility of a delisting of our ADSs from Nasdaq;
- the possibility that we will continue to incur net losses;
- the potential for a significant or prolonged failure in the data center facilities we operate or services we provide;
- our ability to attract new customers and retain existing customers;

- our ability to compete effectively;
- we may experience impairment of goodwill arising from our acquisition of data center businesses;
- regulations on foreign investment restriction and VATS with which we have been non-compliant in the past;
- risks associated with our control over our consolidated variable interest entities in China, which is based on contractual arrangements rather than equity ownership;
- the increasingly stringent requirements under PRC laws and regulations with respect to the regulatory approvals for the development and operation of data centers in certain cities of the Tier 1 markets;
- changes in the political and economic policies of the PRC government;
- as a company applying for listing under Chapter 19C, we adopt different practices as compared with many other companies listed on the Hong Kong Stock Exchange;
- the trading price of our ADSs and Shares may be volatile;
- an active trading market for our ordinary shares on the Hong Kong Stock Exchange might not develop or be sustained.

Offer Price Mechanism

We will determine the Public Offer Price by reference to, among other factors, the closing price of the ADSs on the Nasdaq on the last trading day on or before the Price Determination Date, and the Public Offer Price will not be more than HK$86.00 per Hong Kong Offer Share.

We may set the International Offer Price at a level higher than the maximum Public Offer Price if (a) the Hong Kong dollar equivalent of the closing trading price of the ADSs on the Nasdaq on the last trading day on or before the Price Determination Date (on a per Class A ordinary share converted basis) were to exceed the maximum Public Offer Price as stated in this prospectus and/or (b) we believe that it is in the best interest of the Company as a listed company to set the International Offer Price at a level higher than the maximum Public Offer Price based on the level of interest expressed by professional and institutional investors during the bookbuilding process.

If the International Offer Price is set at or lower than the maximum Public Offer Price, the Public Offer Price must be set at such price which is equal to the International Offer Price. In no circumstances will we set the Public Offer Price above the maximum Public Offer Price as stated in this prospectus or the International Offer Price. See "Structure of the Global Offering — Pricing and Allocation."

Use of Proceeds

We estimate that we will receive net proceeds from the Global Offering of approximately HK$13,273.6 million after deducting estimated underwriting fees and the estimated offering expenses payable by us and based upon a maximum Public Offer Price of HK$86.00 per Offer Share for both Hong Kong Public Offering and International Offering, and assuming the Over-allotment Option is not exercised, or HK$15,275.5 million if the Over-allotment Option is exercised in full. We plan to use the net proceeds we will receive from the Global Offering primarily for the following purposes:

- Expand our platform of high-performance data centers through strategic sourcing across markets; and

- Innovate and develop new technologies related to data center design, construction and operations, as well as other general corporate purposes.

See "Use of Proceeds" for further details.

The Listing

Our ADSs have been listed and traded on Nasdaq since November 2, 2016. Dealings in our ADSs on Nasdaq have been conducted in U.S. dollars. We have applied for a listing of our Shares on the Main Board under Chapter 19C (Secondary Listings of Qualifying Issuers) as well as under Rule 8.05(3) of the Hong Kong Listing Rules. Dealings in our Shares on the Hong Kong Stock Exchange will be conducted in Hong Kong dollars. Our Shares will be traded on the Hong Kong Stock Exchange in board lots of 100 Class A ordinary shares. For additional information, see "Information about the Listing."

Exemptions and Waivers

As we are applying for listing under Chapter 19C of the Hong Kong Listing Rules, we will not be subject to certain provisions of the Hong Kong Listing Rules, including, among others, rules on notifiable transactions, connected transactions, share option schemes, content of financial statements as well as certain other continuing obligations. In addition, in connection with the Listing, we have applied for a number of waivers and/or exemptions from strict compliance with the Hong Kong Listing Rules, the Companies (WUMP) Ordinance and the SFO and a ruling under the Takeovers Codes. For additional information, see "Waivers from Compliance with the Hong Kong Listing Rules and Exemptions from Strict Compliance with the Companies (WUMP) Ordinance."

Among the various waivers that we have applied for, we have applied to the Hong Kong Stock Exchange for a waiver from strict compliance with the requirements in Paragraph 3(b) of Practice Note 15 to the Hong Kong Listing Rules such that we are able to spin off one or more of our businesses and list them on the Hong Kong Stock Exchange within three years after the Listing. While we do not have any specific plans with respect to segregating our current business or any potential acquisition or the timing or details of any potential spin-off listing on the Hong Kong Stock Exchange as at the date of this prospectus, in light of our overall business scale, we may consider spinning off one or more of our mature businesses through a listing on the Hong Kong Stock Exchange within the three years after the Listing, if there are clear commercial benefits both to us and the businesses to be potentially spun-off and there will be no adverse impact on the interests of our Shareholders. As of the date of this prospectus, we have not identified any target for a potential spin-off. The waiver granted by the Hong Kong Stock Exchange is conditional upon us confirming to the Hong Kong Stock Exchange in advance of any spin-off that it would not render our Company (excluding the business(es) to be spun-off) incapable of fulfilling either the eligibility or suitability requirements under Rules 19C.02 and 19C.05 of the Hong Kong Listing Rules based on the financial information of the entity or entities to be spun off at the time of the Listing (calculated cumulatively if more than one entity is spun off). We cannot assure you that any spin-off will ultimately be consummated, whether within the three years after the Listing or otherwise, and any such spin-off will be subject to market conditions at the time. In the event that we proceed with a spin-off, our interest in the entity to be spun-off will be reduced accordingly.

We enjoy exemptions from certain obligations under U.S. securities laws and Nasdaq Listing Rules as a foreign private issuer as defined under the U.S. Exchange Act. Investors should exercise care when investing in our Shares and/or ADSs. See "Information about the Listing — Summary of Exemptions as a Foreign Private Issuer in the U.S."

Our Articles of Association

We are an exempted company incorporated in the Cayman Islands with limited liability and our affairs are governed by our Memorandum and Articles of Association, the Cayman Companies Law and the common law of the Cayman Islands. The laws of Hong Kong differ in certain respects from the Cayman Companies Law, and our Articles of Association are specific to us and include certain provisions that may be different from common practices in Hong Kong, such as the absence of requirement as set out in Rule 19C.07(3) of the Hong Kong Listing Rules that the appointment, removal and remuneration of auditors must be approved by a majority of a Qualifying Issuer's members or other body that is independent of the issuer's board of directors. Therefore, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 19C.07(3) of the Hong Kong Listing Rules.

We have also applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the Rule 19C.07(7) of the Hong Kong Listing Rules, subject to the conditions that:

(i) we will put forth a resolution at or before our next annual general meeting to be held after the Listing to revise our Articles of Association, so that (i) in addition to the existing provisions of Article 58(2), a provision will be added to provide that the minimum stake required for any shareholder(s) to requisition an extraordinary general meeting and the addition of resolutions to the general meeting will be 10% of the voting rights, on a one vote per share basis, in the share capital of our Company; and (ii) the quorum for a general meeting of our Company pursuant to the amended provision in (i) above will be 10% of the aggregate voting power of our Company on a one vote per share basis;

(ii) we have obtained irrevocable undertakings from the Undertaking Shareholders prior to the Listing to vote in favor of the proposed resolution outlined above with a view to ensuring that there may be adequate votes in favour of such resolutions;

(iii) our board and directors undertake to convene general meetings at the request of shareholders holding not less than 10% of the voting rights, on a one vote per share basis, from Listing until the next annual general meeting is convened or if the shareholders do not approve the above proposed amendments to the Articles of Association; and

(iv) we will disclose the basis of this waiver in this prospectus.

See "Risk Factors — Risks Related to Our Shares, ADSs and the Listing — Since we are a Cayman Islands exempted company, the rights of our shareholders may be different from those of shareholders of a company organized in the United States or Hong Kong," "Information about This Prospectus and the Global Offering" and "Waivers from Compliance with the Hong Kong Listing Rules and Exemptions from Strict Compliance with the Companies (WUMP) Ordinance — Shareholder Protection" for further details.

Weighted Voting Rights Structure

Our weighted voting rights structure is specific to us and contain certain features that are different from the requirements under Chapter 8A of the Hong Kong Listing Rules, including the restriction on voting power conferred to WVR beneficiaries, sunset provisions under Rule 8A.17 of the Listing Rules, right of non-WVR shareholders to convene an extraordinary general meeting, resolutions which require voting on a one vote per share basis and requirement on corporate governance committee. For further details, see "Information about the Listing".

As we have applied for a listing of our Shares on the Main Board under Chapter 19C of the Hong Kong Listing Rules as a Grandfathered Greater China Issuer, we will not be subject to, among others, the above provisions of the Hong Kong Listing Rules with respect to weighted voting rights structure as set out under Rule 19C.12 of the Hong Kong Listing Rules. This may afford lower level of shareholder protection to our Shareholders.

Offering Statistics

	Based on the maximum public offer price per Offer Share of HK$86.00 for Both Hong Kong Public Offering and International Offering
Our market capitalization[1]	HK$126,521.4 million
Unaudited pro forma adjusted net tangible assets per Share[2]	RMB16.24 or HK$17.81

Notes:

(1) The calculation of market capitalization is based on 1,471,179,155 Shares that will be in issue immediately following the Global Offering, without taking into account any allotment and issuance of Shares upon exercise of the Over-allotment Option, the Shares to be issued on conversion of convertible bonds and convertible preferred shares, the Shares to be issued pursuant to the Share Incentive Plans, including pursuant to the exercise of options or the vesting of share 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. The total number of Shares in issue before the Global Offering is based on 1,311,179,155 Shares as of the Latest Practicable Date.

(2) The unaudited pro forma adjusted net tangible assets per Share is arrived at after adjustments for the estimated net proceeds from the Global Offering and on the basis of 1,414,041,827 Shares in issue (excluding the 24,544,736 Class A ordinary shares held by JPMorgan Chase Bank, N.A. as of June 30, 2020, as depositary, which are reserved for future delivery upon exercise or vesting of share awards granted under our Share Incentive Plans) assuming that the Global Offering had been completed on June 30, 2020, without taking into account any allotment and issuance of Shares upon exercise of the Over-allotment Option, the Shares to be issued on conversion of convertible bonds and convertible preferred shares, 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.

Listing Expenses

We expect to incur listing expenses of approximately RMB443.4 million after June 30, 2020 (assuming that the Global Offering is conducted at the maximum Public Offer Price per Offer Share of HK$86.00 and the Over-allotment Option is not exercised). We expect to recognize RMB1.9 million as general and administrative expenses in the fiscal year ending December 31, 2020 and RMB441.5 million as a deduction in equity directly.

Recent Developments and No Material Adverse Change

Our business operations have grown steadily after the Track Record Period and up to the date of this prospectus. There was no material change to our business model, or to the general economic and regulatory environment in which we operate, during the same period. We achieved increased net revenue and maintained relatively stable net loss after the Track Record Period and up to the date of this prospectus.

On July 23, 2020, we announced that we had entered into a definitive agreement with a private equity fund ("CPE Fund") controlled by CITIC Private Equity Funds Management Co., Limited to form a joint venture ("JV") to undertake a major new data center project in Beijing ("BJ13"). As of the Latest Practicable Date, we owned a 58% controlling interest in the JV, while CPE Fund owned 42%. As a first step, the JV took an 82% equity interest in Tenglong IOT (Beijing) Data Technology Co., Ltd, or Tenglong IoT ("Project Company") through the acquisition of shares and injection of new capital. The Project Company obtained government approval for the development of a largescale data center at a site in the Tongzhou District of Beijing. The proceeds of the capital injection were used by the Project Company to take an 88% equity interest in a company which owns the land use right for the site. The JV will proceed to acquire the remaining 18% of the Project Company when the data center development is complete and certain other conditions are met. The Project Company will buy out the remaining 12% equity interest in the land company when certain conditions are met. CPE Fund identified and brought the JV opportunity to us when seeking a development partner. The acquisition structure reflects the outcome of a negotiation among the selling parties, CPE Fund and us. Based on preliminary designs, we expect BJ13 to generate a total net floor area of approximately 18,000 sqm, which reflects a revised estimation according to our most recent development plan, with an unusually high power density of over 3 kW per sqm. It will be developed in two phases, with about 6,000 sqm expected to enter service in early 2022 and the remaining 12,000 sqm in mid-2023. We will assume responsibility for data center construction on a turnkey basis. On completion of the project and satisfaction of certain other conditions, we will acquire CPE Fund's 42% equity interest in the JV. The estimated total acquisition and development cost to GDS for 100% ownership of BJ13 as a complete data center is approximately RMB2.6 billion, subject to adjustment based on the final design, the actual construction cost, and the amount of contingent and variable consideration payable for the minority interests in the JV and its subsidiaries. BJ13 is currently held for future development. The amount of contingent and variable consideration payable was determined based upon assumed risk and expected return on investment in BJ13. Deferring and/or making payment of consideration contingent upon achievement of milestones or satisfaction of conditions maximizes capital efficiency and mitigates our risk exposure.

On September 22, 2020, we announced that we had extended a legally-binding offer to acquire 100% of the equity interests in target companies which own a major data center in the Shunyi District of Beijing ("BJ14"). The target companies are owned by CPE Fund and its affiliated parties. The offer has been accepted, with exclusivity terms agreed by both parties. BJ14 is located adjacent to our BJ5 data center and eight kilometers from our data center campus comprised of BJ10, BJ11 and BJ12, forming a cluster in the Shunyi District of Beijing.

BJ14 has a net floor area of over 19,000 sqm. It is fully committed by five hyperscale customers. BJ14 is fully operational and is currently approximately 68% utilized. It is expected to be fully utilized in 2022. This transaction is subject to entry into definitive agreements as well as the completion of certain conditions precedent to the closing of the transaction. We cannot assure you that any definitive agreement will be signed or, if such definitive agreement is signed, that the conditions precedent to the closing of the transaction will be satisfied, in which case the proposed transaction will not be consummated. As of the Latest Practicable Date, we were in the process of negotiating the terms and conditions of the proposed transaction and entering into the transaction documents with CPE Fund and its affiliated parties.

The COVID-19 pandemic has not interrupted or affected the operation of our existing data centers or ability to provide our data center services to our customers. The COVID-19 pandemic has caused and may continue to cause us to implement temporary suspensions of our sales and marketing activities, construction activities and business travel to ensure the safety and health of our employees. It has also affected and may continue to affect customer move-in logistics and timing. The temporary suspensions to sales and marketing activities, construction activities and business travel, as well as the effects on customer move-in logistics and timing mainly occurred during January and February of 2020. By March 2020, these activities began returning to normal levels, and by the end of the second quarter of 2020 had largely returned to normal levels. If the COVID-19 pandemic resurges or results in governmental or other measures that affect logistics, travel and construction activity, any measures we may be required to adopt may impact any acquisitions we undertake and our construction and development activities with respect to data centers under construction and under development, and our ability to increase our capacity according to schedule could be negatively affected. See "Risk Factors — Risks Relating to Our Business and Industry — The ongoing COVID-19 pandemic could materially and adversely affect our business, results of operations and financial condition." We have experienced slower cash collection for administrative reasons as a result of the COVID-19 pandemic, unrelated to our customers' ability to pay, which has resulted in an increase in our accounts receivable. See "Financial Information — Liquidity and Capital Resources — Operating Activities." While the COVID-19 pandemic has not materially or adversely affected our business, results of operations or financial condition, whether the pandemic will have any such material or adverse impact on us going forward will depend on future developments, which are highly uncertain and cannot be predicted. As of the date of this prospectus, we are not aware of any material or adverse effect on our financial condition as a result of the COVID-19 pandemic.

After due and careful consideration, our directors confirm that, up to the date of this prospectus, there has not been any material adverse change in our financial or trading position or prospects since June 30, 2020, and there has not been any event since June 30, 2020 which would materially affect the information shown in the Accountants' Report in Appendix I to this prospectus.