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*GDS Holdings Limited** (the “Company”) is controlled through weighted voting rights. Shareholders and prospective investors should be aware of the potential risks of investing in a company with a weighted voting right, or WVR, structure. Particularly, the WVR beneficiary, whose interests may not necessarily be aligned with those of our shareholders as a whole, will be in a position to exert significant influence over the outcome of shareholders’ resolutions, irrespective of how other shareholders vote. Our American depositary shares, each representing eight of our Class A ordinary shares, are listed on the Nasdaq Global Market in the United States under the symbol GDS.*



GDS Holdings Limited
萬國數據控股有限公司*

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability under the name GDS Holdings Limited and carrying on business in Hong Kong as GDS WanGuo Holdings Limited)
(Stock Code: 9698)

INSIDE INFORMATION

**PRIVATE PLACEMENT OF US\$620 MILLION 0.25% CONVERTIBLE
SENIOR NOTES DUE 2029 AND
STRATEGIC COOPERATION AGREEMENT WITH SEQUOIA CHINA**

This announcement is issued pursuant to Rule 13.09(2)(a) of the Hong Kong Listing Rules and under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

**PRIVATE PLACEMENT OF US\$620 MILLION 0.25% CONVERTIBLE SENIOR NOTES
DUE 2029 AND STRATEGIC COOPERATION AGREEMENT WITH SEQUOIA CHINA**

The Company today announced that it has entered into agreements to sell US\$620 million in aggregate principal amount of 0.25% convertible senior notes due 2029 (the “Notes”) to Sequoia China Infrastructure Fund I (“SCIF”), ST Telemedia Global Data Centres (“STT GDC”), and an Asian sovereign wealth fund which has a strategic relationship with the Company (collectively, the “Investors”). In conjunction with SCIF’s investment in the Notes, the Company and Sequoia Capital China (together with its affiliates, “Sequoia China”) have entered into a strategic cooperation agreement pursuant to which the Company and Sequoia China will identify and pursue collaborative opportunities for business synergies between the Company and Sequoia China; the development and implementation of the Company’s regionalization strategy; and strategic acquisitions and investments in the internet data center business in China and overseas.

The Notes will mature on the seventh anniversary of the issuance date, which will be on or about March 8, 2022. The conversion price will initially be US\$50 per American Depositary Share (“ADS”), corresponding to an initial conversion rate of 20 ADSs per US\$1,000 principal amount of the Notes, subject to customary anti-dilution adjustments. The conversion price represents a premium of approximately 20% to the volume weighted average price of the Company’s ADSs traded on NASDAQ for the 20 trading days immediately preceding the signing date. The Notes will be convertible into ADSs or Class A ordinary shares of the Company (each ADS represents eight Class A ordinary shares as of the date of this announcement), at the option of the holders, at any time prior to the close of business on the third scheduled trading day (or the fifth scheduled trading day, if the converting holder elects to receive Class A ordinary shares in lieu of ADSs) immediately preceding the maturity date.

Each Investor has agreed to a lock-up of twelve months with respect to the Notes as well as the Class A ordinary shares and ADSs into which the Notes may be converted and has further agreed not to engage in any hedging, short selling or derivative transactions with respect to the Notes, Class A ordinary shares and ADSs for twelve months from the date of the issuance of the Notes.

The Company will have the right to force a conversion by the holders of all (but not some only) of the relevant series of Notes at any time on or after the fifth anniversary of the issuance of the Notes in exchange for ADSs or Class A ordinary shares at the then-prevailing conversion rate, provided certain conditions are met, including the daily volume weighted average price of the Company’s ADSs (or, in case the ADSs are no longer traded on NASDAQ, of the Class A ordinary shares) exceeding a specified threshold of 150% of the conversion price for a specified period. In addition, the Company will have the right to redeem all (but not some only) of the relevant series of Notes upon the occurrence of certain changes in tax law subject to a right of holders of such Notes to elect not to have their Notes to be redeemed. The holders of the Notes may require the Company to repurchase all or part of their Notes in cash on the fifth anniversary of the issuance of the Notes, or in the event of certain fundamental changes, in each case at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the repurchase date.

The Company intends to use the net proceeds from the placement of the Notes for the development and acquisition of new data centers, general corporate purposes and working capital needs.

The transaction is expected to close on or about March 8, 2022, subject to the satisfaction of certain customary closing conditions and the receipt of customary corporate and regulatory approvals.

The Notes, the ADSs deliverable upon conversion of the Notes and the Class A ordinary shares represented thereby have not been registered under the Securities Act of 1933 or any state securities laws. They may not be offered or sold within the United States or to U.S. persons absent registration or an applicable exemption from registration.

This announcement shall not constitute an offer to sell or a solicitation of an offer to purchase any of these securities, nor shall there be a sale of the securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful.

This announcement contains pending placement of the Notes, and there can be no assurance that the placement of the Notes will be completed.

Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “aim,” “anticipate,” “believe,” “continue,” “estimate,” “expect,” “future,” “guidance,” “intend,” “is/are likely to,” “may,” “ongoing,” “plan,” “potential,” “target,” “will,” and similar statements. Among other things, statements that are not historical facts, including statements about the Company’s beliefs and expectations regarding the growth of its businesses and its revenue for the full fiscal year, the business outlook and quotations from management in this announcement, as well as the Company’s strategic and operational plans, are or contain forward-looking statements. The Company may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”) on Forms 20-F and 6-K, in its interim and annual reports to shareholders, in announcements, circulars or other publications made on the website of the Hong Kong Stock Exchange, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause the Company’s actual results or financial performance to differ materially from those contained in any forward-looking statement, including but not limited to the following: the Company’s goals and strategies; the Company’s future business development, financial condition and results of operations; the expected growth of the market for high-performance data centers, data center solutions and related services in China; the Company’s expectations regarding demand for and market acceptance of its high-performance data centers, data center solutions and related services; the Company’s expectations regarding building, strengthening and maintaining its relationships with new and existing customers; the continued adoption of cloud computing and cloud service providers in China; risks and uncertainties associated with increased investments in the Company’s business and new data center initiatives; risks and uncertainties associated with strategic acquisitions and investments; the Company’s ability to maintain or grow its revenue or business; fluctuations in the Company’s operating results; changes in laws, regulations and regulatory environment that affect the Company’s business operations; competition in the Company’s industry in China; security breaches; power outages; and fluctuations in general economic and business conditions in China and globally, the impact of the COVID-19 outbreak, and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks, uncertainties or factors is included in the the Company’s filings with the SEC, including its annual report on Form 20-F, and with the Hong Kong Stock Exchange. All information provided in this announcement is as of the date of this announcement and are based on assumptions that the Company believes to be reasonable as of such date, and the Company does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

Full version of the press release issued by the Company on February 22, 2022 announcing the aforementioned placement of the Notes and strategic cooperation agreement is available at the Company’s IR website <https://investors.gds-services.com/>.

APPLICATION FOR LISTING

An application will be made by the Company to the Hong Kong Stock Exchange for the granting of the listing of, and permission to deal in the Class A ordinary shares of the Company which may fall to be allotted and issued upon exercise of the Notes.

By order of the Board
GDS Holdings Limited **
Mr. William Wei Huang
Chairman and Chief Executive Officer

Hong Kong, February 22, 2022

As at the date of this announcement, the board of directors of the Company comprises Mr. William Wei Huang as the chairman, Mr. Sio Tat Hiang as the vice-chairman, Mr. Satoshi Okada, Mr. Bruno Lopez, Mr. Lee Choong Kwong, and Mr. Gary J. Wojtaszek as directors, and Mr. Lim Ah Doo, Ms. Bin Yu, Mr. Zulkifli Baharudin, Mr. Chang Sun and Ms. Judy Qing Ye as independent directors.

* *for identification purposes only*

** *Incorporated in the Cayman Islands with limited liability under the name GDS Holdings Limited and carrying on business in Hong Kong as GDS WanGuo Holdings Limited*