

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following information does not form part of the Accountants' Report from KPMG, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included for information purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets prepared in accordance with Rule 4.29 of the Hong Kong Listing Rules is set out below to illustrate the effect of the Global Offering on the consolidated net tangible assets attributable to the shareholders of the Company as of June 30, 2020 as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted net tangible assets have been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Company had the Global Offering been completed as of June 30, 2020 or at any future date.

Consolidated net tangible assets attributable to shareholders of the Company as of June 30, 2020 ⁽¹⁾	Estimated net proceeds from the Global Offering ⁽²⁾	Unaudited pro forma adjusted net tangible assets attributable to shareholders of the Company as of June 30, 2020	Unaudited pro forma adjusted net tangible assets per Share ⁽³⁾	Unaudited pro forma adjusted net tangible assets per ADS ⁽⁴⁾	Unaudited pro forma adjusted net tangible assets per Share ⁽⁵⁾	Unaudited pro forma adjusted net tangible assets per ADS ⁽⁵⁾
(in thousands of RMB)	(in thousands of RMB)	(in thousands of RMB)	(RMB)	(RMB)	(HK\$)	(HK\$)

Based on the indicative
maximum offer price
of HK\$86.00 per

Offer Share.....	10,861,366	12,100,405	22,961,771	16.24	129.91	17.81	142.50
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(1) The consolidated net tangible assets attributable to the shareholders of the Company as of June 30, 2020 is derived from the Accountants' Report set out in Appendix I to this prospectus, which is based on the consolidated net assets attributable to the shareholders of the Company as of June 30, 2020 of RMB13,828,662 thousands, after deduction of goodwill of RMB2,409,325 thousands and intangible assets RMB557,971 thousands, respectively.

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- (2) The estimated net proceeds from the Global Offering is based on the issuance of 160,000,000 Shares at the maximum indicative offer price of HK\$86.00 per Offer Share after deduction of the estimated underwriting fees and other related expenses related to Global Offering and does not take 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 by the Company.
- (3) The unaudited pro forma adjusted net tangible assets per Share is arrived at after adjustments for the estimated net proceeds from the Global Offering as described in note (2) 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 the Company's 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 by the Company.
- (4) The unaudited pro forma adjusted net tangible assets per ADS is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that one ADS represents eight Shares.
- (5) For the purpose of this unaudited pro forma statement of adjusted net tangible assets, the balances stated in RMB are converted into Hong Kong dollars at the rate of RMB1.00 to HK\$1.0970, the respective exchange rates on June 30, 2020 set forth in the H.10 statistical release of the Federal Reserve Board. No representation is made that RMB amounts have been, could have been or may be converted into Hong Kong dollars, or vice versa, at that rate.
- (6) No adjustment has been made to the unaudited pro forma adjusted net tangible assets to reflect any trading result or other transactions of the Company entered into subsequent to June 30, 2020.

**B. REPORT FROM THE REPORTING ACCOUNTANTS ON UNAUDITED PRO
FORMA FINANCIAL INFORMATION**

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Company's pro forma financial information for the purpose in this prospectus.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF GDS HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of pro forma financial information of GDS Holdings Limited and its subsidiaries (together, the "Company") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets as at June 30, 2020 and related notes as set out in Part A of Appendix II to the prospectus dated October 21, 2020 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed offering of the ordinary shares of the Company (the "Global Offering") on the Company's financial position as at June 30, 2020 as if the Global Offering had taken place at June 30, 2020. As part of this process, information about the Company's financial position as at June 30, 2020 has been extracted by the Directors from the Company's historical financial information included in the Accountants' Report as set out in Appendix I to the Prospectus.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“HKSAE”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of events or transactions as at June 30, 2020 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America, auditing standards of the Public Company Accounting Oversight Board (United States) or any overseas standards and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed "Use of Proceeds" in the Prospectus.

Opinion

In our opinion:

- a) the pro forma financial information has been properly compiled on the basis stated;
- b) such basis is consistent with the accounting policies of the Company, and
- c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Certified Public Accountants

Hong Kong

October 21, 2020