
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025.

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from _____ to _____

Commission file number 001-37925

GDS Holdings Limited

(Exact name of Registrant as specified in its charter)

Cayman Islands
(Jurisdiction of incorporation or organization)

**F4/F5, Building C, Sunland International
No. 999 Zhouhai Road
Pudong, Shanghai 200137
People's Republic of China**
(Address of principal executive offices)

**Contact Person: Mr. Daniel Newman
Chief Financial Officer
+86-21-2029 2200**

**F4/F5, Building C, Sunland International
No. 999 Zhouhai Road
Pudong, Shanghai 200137
People's Republic of China**

* (Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A ordinary shares, par value \$0.00005 per share*	9698	The Stock Exchange of Hong Kong Limited
American Depositary Shares, each representing eight Class A ordinary shares	GDS	Nasdaq Global Market

* Not for trading, but only in connection with the registration of American Depositary Shares representing such Class A ordinary shares pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

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Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Title of class	Number of shares outstanding
Class A ordinary shares were outstanding as of December 31, 2025	1,559,430,567*
Class B ordinary shares were outstanding as of December 31, 2025	43,590,336

* This number excludes 6,000,000 ADSs representing 48,000,000 ordinary shares issued upon closing of our delta placement of borrowed ADSs which we lent to an affiliate of the underwriter of such delta placement pursuant to an ADS lending agreement.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☒ Yes ☐ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

☐ Yes ☐ No

**GDS HOLDINGS LIMITED
FORM 20-F ANNUAL REPORT**

FISCAL YEAR ENDED DECEMBER 31, 2025

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Conventions That Apply to This Annual Report on Form 20-F

Unless we indicate otherwise, references in this annual report on Form 20-F to:

- “2019 PRC Foreign Investment Law” are to the PRC Foreign Investment Law promulgated by the National People’s Congress in March 2019, which became effective on January 1, 2020;
- “ABS Scheme” are to “CITIC Securities – GDS 2025 Phase 1 Data Centers Asset-backed Securities Scheme”, a special purpose scheme set up for the purpose of acquiring the equity interests in certain project companies holding properties of a cluster of data centers from the Company, which is managed by CITIC Securities Company Limited;
- “ABS” are to asset backed securities that were issued upon the establishment of the ABS Scheme; the ABS are 70% subscribed by a number of top tier institutional investors in China, and 30% subscribed by GDS;
- “ADSs” are to our American depositary shares, each of which represents eight Class A ordinary shares, and “ADRs” are to the American depositary receipts that evidence our ADSs;
- “area committed” are to that part of our area in service which is committed to customers pursuant to customer agreements remaining in effect;
- “area held for future development” are to the estimated data center capacity that we have secured for potential future development by different means, which are not actively under construction, including powered land, and land for which power applications are in progress and we expect to acquire pursuant to binding framework agreements with local governments;
- “area in service” are to the entire net floor area of data centers (or phases of data centers) which are ready for service;
- “area pre-committed” are to that part of our area under construction which is pre-committed to customers pursuant to customer agreements remaining in effect;
- “area under construction” are to the entire net floor area of data centers (or phases of data centers) which are actively under construction and have not yet reached the stage of being ready for service;
- “area utilized” are to that part of our area in service that is committed to customers and revenue generating pursuant to the terms of customer agreements remaining in effect;
- “Articles” or “Articles of Association” are to our Articles of Association (as amended from time to time), adopted by way of a special resolution passed on March 10, 2026 and effective on March 10, 2026;
- “build-operate-transfer data centers” or “B-O-T data centers” are to data centers that we undertake to build and operate for specific customers for their exclusive use, and transfer to such customers at the end of the contract period;
- “carrier-neutral” or “cloud-neutral” are to data centers that are not owned, operated, or tied to any one network or cloud service provider, respectively;
- “CBIRC” are to the China Banking and Insurance Regulatory Commission, the predecessor of the State Administration for Financial Regulation of the PRC;
- “CCASS” are to the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited;
- “China” and the “PRC” are to the People’s Republic of China;

- “Churn rate” is to the area terminated or expired without renewal during the quarter divided by total area utilized at the end of the preceding quarter;
- “Circular 82” are to the Notice Regarding the Determination of Chinese-controlled Offshore-Incorporated Enterprises as PRC Tax Resident Enterprises on the basis of de facto management bodies, issued on April 22, 2009 and further amended on December 29, 2017;
- “Class A ordinary shares” are to Class A ordinary shares in the share capital of our company with a par value of US\$0.00005 each, conferring a holder of a Class A ordinary share to one vote per share on any resolution tabled at our general meeting;
- “Class B ordinary shares” are to Class B ordinary shares in the share capital of our company with a par value of US\$0.00005 each, conferring weighted voting rights in our company such that a holder of a Class B ordinary share is entitled to 50 votes per share on resolutions tabled at our general meeting for (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 Class B shareholders, and which are convertible into Class A ordinary shares, and will automatically convert into Class A ordinary shares under certain circumstances;
- “commitment rate” are to the ratio of area committed to area in service;
- “Companies (WUMP) Ordinance” are to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended or supplemented from time to time;
- “contracting customers” are to parties with which our company enters into sales agreements, including (i) our company’s end user customers that directly enter into sales agreements with our company; and (ii) intermediate contracting parties that, at the request of our company’s end user customers, enter into sales agreements with our company, in which case our company may provide services to the end user customers through such agreements;
- “Controlling Shareholder” is to Mr. Huang, unless the context otherwise requires; such term has the meaning ascribed to it under the Hong Kong Listing Rules;
- “C-REITs” are to the publicly listed infrastructure Real Estate Investment Trusts (REITs) registered and offered in the PRC;
- “CSRC” are to the China Securities Regulatory Commission;
- “Data Center Operation Management Platform” are to the platform we developed and operate which provides real-time information on many aspects of data center operating performance;
- “DayOne” is to DayOne Data Centers Limited, formerly named DigitalLand Holdings Limited, or “GDS International” or “GDSI”. GDSI is a company incorporated in the Cayman Islands with limited liability on May 18, 2022, which was the holding company of our consolidated subsidiaries and affiliated entities conducting international business and operations outside of mainland China. On December 31, 2024, GDSI ceased to be our consolidated subsidiary. On January 1, 2025, GDSI rebranded itself as “DayOne”. We refer to the business and/or entity of DayOne in this annual report as “DayOne”;
- “DTC” are to The Depository Trust Company, the central book-entry clearing and settlement system for equity securities in the United States and the clearance system for our ADSs;
- “end user customers” or “customers” are to the end users of our company’s services;
- “Entity List” are to the list maintained by the United States or U.S. Department of Commerce identifying foreign entities believed to be involved, or pose a significant risk of being or becoming involved, in activities contrary to the national security or foreign policy interests of the United States and which are prohibited from acquiring some or all items subject to the U.S. Export Administration Regulations, or EAR;

- “established markets” are to the areas in and around the cities of Shanghai, Beijing, Shenzhen, Guangzhou, Chengdu and Chongqing;
- “foreign private issuer” are to such term as defined in Rule 3b-4 under the U.S. Exchange Act;
- “GDS Beijing” are to Beijing Wanguo Chang’an Science and Technology Co., Ltd., a limited liability company established in the PRC on May 30, 2006 and a wholly-owned subsidiary of Management HoldCo;
- “GDS Holdings,” “GDS,” “company,” “our company,” “we,” “our” or “us” are to GDS Holdings Limited, a company incorporated in the Cayman Islands with limited liability on December 1, 2006 and, where the context requires, its consolidated subsidiaries and the consolidated affiliated entities, including the variable interest entities and their subsidiaries, from time to time;
- “GDS Investment Company” are to GDS (Shanghai) Investment Co., Ltd. (formerly known as Shanghai Free Trade Zone GDS Management Co., Ltd.), a limited liability company established in the PRC on December 30, 2015 and our wholly-owned indirect subsidiary;
- “GDS Shanghai” are to Shanghai Shu’an Data Services Co., Ltd., a limited liability company established in the PRC on May 4, 2011 and a wholly-owned subsidiary of Management HoldCo;
- “GDS Suzhou” are to Global Data Solutions Co., Ltd., a limited liability company established in the PRC on September 30, 2000 and a wholly-owned subsidiary of GDS Beijing;
- “GIC” are to GIC Private Limited, Singapore’s sovereign wealth fund;
- “gross floor area” are either to the total internal area of buildings which we own, or to the total area under lease with respect to buildings which we lease;
- “Group,” “our Group” or “the Group” are to GDS Holdings Limited and its subsidiaries (including the variable interest entities) from time to time;
- “HK\$,” “Hong Kong dollars” or “HK dollars” are to Hong Kong dollars, the lawful currency of Hong Kong;
- “Hong Kong,” “HK” or “Hong Kong S.A.R.” are to the Hong Kong Special Administrative Region of the PRC;
- “Hong Kong Listing Rules” are to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time;
- “Hong Kong Share Registrar” are to Computershare Hong Kong Investor Services Limited;
- “Hong Kong Stock Exchange” are to The Stock Exchange of Hong Kong Limited;
- “IDC(s)” are to internet data center(s);
- “M&A Rules” are to the Rules on the Merger and Acquisition of Domestic Enterprises by Foreign Investors jointly issued by MOFCOM, SASAC, STA, CSRC, SAIC and SAFE on August 8, 2006, effective on September 8, 2006 and further amended on June 22, 2009 by MOFCOM;
- “Macau” or “Macau S.A.R.” are to the Macau Special Administrative Region of the PRC;

- “Management HoldCo” are to Shanghai Xinwan Enterprise Management Co., Ltd., a limited liability company established in the PRC on October 16, 2019; as of March 31, 2026, the shareholders of Management HoldCo were Hui Zhou (senior vice president, public affairs and Northern China business), Yan Liang (executive vice president, data center operation and delivery), Kejing Zhang (executive vice president, sales and service), Andy Wenfeng Li (general counsel, compliance officer, and company secretary) and Qi Wang (senior vice president, cloud and network business); such shareholders were designated by the board of directors of our company;
- “Memorandum” or “Memorandum of Association” are to our memorandum of association (as amended from time to time);
- “MIIT” are to the Ministry of Industry and Information Technology;
- “MOFCOM” are to the Ministry of Commerce of the PRC;
- “move-in period” are to the period commencing when part of the area committed under a particular customer agreement becomes area utilized and ending when all of the area committed under such customer agreement becomes area utilized in accordance with the terms of such customer agreement remaining in effect;
- “Mr. Huang” are to Mr. William Wei Huang, the founder, chairman of the board, and chief executive officer of our company and its Controlling Shareholder;
- “Nasdaq” are to the Nasdaq Global Market;
- “NDRC” are to the National Development and Reform Commission;
- “Negative List (2024)” are to the Special Management Measures (Negative List) for the Access of Foreign Investment, most recently jointly promulgated by the MOFCOM and the NDRC on September 6, 2024 and which became effective on November 1, 2024, as amended, supplemented or otherwise modified from time to time;
- “net floor area” are to the total internal area of the computer rooms within each data center where customers can house, power and cool their computer systems and networking equipment;
- “ordinary shares” are to, collectively, our Class A ordinary shares and Class B ordinary shares, par value US\$0.00005 per share;
- “PBOC” are to the People’s Bank of China;
- “PCAOB” are to the Public Company Accounting Oversight Board;
- “PRC government” or “State” are to the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local government entities) and its organs or, as the context requires, any of them;
- “pre-commitment rate” are to the ratio of area pre-committed to area under construction;
- “Principal Share Registrar” are to Conyers Trust Company (Cayman) Limited;
- “PUE” are to power usage effectiveness;
- “PUE ratio” are to power usage effectiveness ratio, a metric used to determine the energy efficiency of a data center; it is determined by dividing the total amount of power consumed by the data center by the total amount of power consumed directly by customers to operate their IT systems housed in the data center;

- “ready for service” are to data centers (or phases of data centers) which have passed commissioning and testing, obtained government approvals for operation, are fully supplied with power, and contain one or more computer rooms fully equipped and fitted out ready for utilization by customers;
- “RMB” or “Renminbi” are to Renminbi, the lawful currency of the PRC;
- “SAFE” are to the State Administration of Foreign Exchange of the PRC, the PRC governmental agency responsible for matters relating to foreign exchange administration, including local branches, when applicable;
- “SAFE Circular 37” are to the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles promulgated by SAFE with effect from July 4, 2014;
- “SAIC” or “SAMR” are to the State Administration for Industry and Commerce of the PRC, currently known as the PRC State Administration for Market Regulation;
- “SASAC” are to the State-owned Assets Supervision and Administration Commission of the State Council;
- “SCNPC” are to the Standing Committee of the National People’s Congress of the PRC;
- “SEC” are to the United States Securities and Exchange Commission;
- “self-developed data centers” are to data centers operated by us that we either purpose-build from the ground up, develop from building shells purpose-built for us, convert from existing buildings, acquire, or build, operate, and transfer pursuant to contracts with specific customers;
- “SFO” are to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time;
- “shareholder(s)” are to holder(s) of ordinary shares and, where the context requires, ADSs;
- “sqm” are to square meters;
- “STA” are to the State Taxation Administration of the PRC;
- “State Council” are to the PRC State Council;
- “STT Garnet” are to STT Garnet Pte. Ltd. (a company incorporated with limited liability in Singapore and a wholly-owned subsidiary of STT Communications Ltd, which is a wholly-owned subsidiary of Singapore Technologies Telemedia Pte Ltd, which is a wholly-owned subsidiary of Temasek Holdings (Private) Limited);
- “STT GDC” are to STT GDC Pte. Ltd. (a company incorporated with limited liability in Singapore and a subsidiary of STT Communications Ltd, which is a wholly-owned subsidiary of Singapore Technologies Telemedia Pte Ltd, which is a wholly-owned subsidiary of Temasek Holdings (Private) Limited). On May 29, 2024, STT GDC entered into an investor rights assignment agreement with STT Garnet and us, in connection with an internal portfolio rationalization by STT GDC, to transfer all of its beneficial interest in the Company to STT Garnet;
- “Takeovers Codes” are to the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong;
- “third-party data centers” are to data center net floor area operated by us that we lease on a wholesale basis from other data center providers and use to provide data center services to our customers;

- “total area committed” are to the sum of area committed and area pre-committed;
- “UK” or “United Kingdom” are to the United Kingdom of Great Britain and Northern Ireland;
- “U.S.” or “United States” are to the United States of America, its territories, its possessions and all areas subject to its jurisdiction;
- “U.S. Exchange Act” are to the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
- “U.S. GAAP” are to accounting principles generally accepted in the United States;
- “U.S. Securities Act” are to the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
- “US\$” or “U.S. dollars” are to the legal currency of the United States;
- “utilization rate” are to the ratio of area utilized to area in service;
- “variable interest entities,” “VIE” or “VIEs” are to the variable interest entities that are 100% owned by PRC citizens or by PRC entities owned by PRC citizens, where applicable, that hold the VATS licenses, or other business operation licenses or approvals, in which foreign investment is restricted or prohibited, and are consolidated into our consolidated financial statements in accordance with U.S. GAAP as if they were our wholly-owned subsidiaries;
- “VAT” are to value-added tax; all amounts are exclusive of VAT in this annual report except where indicated otherwise;
- “VATS” are to value-added telecommunications services;
- “VIE structure” or “Contractual Arrangements with Affiliated Consolidated Entities” or “contractual arrangements with the consolidated VIEs” are to the variable interest entity structure; and
- “WFOE(s)” are to wholly foreign owned enterprise(s) incorporated in the PRC which is/are directly or indirectly wholly owned by our company.

Unless specifically indicated otherwise or unless the context otherwise requires, all references to our ordinary shares exclude Class A ordinary shares issuable upon (i) conversion of our convertible senior notes and (ii) conversion of our convertible preferred shares.

This annual report contains translations between Renminbi and U.S. dollars solely for the convenience of the reader. The translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this annual report were made at a rate of RMB6.9931 to US\$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 31, 2025. We make no representation that the Renminbi or U.S. dollar amounts referred to in this annual report could have been or could be converted into U.S. dollars or Renminbi, as the case may be, at any particular rate or at all.

This annual report includes our audited consolidated financial statements for the years ended December 31, 2023, 2024 and 2025.

Our ADSs are listed on the Nasdaq under the ticker symbol “GDS.” Our ordinary shares are listed on the Hong Kong Stock Exchange under the stock code “9698.”

Special Note Regarding Forward-Looking Statements

This annual report contains forward-looking statements that involve risks and uncertainties, including statements based on our current expectations, assumptions, estimates and projections about us and our industry. These forward-looking statements are made under the “safe harbor” provision under Section 21E of the U.S. Exchange Act and as defined in the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “will”, “expect”, “anticipate”, “aim”, “estimate”, “intend”, “plan”, “believe”, “potential”, “continue”, “is/are likely to” or other similar expressions. The forward-looking statements included in this annual report relate to, among others:

- our goals and strategies;
- our expansion plans;
- our future business development, financial condition and results of operations;
- the expected growth of the data center and cloud services market;
- our expectations regarding demand for, and market acceptance of, our services;
- our expectations regarding maintaining and strengthening our relationships with customers;
- the completion of any proposed acquisition and/or monetization transactions, including the regulatory approvals and other conditions that must be satisfied or waived in order to complete such transactions;
- international trade policies, protectionist policies and other policies that could place restrictions on economic and commercial activity;
- general economic and business conditions in the regions where we operate; and
- assumptions underlying or related to any of the foregoing.

In addition, any projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Item 3. Key Information—D. Risk Factors” and elsewhere in this annual report. You should not place undue reliance on these forward-looking statements.

The forward-looking statements made in this annual report relate only to events or information as of the date on which the statements are made in this annual report. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this annual report and the documents that we have referred to in this annual report and have filed as exhibits hereto completely and with the understanding that our actual future results may be materially different from what we expect.

Other sections of this annual report include additional factors that could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not required.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not required.

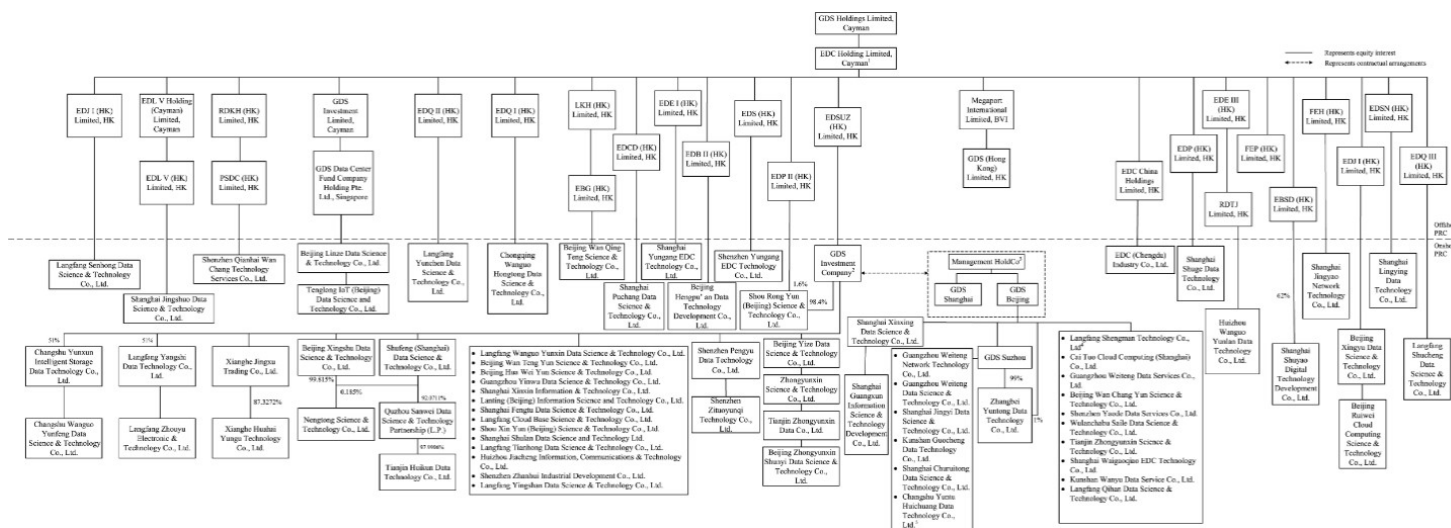
ITEM 3. KEY INFORMATION

Our Corporate Structure and Contractual Arrangements with the Consolidated Affiliated Entities

GDS Holdings Limited is not an operating company in mainland China, but instead is a Cayman Islands holding company. PRC laws and regulations impose certain restrictions or prohibitions on foreign ownership of companies that engage in telecommunications-related businesses, including the provision of VATS. Our internet data center businesses are classified as VATS by the PRC government. Accordingly, we operate substantially all of these business operations in mainland China through the consolidated VIEs and their subsidiaries, as well as through our subsidiaries, and rely on contractual arrangements, described below, to control the business operations of the consolidated VIEs. GDS Holdings Limited has no equity ownership in the consolidated VIEs. Revenues contributed by the VIEs and their subsidiaries accounted for 97.0%, 96.1% and 97.5% of our total revenues for the years of 2023, 2024 and 2025, respectively. As used in this annual report, “we,” “us,” “our company,” “the Company” or “our” refers to GDS Holdings Limited, a company incorporated in the Cayman Islands with limited liability on December 1, 2006 and, where the context requires, its consolidated subsidiaries and the consolidated affiliated entities, including the variable interest entities and their subsidiaries, from time to time. Investors in our ADSs are not purchasing an equity interest in the consolidated VIEs and their subsidiaries in mainland China, but instead are purchasing an equity interest in a Cayman Islands holding company and its subsidiaries (excluding the VIEs and their subsidiaries).

In addition, aside from our direct operations through our consolidated subsidiaries and consolidated VIEs, we also derive shareholder value from DayOne, a Singapore-headquartered data center platform, in which we hold a minority equity interest. See “Item 4—Information on the Company—B. Business Overview—Our Equity Investment in DayOne.”

The diagram below summarizes our corporate structure and identifies our significant subsidiaries, consolidated VIEs and their significant subsidiaries as of December 31, 2025. The relationships among each of GDS Shanghai, GDS Beijing, Management HoldCo and GDS Investment Company as illustrated in the diagram below are governed by contractual arrangements and do not constitute equity ownership.



- (1) EDC Holding Limited has 61 direct and indirect subsidiaries incorporated in Hong Kong and 19 direct and indirect subsidiaries incorporated in the British Virgin Islands, Macau, the Cayman Islands and Singapore, respectively.
- (2) GDS Investment Company directly and indirectly holds equity interests of 61 subsidiaries in mainland China.
- (3) Management HoldCo is held as to 20% by five management personnel designated by our board of directors namely, Hui Zhou (senior vice president, public affairs and Northern China business), Yan Liang (executive vice president, data center operation and delivery), Kejing Zhang (executive vice president, sales and service), Andy Wenfeng Li (general counsel, compliance officer, and company secretary) and Qi Wang (senior vice president, cloud and network business), respectively. Management HoldCo is controlled by our Company through a series of contractual arrangements.
- (4) Langfang Zhouyu Electronic & Technology Co., Ltd. or Langfang Zhouyu, effectively controls a project company, Langfang Shengman Technology Co., Ltd. or Langfang Shengman, to operate data centers in Langfang, China through a series of contractual arrangements among Langfang Zhouyu, Langfang Shengman's shareholder, GDS Beijing, and Langfang Shengman.
- (5) Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd. or Changshu Wanguo Yunfeng, effectively controls a project company, Changshu Yuntu Huichuang Data Technology Co., Ltd. or Changshu Yuntu Huichuang, to operate data centers in Changshu, China through a series of contractual arrangements among Changshu Wanguo Yunfeng, Changshu Yuntu Huichuang's shareholder, GDS Suzhou, and Changshu Yuntu Huichuang.

Jiangsu Wan Guo Xing Tu Data Services Co., Ltd. or Jiangsu Wan Guo Xing Tu, effectively controls a project company, Nantong Wanguo Yunzhen Data Science & Technology Co., Ltd. or Nantong Yunzhen, to operate the B-O-T data centers 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.

Our consolidated mainland China subsidiaries, the consolidated VIEs and their shareholders have entered into a series of contractual arrangements, including equity interest pledge agreements, shareholder voting rights proxy agreements, exclusive technology license and service agreements, intellectual property rights license agreements, exclusive call option agreements and loan agreements. The terms in each set of contractual arrangements with the consolidated VIEs and their shareholders are substantially similar. For more details of these contractual arrangements, see “Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with Affiliated Consolidated Entities.” We rely on these contractual arrangements to control the business operations of the consolidated VIEs. As a result of these contractual arrangements, we are the primary beneficiary of Management HoldCo, GDS Shanghai, GDS Beijing and their respective subsidiaries, and, therefore, have consolidated their financial results in our consolidated financial statements in accordance with U.S. GAAP.

However, these contractual arrangements may not be as effective as direct ownership in providing us with control over the consolidated VIEs and we may have to incur substantial costs and expend significant resources to enforce such arrangements in reliance on legal remedies under PRC law. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—We rely on contractual arrangements with the consolidated VIEs and their shareholders for our China operations, which may not be as effective as direct ownership in providing operational control and otherwise have a material adverse effect as to our business” and “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—The individual management shareholders of our Management HoldCo may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.”

There are also uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules regarding the status of the rights of our Cayman Islands holding company with respect to the contractual arrangements. It is uncertain whether our corporate structure will be seen as violating the foreign investment rules as we are currently leveraging the contractual arrangements to operate businesses which are classified as VATS by the PRC government and are prohibited or restricted to foreign investment. Furthermore, if future legislation mandates further actions to be taken by companies with respect to existing contractual arrangements, we may face uncertainties as to whether we can complete such actions in a timely manner, or at all. If we fail to take appropriate and timely measures to comply with any of these or similar regulatory compliance requirements, our current corporate structure, corporate governance, and business operations could be materially and adversely affected. Further, if our corporate structure or contractual arrangements were found to be in violation of any existing or future PRC laws or regulations, we could be subject to severe penalties, and the relevant regulatory authorities would have discretion in dealing with such violations. As a result, we would be unable to direct the activities of the consolidated VIEs and their subsidiaries, receive their economic benefits and/or claim our contractual control rights over the assets of the VIEs and their subsidiaries that conduct substantially all of our operations in mainland China, we would no longer be able to consolidate such VIEs and their subsidiaries in our consolidated financial statements in accordance with U.S. GAAP, which would likely materially and adversely affect our financial condition and results of operations, and cause the value of our securities to significantly decline or become worthless. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—If the PRC government deems that the contractual arrangements in relation to the consolidated VIEs do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we may be subject to severe penalties or be forced to relinquish our interests in the operations of the consolidated VIEs and their subsidiaries.” and “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure - Uncertainties exist with respect to the interpretation and implementation of the 2019 PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.”

In addition, we face various risks and uncertainties related to doing business in China. Our business operations are primarily conducted in China, and we are subject to complex and evolving PRC laws and regulations. For example, we face risks associated with regulatory approvals on offshore offerings, anti-monopoly regulatory actions, and oversight on cybersecurity and data security and protection, which may impact our ability to conduct certain businesses, accept foreign investments or financing, or list on a United States, Hong Kong or other foreign exchange. These risks could result in a material adverse change in our operations and the value of our ADSs, impact our ability to offer or continue to offer securities to investors, or cause the value of our securities to significantly decline or become worthless. For more details of the risks we face related to doing business in China, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the People’s Republic of China.”

The PRC government's authority in regulating our operations, as well as its oversight over offerings conducted overseas by, and foreign investment in, China-based issuers, could impact our ability to offer or continue to offer securities to investors. Implementation of industry-wide regulations of this nature may cause the value of our securities to significantly decline or become worthless. For more details, see "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the People's Republic of China—Our business operations are impacted by the policies and regulations of the PRC government. Any policy or regulatory change may cause us to incur compliance costs." and "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the People's Republic of China—We face various legal and operational risks and uncertainties as a company based in and primarily operating in China."

The complex and changing regulatory environment in mainland China could cause material adverse changes in our operations and the value of our ADSs. For more details, see "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the People's Republic of China—The complex and changing regulatory environment in mainland China as well as changes in policies, laws, rules and regulations in the PRC could adversely affect us."

Cash Flows through our Organization

GDS Holdings Limited is a holding company with no material operations of its own. As a result, although other means are available for us to obtain financing at the holding company level, our company's ability to pay dividends to the shareholders and to service any debt it may incur may depend upon dividends paid by our subsidiaries. We conduct our operations primarily through our subsidiaries and consolidated VIEs and their subsidiaries. GDS Holdings Limited provides continuing financial support to our subsidiaries for business expansion, while our subsidiaries also obtain financings through borrowings from various financial institutions. Meanwhile, for compliance purpose, the VIEs and their subsidiaries are the contracting party for our IDC service agreements, and our subsidiaries, as the owners of most of the self-developed data center assets, provide outsourcing and other services to the VIEs. Once the VIEs and their subsidiaries receive service fees from the customers, they can settle the corresponding outsourcing and service fees to our subsidiaries accordingly. For more details, see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources."

Under PRC laws and regulations, our subsidiaries and the VIEs and their subsidiaries incorporated in mainland China are subject to certain restrictions with respect to paying dividends or otherwise transferring any of their net assets to us. Remittance of dividends by a wholly foreign-owned enterprise out of mainland China is also subject to examination by the banks designated by SAFE. As of December 31, 2025, the restricted net assets were RMB26,248.4 million (US\$3,753.5 million), including those of the VIEs and their subsidiaries of RMB356.5 million (US\$51.0 million) and our subsidiaries of RMB25,891.9 million (US\$3,702.5 million), which mainly consisted of paid-in registered capital. For risks relating to the fund flows of our operations in mainland China, see "Item 3. Key Information—Risk Factors—Risks Related to Our Corporate Structure —We rely to a significant extent on dividends and other distributions on equity paid by our principal operating subsidiaries to fund offshore cash and financing requirements."

Under PRC laws, GDS Holdings Limited may provide funding to our mainland China subsidiaries only through capital contributions or intercompany loans, and to our VIEs and their subsidiaries only through intercompany loans, subject to satisfaction of applicable government registration and approval requirements.

In the years ended December 31, 2023, 2024 and 2025, GDS Holdings Limited made capital contribution or provided intercompany loans to the non-VIE subsidiaries of RMB1,285.3 million, RMB1,448.4 million and RMB889.0 million (US\$127.1 million), respectively. In the year ended December 31, 2025, GDS Holdings Limited received repayments from non-VIE subsidiaries of RMB8.2 million (US\$1.2 million).

In the years ended December 31, 2023 and 2025, GDS Holdings Limited and our subsidiaries did not provide any additional intercompany loans to the VIEs or their subsidiaries and the VIEs and their subsidiaries did not repay any existing intercompany loans to GDS Holdings Limited and our subsidiaries. In the year ended December 31, 2024, GDS Holdings Limited and our subsidiaries did not provide any additional intercompany loans to the VIEs or their subsidiaries and the VIEs and their subsidiaries repaid RMB132.0 million of existing intercompany loans to our subsidiaries.

The Holding Foreign Companies Accountable Act

The Holding Foreign Companies Accountable Act, or the HFCA Act, was signed into law on December 18, 2020 and amended pursuant to the Consolidated Appropriations Act, 2023 on December 29, 2022. Under the HFCA Act and the rules issued by the SEC and the PCAOB thereunder, if we have retained a registered public accounting firm to issue an audit report where the registered public accounting firm has a branch or office that is located in a foreign jurisdiction and the PCAOB has determined that it is unable to inspect or investigate completely because of a position taken by an authority in the foreign jurisdiction, the SEC will identify us as a “covered issuer”, or SEC-identified issuer, shortly after we file with the SEC a report required under the Securities Exchange Act of 1934, or the Exchange Act (such as our annual report on Form 20-F) that includes an audit report issued by such accounting firm; and if we were to be identified as an SEC-identified issuer for two consecutive years, the SEC would prohibit our securities (including our shares or ADSs) from being traded on a national securities exchange or in the over-the-counter trading market in the United States.

In December 2021, the PCAOB made its determinations, or the 2021 determinations, pursuant to the HFCA Act that it was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China or Hong Kong including our auditor. After we filed our annual report on Form 20-F for the fiscal year ended December 31, 2021 on April 28, 2022, the SEC conclusively identified us as an SEC-identified issuer on May 26, 2022. As such, we were required to satisfy an additional disclosure requirement for SEC-identified issuers that are also foreign issuers in our annual report on Form 20-F for the fiscal year ended December 31, 2022 (File No. 001-37925), initially filed with the SEC on April 4, 2023.

Following the Statement of Protocol signed between the PCAOB and the CSRC and the Ministry of Finance of the PRC, or MOF, in August 2022 and the on-site inspections and investigations conducted by the PCAOB staff in Hong Kong from September to November 2022, the PCAOB Board voted in December 2022 to vacate the previous 2021 determinations, and as a result, our auditor is no longer a registered public accounting firm that the PCAOB is unable to inspect or investigate completely as of the date of this annual report or at the time of issuance of the audit report included herein. As such, we were not identified as an SEC-identified issuer following the filing of our annual reports in 2023, 2024 and 2025, and we do not expect to be so identified following the filing of our annual report in 2026 either. However, the PCAOB may change its determinations under the HFCA Act at any point in the future. In particular, if the PCAOB finds its ability to completely inspect and investigate registered public accounting firms headquartered in mainland China or Hong Kong is obstructed by the PRC authorities in any way in the future, the PCAOB may act immediately to consider the need to issue new determinations consistent with the HFCA Act. We cannot assure you that the PCAOB will always have complete access to inspect and investigate our auditor, or that we will not be identified as an SEC-identified issuer again in the future.

If we are identified as an SEC-identified issuer again in the future, we cannot assure you that we will be able to change our auditor or take other remedial measures in a timely manner, and if we were to be identified as an SEC-identified issuer for two consecutive years, we would be delisted from the Nasdaq and our securities (including our shares and ADSs) will not be permitted for trading “over-the-counter” either. If our securities are prohibited from trading in the United States, or threatened with such a prohibition, the risk and uncertainty associated with delisting would have a negative impact on the price of our ADSs and ordinary shares. Also, such a prohibition or any threat thereof would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects. Moreover, the implementation of the HFCA Act and other efforts to increase the U.S. regulatory access to audit information could cause investor uncertainty as to China-based issuers’ ability to maintain their listings on the U.S. national securities exchanges and the market price of the securities of China-based issuers, including us, could be adversely affected.

Permissions Required from the PRC Authorities for Our Operations

We conduct our business primarily through our subsidiaries, the consolidated VIEs and their subsidiaries in mainland China. Our operations in mainland China are governed by PRC laws and regulations. As of the date of this annual report, our mainland China subsidiaries, the consolidated VIEs and their subsidiaries have obtained the requisite licenses and permits from the PRC government authorities that are material for the business operations of our subsidiaries, the consolidated VIEs and their subsidiaries in mainland China, including, among others, the VATS licenses, fixed-asset investment project filings and energy conservation review opinions. Given the uncertainties of interpretation and implementation of relevant laws and regulations and the enforcement practice by relevant government authorities, we may be required to obtain additional licenses, permits, filings or approvals for our business in the future. For more detailed information, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—We may fail to obtain, maintain and update licenses or permits necessary to conduct our operations in the PRC, and our business may be materially and adversely affected as a result of any changes in the laws and regulations governing the VATS industry in the PRC.”

A. [Reserved]

B. Capitalization and Indebtedness

Not required.

C. Reasons for the Offer and Use of Proceeds

Not required.

D. Risk Factors

Summary of Risk Factors

An investment in our ADSs and/or ordinary shares involves significant risks. Below is a summary of material risks we face, organized under relevant headings. These risks are discussed more fully in “Item 3. Key Information—D. Risk Factors.”

Risks Relating to Our Business and Industry

- A slowdown in the demand for data center capacity or managed services could have a material adverse effect on us;
- Our business is increasingly exposed to risks arising from the rapid development and adoption of artificial intelligence technologies, including uncertainties in infrastructure demands, investment returns and regulatory environment, all of which could materially and adversely affect our business, financial condition and results of operations;
- Any inability to manage the growth of our operations could disrupt our business and reduce our profitability;
- Our business requires us to make significant capital expenditures and resource commitments prior to recognizing revenue for those services;
- The data center business is capital-intensive, and we expect our capacity to generate capital in the short term 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.

- Our net revenue is highly dependent on a limited number of customers, and the loss of, or any significant decrease in business from, any one or more of our major customers or from any major contract with any customer could adversely affect our financial condition and results of operations;
- Our customer agreement commitments are subject to reduction, potential cancellation and non-renewal upon expiry; if renewed, the renewal may be at lower pricing terms or for a lower commitment of utilization;
- We face significant risks associated with our minority equity investment in DayOne, our former consolidated subsidiary and current equity investee company, including lack of control, limited visibility and exposure to complex international markets, any of which could materially and adversely affect our financial results and the value of our investment; and
- We may be unable to maintain current pricing levels for our data center services in China, and a continued or accelerated decline in market prices could materially and adversely affect our revenue, margins and overall financial performance.

Risks Related to Our Corporate Structure

- If the PRC government deems that the contractual arrangements in relation to the consolidated VIEs do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we may be subject to severe penalties or be forced to relinquish our interests in the operations of the consolidated VIEs and their subsidiaries;
- Our contractual arrangements with the consolidated VIEs may result in adverse tax consequences to us; and
- We rely on contractual arrangements with the consolidated VIEs and their shareholders for our China operations, which may not be as effective as direct ownership in providing operational control and otherwise have a material adverse effect as to our business.

Risks Related to Doing Business in the People's Republic of China

- Changes in the political and economic policies of the PRC government may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies; and
- We face various legal and operational risks and uncertainties as a company based in and primarily operating in China.

Risks Related to Our ADSs and Class A Ordinary Shares

- The trading prices of our ADSs and ordinary shares may be volatile, which could result in substantial losses to you;
- If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for our ADSs and/or ordinary shares and trading volume could decline;
- Techniques employed by short sellers may drive down the market price of our ADSs and/or ordinary shares;
- Because we do not expect to pay dividends in the foreseeable future, you must rely on price appreciation of our ADSs and/or ordinary shares for return on your investment; and
- The different characteristics of the capital markets in Hong Kong and the U.S. may negatively affect the trading prices of our ADSs and/or ordinary shares.

Risks Relating to Our Business and Industry

A slowdown in the demand for data center capacity or managed services could have a material adverse effect on us.

Adverse developments in the data center market, in the industries in which our customers operate, or in demand for cloud and artificial intelligence technologies could lead to a decrease in the demand for data center capacity or managed services, which could have a material adverse effect on us. We face risks including:

- a decline in the technology industry, such as a decrease in the use of mobile or web-based commerce, business layoffs or downsizing, relocation of businesses, increased costs of complying with existing or new government regulations and other factors;
- a reduction in cloud adoption, a decline in investment in artificial intelligence technologies including large language model training, inference and agentic adoption, or a slowdown in the growth of the internet generally as a medium for commerce and communication and the use of cloud-based platforms and artificial intelligence technologies in particular;
- a downturn in the market for data center capacity generally, which could be caused by an oversupply of or reduced demand for data center services, and a downturn in cloud-based and artificial intelligence data center demand in particular;
- the rapid development of new technologies or the adoption of new industry standards that render our or our customers' current products and services obsolete or unmarketable and, in the case of our customers, that contribute to a downturn in their businesses, increasing the likelihood of a default under their service agreements or that they become insolvent; and
- a downturn in the overall economic environment, which causes material challenges to our customers in their own business, as a result of which they may move-in more slowly to our data centers, reduce the area utilized by them, pay only the minimum billable amount stated in customer agreements, or seek to renegotiate, terminate early, or not renew such agreements at expiry.

To the extent that any of these or other adverse conditions occur, they are likely to impact market demand and pricing for our services.

Our business is increasingly exposed to risks arising from the rapid development and adoption of artificial intelligence technologies, including uncertainties in infrastructure demands, investment returns and regulatory environment, all of which could materially and adversely affect our business, financial condition and results of operations.

We are making significant investments to support the growing demand for artificial intelligence technologies, including generative AI, which are driving increased requirements for high-performance computing infrastructure. Our data centers serve hyperscale and large enterprise customers that are increasingly adopting AI-related applications, which require greater computing power, storage and power density. While we believe this trend supports long-term demand for our services, the rapid development and evolving nature of artificial intelligence technologies present a number of risks and uncertainties that could adversely affect our business, financial condition and results of operations.

Although we anticipate that AI adoption will continue to be a key driver of data center demand in China, there can be no assurance that our investments to support AI workloads will achieve the expected return. AI development and deployment involve a range of risks, including potential misuse by third parties, intellectual property infringement, the generation of inaccurate or harmful content, bias or discrimination in algorithmic outcomes, privacy breaches and cybersecurity vulnerabilities. As a provider of data center colocation service, we may have limited visibility into, or control over, how our infrastructure is used by customers deploying artificial intelligence technologies, which could expose us to legal or reputational risks. Moreover, demand for AI infrastructure could be negatively impacted by broader industry developments, including a slowdown in AI adoption, public backlash or ethical concerns regarding automation, unfavorable changes in regulations, or a reduction in overall cloud and digital transformation initiatives. In such cases, demand for our high-performance data center services could decline, resulting in underutilization of capacity and lower returns on investment. AI-related workloads also require specialized infrastructure, including high power density, advanced cooling systems and efficient resource utilization. Meeting these technical requirements may involve significant capital expenditures to upgrade existing facilities or construct new data centers purpose-built for AI applications. There can be no assurance that customer demand will justify these investments or that we will be able to recover these costs through pricing.

In addition, we face increasing competition from other domestic and international data center operators and cloud service providers that are enhancing their AI capabilities. If competitors offer more cost-effective or technically advanced solutions, we may lose business opportunities or face pricing pressures, which could adversely impact our revenue and margins.

Furthermore, artificial intelligence technologies remain at an early stage of regulatory oversight. For instance, the U.S. government has introduced stringent export controls on certain semiconductor manufacturing and advanced computing-related items that are critical to the development and adoption of AI technologies in China, and may continue to expand and tighten these restrictions in the future. These restrictions may impact AI-related demand for data centers in China. These laws and related enforcement practices are still developing, and future regulatory actions could impose additional compliance obligations on us or our customers, restrict certain uses of our infrastructure, or result in fines, penalties or reputational damage. For more details, see “Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business—People’s Republic of China Regulations—Regulations Related to Artificial Intelligence.”

As such, while we believe the continued adoption of AI technologies presents a significant long-term opportunity, the associated legal, regulatory, operational and competitive risks could materially and adversely affect our business, financial condition and results of operations.

Any inability to manage the growth of our operations could disrupt our business and reduce our profitability.

Our net revenue grew from RMB9,782.4 million in 2023 to RMB10,322.1 million in 2024, representing an increase of 5.5%, and increased to RMB11,432.3 million (US\$1,634.8 million) in 2025, representing an increase of 10.8%. We derive net revenue primarily from colocation services and, to a lesser extent, managed services. In addition, we also sell IT equipment either on a stand-alone basis or bundled in a managed service agreement and provide consulting services. Our net revenues from colocation services were RMB8,535.2 million, RMB9,169.5 million and RMB10,373.4 million (US\$1,483.4 million) in 2023, 2024 and 2025, representing 87.3%, 88.8% and 90.8% of total net revenue over the same periods, respectively. Our net revenues from managed services and other services were RMB1,246.7 million, RMB1,152.4 million and RMB1,054.7 million (US\$150.8 million) in 2023, 2024 and 2025, representing 12.7%, 11.2% and 9.2% of total net revenue over the same periods, respectively.

Our operations have also expanded in recent years through increases in the number and size of the data center facilities we operate, which we expect will continue to grow. Our rapid growth has placed, and will continue to place, significant demands on our management and our administrative, operational and financial systems. Continued expansion increases the challenges we face in:

- obtaining suitable sites or land to build new data centers;
- establishing new operations at additional data centers and maintaining efficient use of the data center facilities we operate;
- managing a large and growing customer base with increasingly diverse requirements;

- expanding our service portfolio to cover a wider range of services, including managed cloud services;
- creating and capitalizing on economies of scale;
- being exposed to protectionist or national security policies that restrict our ability to invest in or acquire companies or develop, import or export certain technologies;
- obtaining additional capital to meet our future capital needs;
- recruiting, training and retaining a sufficient number of skilled technical, sales and management personnel;
- maintaining effective oversight over personnel and multiple data center locations;
- coordinating work among sites and project teams; and
- developing and improving our internal systems, particularly for managing our continually expanding business operations.

In addition, we have grown our business through acquisitions in the past and intend to continue selectively pursuing strategic partnerships and acquisitions to expand our business. From time to time, we may have a number of pending investments and acquisitions that are subject to closing conditions. There can be no assurance that we will be able to identify, acquire and successfully integrate other businesses and, if necessary, to obtain satisfactory debt or equity financing to fund those acquisitions. See “-We have expanded in the past and may continue to expand in the future through acquisitions of other companies, each of which may divert our management’s attention, result in additional dilution to shareholders or use resources that are necessary to operate our business.”

If we fail to manage the growth of our operations effectively, our businesses and prospects may be materially and adversely affected.

Our business requires us to make significant capital expenditures and resource commitments prior to recognizing revenue for those services.

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. Constructing, developing and operating our data centers require significant capital expenditures. A customer’s decision to utilize our colocation services, our managed solutions or our other services typically involves time-consuming contract negotiations regarding the service level commitments and other terms, and substantial due diligence on the part of the customer regarding the adequacy of our infrastructure and attractiveness of our resources and services. Furthermore, we may expend significant time and resources in pursuing a particular sale or customer, and we do not recognize revenue for our services until such time as the services are provided under the terms of the applicable agreement. Our efforts in pursuing a particular sale or customer may not be successful, and we may not always have sufficient capital on hand to satisfy our working capital needs between the date on which we sign an agreement with a new customer and when we first receive revenue for services delivered to the customer. If our efforts in pursuing sales and customers are unsuccessful, or our cash on hand is insufficient to cover our working capital needs over the course of our long selling cycle, our financial condition could be negatively affected.

The data center business is capital-intensive. If we are unsuccessful in raising the required funding, we will not be able to meet our anticipated capital expenditure requirements.

The costs of constructing, developing and operating data centers are substantial. Further, we may encounter development delays, excess development costs, or delays in developing space for our customers to utilize. We also may not be able to secure suitable land or buildings for new data centers or at a cost or terms acceptable to us. We are required to fund the costs of constructing, developing and operating our data centers with cash retained from operations, capital recycled from our asset monetization program, as well as from financings from bank and other borrowings. Moreover, the costs of constructing, developing and operating data centers have increased in recent years, and may further increase in the future, which may make it more difficult for us to expand our business and to operate our data centers profitably. Based on our current expansion plans, we do not expect that our net revenue in the short term will be sufficient to offset increases in these capital expenditures, or that our business operations in the short term will generate capital sufficient to meet our anticipated capital requirements. If we cannot generate sufficient capital to meet our anticipated capital requirements, our financial condition, business expansion and future prospects could be materially and adversely affected.

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.

We have substantial indebtedness. As of December 31, 2025, we had total consolidated indebtedness of RMB46,210.4 million (US\$6,608.0 million), including borrowings, finance lease and other financing obligations and convertible bonds. Based on our current expansion plans, we expect to continue to finance our operations through the incurrence of debt. Our indebtedness could, among other consequences:

- make it more difficult for us to satisfy our obligations under our indebtedness, exposing us to the risk of default, which, in turn, would negatively affect our ability to operate as a going concern;
- require us to dedicate a substantial portion of our cash flows from operations to interest and principal payments on our indebtedness, reducing the availability of our cash flows for other purposes, such as capital expenditures, acquisitions and working capital;
- limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
- increase our vulnerability to general adverse economic and industry conditions;
- place us at a disadvantage compared to our competitors that have less debt;
- expose us to fluctuations in the interest rate environment because the interest rates on borrowings under our project financing agreements are variable;
- increase our cost of borrowing;
- limit our ability to borrow additional funds; and
- require us to sell assets to raise funds, if needed, for working capital, capital expenditures, acquisitions or other purposes.

In addition, if we are unable to service our debt in a timely manner based upon cash flows from operations and from financing activities, and if we are unable to refinance our existing debt, including our convertible bonds, including in connection with events that will occur under the terms of our convertible bonds, we would become subject to default, cross-default and other adverse consequences that could affect our ability to operate as a going concern and would materially and adversely affect our business and operations and the value of your investment in our ADSs and ordinary shares. For example, we have issued and sold US\$1,750 million aggregate principal amount of convertible senior notes that are currently outstanding, comprising US\$620 million aggregate principal amount of convertible senior notes due 2029, US\$580 million aggregate principal amount of convertible senior notes due 2030 and US\$550 million aggregate principal amount of convertible senior notes due 2032, all of which are subject to repurchase by us, at the option of the holders, at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest on March 8, 2027, January 31, 2028 and June 1, 2029, respectively.

As a result of the covenants and restrictions, we are limited in how we conduct our business, and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. Our current or future borrowings could increase the level of financial risk to us and, to the extent that the interest rates are not fixed and rise, or that borrowings are refinanced at higher rates, our available cash flow and financial condition could be adversely affected. Increases in the target range for China's loan prime rate (LPR) and the federal funds rate adopted by the Federal Open Market Committee of the U.S. Federal Reserve System could significantly increase our borrowing costs, reduce our available cash flow and adversely affect our financial condition.

The terms of any future indebtedness we may incur could include more restrictive covenants. A breach of any of these covenants could result in a default with respect to the related indebtedness. If a default occurs, the relevant lenders could elect to declare the indebtedness, together with accrued interest and other fees, to be due and payable immediately. This, in turn, could cause our other debt, to become due and payable as a result of cross-default or acceleration provisions contained in the agreements governing such other debt. In the event that some or all of our debt is accelerated and becomes immediately due and payable, we may not have the funds to repay, or the ability to refinance, such debt.

Loans under certain of our data center financing arrangements are subject to a heightened risk of repayment being required on an immediate or accelerated basis, which could reduce our available cash flow and adversely affect our financial condition.

We have financing arrangements in place with various lenders to support specific data center construction projects. Certain of these financing arrangements are secured by share pledge over equity interests of our subsidiaries, our accounts receivable, property and equipment and land use rights. The terms of these financing arrangements may impose covenants and obligations on the part of our borrowing subsidiaries and/or GDS Beijing and its subsidiaries, and our company as guarantor. For example, some of these agreements contain requirements to maintain a specified minimum cash balance at all times or require that the borrowing subsidiary maintain a certain debt-to-equity ratio. We cannot provide any assurances that we will always be able to meet any covenant tests under our financing arrangements. In addition, the majority of our loan facility agreements require that the IDC license of GDS Beijing or the borrowing subsidiaries, other affiliated entities or the authorization by GDS Beijing to one such subsidiary to operate the data center business and provide IDC services under the auspices of the IDC license held by GDS Beijing, be maintained and renewed on or before the expiry date of the IDC license or authorization thereunder, as applicable. As of the date of this annual report, GDS Beijing and its subsidiaries (including GDS Suzhou, Beijing Wan Chang Yun Science & Technology Co., Ltd., or Beijing Wan Chang Yun, Shenzhen Yaode Data Services Co., Ltd., or Shenzhen Yaode, Shanghai Waigaoqiao EDC Technology Co., Ltd. or EDC Shanghai Waigaoqiao and Kunshan Wanyu Data Service Co., Ltd., or Kunshan Wanyu) have obtained their own IDC licenses respectively. While we do not foresee any legal impediment based on our experience with IDC license renewals, there can be no assurance that we will be able to renew and maintain these licenses in due course. If GDS Beijing or any of its subsidiaries cannot timely renew or maintain its IDC license to provide IDC services, we also could be obligated to notify the lender or repay any loans outstanding immediately or on an accelerated repayment schedule.

In mid-August 2019, the PBOC decided to reform the formation mechanism of the Loan Prime Rate, or LPR, and authorized the National Interbank Funding Center to release LPR monthly, which may impact the interest rate on our variable rate debt. Uncertainty on future LPR reforms and rate changes may impact our indebtedness. In addition, the interest rate of our offshore credit facility is based on a spread over Secured Overnight Financing Rate, or SOFR. As a result, the interest expenses associated with such indebtedness will be subject to the potential impact of any fluctuation in SOFR. Uncertainty on future SOFR reforms and rate changes may impact our indebtedness.

We will likely require additional capital to meet our future capital needs, which may adversely affect our financial position and result in additional shareholder dilution.

To grow our operations, we will be required to commit a substantial amount of operating and financial resources. Our planned capital expenditures, together with our ongoing operating expenses and debt repayment obligations, will cause substantial cash outflows. In the near term, we will likely be unable to fund our expansion plans solely through our operating cash flows. Accordingly, we have raised and will likely need to continue to raise additional funds through equity, equity-linked, debt, offshore fund financings and offerings as well as disposal of assets in the future in order to meet our operating and capital needs. In this regard, at our annual general meeting, or AGM, held on June 26, 2025, our shareholders passed ordinary resolutions authorizing our board of directors to approve the allotment or issuance, in the 12-month period from the date of the AGM, of ordinary shares or other equity or equity-linked securities of our company up to an aggregate thirty percent (30%) of our existing issued share capital at the date of the AGM, whether in a single transaction or a series of transactions (other than any allotment or issues of shares on the exercise of any options that have been granted by our company). Additional debt or equity financing and offerings may not be available when needed or, if available, may not be available on satisfactory terms. The uncertainty in the global economy and politics and increased regulatory scrutiny have limited, and may continue to limit, our ability to raise, and our flexibility in raising, additional funds. Our inability to obtain additional funds through debt and/or equity financing and offerings, or to generate sufficient cash from operations may require us to prioritize projects or curtail capital expenditures and could adversely affect our results of operations.

In particular, if we raise additional funds through further issuances of equity or equity-linked securities, our existing shareholders could suffer significant dilution in their percentage ownership of our company, and any new equity securities we issue could have rights, preferences and privileges senior to those of the holders of our ordinary shares. In addition, any debt financing that we may obtain in the future could have restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions.

If Mr. Huang's beneficial ownership in our company falls below 2.75%, our dual-class share structure will terminate and a change of control would be triggered under certain of our material commercial and loan agreements, and our business development, financial condition and future prospects may be materially and adversely affected.

Pursuant to special resolutions approved (i) by the shareholders at our extraordinary general meeting, or EGM, held on March 10, 2026, and (ii) by respective holders of the class A ordinary shares, Series A preferred shares, Series B preferred shares and class B ordinary shares at additional meetings of shareholders held on March 10, 2026, our current amended and restated articles of association, or the New Articles, were approved and adopted in substitution for and to the exclusion of the then-existing articles of association, or the Old Articles, with immediate effect after the close of the respective EGM and additional meetings of shareholders held on March 10, 2026.

Subject to the provisions of the New Articles, our Class B ordinary shares will automatically convert into Class A ordinary shares upon the occurrence of an automatic conversion event, which events include, among others, Mr. Huang having beneficial ownership in less than 2.75% of our issued share capital on an as converted basis, subject to certain exclusions. As of March 31, 2026, Mr. Huang beneficially owned (whether in the form of ordinary shares or ADSs) 48,459,704 ordinary shares, representing 2.9% of our total issued share capital.

Mr. Huang has in the past entered into, and may in the future enter into, certain transactions from time to time, including derivative transactions (such as variable pre-paid forward sale contract transactions), that have and could have the effect of reducing Mr. Huang's beneficial ownership in our company. If Mr. Huang chooses to settle these transactions by transferring ownership of the subject ordinary shares to the counterparties, his beneficial ownership interest in our total issued share capital may decrease to below 2.75%, which would trigger an automatic conversion event, unless he otherwise acquires beneficial ownership of additional shares to keep his beneficial ownership at or above 2.75%.

Should this happen, all Class B ordinary shares would automatically convert into Class A ordinary shares, and the dual-class share structure would thereby be terminated. This would constitute a change of control for the purposes of certain of our, or our subsidiaries', sales agreements and domestic loan facility agreements, and if such provisions under the domestic loan agreements are triggered, which could give the lenders the right to demand early repayment under these domestic loan agreements. Such change of control may result in actual, potential or alleged breaches or early termination of other contracts or agreements. The change of control potentially may also have implications for the purposes of China's national security review regime and anti-monopoly merger filing requirements, if applicable. The occurrence of any of the foregoing may have a material and adverse effect on our business development, financial condition and future prospects.

In addition, the automatic conversion event could be triggered if Mr. Huang is further diluted due to our financing activities in which we issue additional equity or equity-linked securities (subject to certain exclusions). If we issue additional equity or equity-linked securities in any further financings (subject to certain exclusions), Mr. Huang's shareholdings could fall below the 2.75% threshold which would trigger an automatic conversion event in our dual-class structure, and this could happen even if he cash settles any derivative transactions that he enters into from time to time.

If we are unable to meet our customers' evolving regulatory requirements, our ability to renew or secure customer agreements may be materially and adversely affected.

A number of our customers, particularly those in the financial services and internet sectors, are themselves subject to evolving regulatory requirements, and there can be no assurance that such requirements will not, in turn, result in new demands on us. For instance, certain customers have recently indicated that, as part of their regulatory compliance assessments instructed by their governmental authorities, they will only contract with data center service providers controlled by Chinese nationals or entities when entering into new contracts or renewing existing ones. In light of these customer-imposed requirements, we held EGM and separate additional class meetings on March 10, 2026 to approve and effect the New Articles to increase the voting power attached to the Class B ordinary shares from twenty (20) votes per share to fifty (50) votes per share. See "Item 6. Directors, Senior Management and Employees—E. Share Ownership." We cannot assure you that our actions will fully satisfy the requirements of all such customers. Moreover, such customers may impose additional requirements on us in the future, whether due to evolving regulatory expectations or new interpretations from regulatory authorities regarding the qualifications of IDC service providers. There can be no assurance that we will be able to meet any such future requirements, which would materially and adversely affect our ability to renew existing customer agreements or enter into new ones.

If we fail to manage effectively or collect our accounts receivable, our results of operations, financial condition and liquidity may be adversely affected.

As of December 31, 2023, 2024 and 2025, our accounts receivable, net of allowance for credit losses, amounted to RMB2,493.1, million, RMB3,022.0 million and RMB2,467.4 million (US\$352.8 million). Our accounts receivable turnover days, which are the average accounts receivable balances as of the beginning and the end of the period divided by total net revenues during the period and multiplied by the number of days during the period, increased from 91.4 days in 2023 to 97.8 days in 2024, and decreased to 87.6 days in 2025, as we accelerated and improved our receivable collection process in 2025. The amount and turnover days of our accounts receivable may increase in the future, which will make it more challenging for us to manage our working capital effectively and our results of operations, financial conditions and liquidity may be adversely affected.

Stringent regulatory requirements or restrictions on data center development may adversely affect our results of operations.

The development and operation of data centers in mainland China are subject to stringent regulatory requirements and various governmental authorizations are required to be obtained for the construction and operation of data centers, among which the fixed-asset investment project filings and energy conservation review opinions are the primary governmental authorizations for the construction and operation of data centers. We cannot rule out the possibility that our data centers business may be subject to more complex review processes and heightened scrutiny across a broader range of criteria. Starting from 2025, new regulatory review processes have been introduced for approval applications of newly constructed hyperscale data centers exceeding a certain threshold in the PRC. These review processes may include, without limitation, our industry experience, qualifications, funding sources, and customer demand. For more details, see "Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business —People's Republic of China Regulations—Regulations Related to Filing and Energy Conservation of Fixed-Asset Investment."

In addition to national laws and regulations, various provincial and municipal governments also issued in the past few years local regulations to impose additional regulatory requirements and tighten enforcement of such regulatory requirements on the construction and operation of data centers in order to conserve energy and reduce carbon emission. As the regulatory regime for the construction and operation of data centers has a relatively short history and has been constantly evolving, relevant government authorities have broad discretion in the interpretation and enforcement of relevant regulatory requirements and the regulatory practice may vary significantly in terms of time and place.

Local requirements and regulatory practice have been further tightened following the announcement of the PRC government's carbon neutrality policy initiative in 2021. For example, the Energy Bureau of Guangdong Province published the *Notice on the Investigation and Punishment of Illegal Energy Use*, the *Notice on the Rectification of Data Center Projects Violating Laws and Regulations in Guangdong Province* and the *Letter on Cooperation in Taking Control Measures for Power Consumption of Projects Violating Laws and Regulation* in June 2021, October 2021 and July 2022 respectively to strengthen the supervision of power consumption of data centers, required that data centers without energy conservation review opinion be ordered to shut down if rectification cannot be completed within the prescribed period and conditioned the approval of power supply and its installation applications on the receipt of the energy conservation review opinion. Recently, the government authorities in certain province have set more specific rectification deadlines for some existing projects without the required energy conservation review opinion, and failure to meet such deadlines will result in shutdown and loss of grid power supply. For more details and examples, see "Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business —People's Republic of China Regulations—Regulations Related to Filing and Energy Conservation of Fixed-Asset Investment."

In addition, artificial intelligence technologies have developed rapidly in recent years. Given that the computing power, which may rely on IDC and cloud services, plays a critical role in the advancement of artificial intelligence technologies, regulations, policies and rules with respect to new data center development have been issued in order to meet the demand for data and computing power. Meanwhile, the PRC government authorities specially promulgated certain laws to regulate the algorithmic recommendation and deep synthesis technology which are closely related to the generative AI technology since the end of 2021. The laws and regulations related to artificial intelligence technology and products are at an early stage of development and still evolving. For more details, see "Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business —People's Republic of China Regulations—Regulations Related to Artificial Intelligence."

The stringent regulatory requirements or restrictions may have a material adverse effect and affect our results of operations. While we have been making every effort to comply with the relevant regulatory requirements, we cannot assure you that we have obtained, and will be able to obtain the required governmental authorizations (including the fixed-asset investment project filings and energy conservation review opinions) for all our data centers in a timely manner or at all due to the constantly evolving regulatory requirements and practices. Furthermore, we cannot assure you that we will be able to complete required rectification in a timely manner or at all, due to the lack of the required approvals, filings and licenses (including the fixed-asset investment project filings and energy conservation review opinions) if we are ordered to do so by the relevant government authorities, which may result in fines and suspension or shutdown of the operations of the relevant data centers and potential liabilities for breach of the relevant customer contracts.

Limited availability of power resources may adversely affect our results of operations.

We are a large consumer of power, which for the purpose of these risk factors discussion refers to electrical power supplied through the electrical grid, rather than through our own on-site solar or diesel generators. We use electricity to house, power and cool the computer systems and networking equipment that support our customers' mission-critical IT infrastructure. Therefore, we need an increasing supply of electricity to grow our business and we are subject to risks associated with obtaining access to enough power.

In mainland China, since the thirteenth Five-Year Plan (2016–2020), the government has consistently implemented “Dual-Control on Energy Consumption” policies to limit the increase in electricity consumption in each province both in absolute terms and relative to GDP in order to conserve energy and reduce carbon emission. Starting from the fifteenth Five-Year Plan period (2026–2030), China will continue implementing the “Dual-Control on Carbon Emissions”. In 2024, the General Office of the State Council issued the *Work Plan for Accelerating the Development of a Dual-Control System for Carbon Emissions*, or the Plan. The Plan provides that during the fifteenth Five-Year Plan period, a dual-control system for carbon emissions shall be implemented with a primary focus on intensity control and a secondary focus on total-volume control, and that a comprehensive evaluation and assessment system for carbon peaking and carbon neutrality shall be established to ensure the timely achievement of the carbon peaking target. After carbon peaking is achieved, the “Dual-Control on Carbon Emissions” system shall shift to one with a primary focus on total-volume control and a secondary focus on intensity control, and an evaluation and assessment system for carbon neutrality goals shall be put in place. Following the Plan, the NDRC issued the *Measures for the Energy Conservation Review and Carbon Emission Assessment of Fixed Asset Investment Projects*, which took effect on September 1, 2025 and replaced the former *Measures for Energy Conservation Review of Fixed Asset Investment Projects*. While maintaining the review of project energy consumption and other relevant aspects under the original energy conservation review system, the new measures further stipulate that the results of the carbon emission assessment shall be incorporated into the energy conservation review opinion. Local authorities in the established markets have also imposed the corresponding implementation measures and various stringent requirements as to the energy conservation review and carbon emission assessment. For more details, see “Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business—People’s Republic of China Regulations—Regulations Related to Filing and Energy Conservation of Fixed-Asset Investment.” These stringent regulatory requirements imposed by local authorities in the established markets may also limit our ability to obtain the regulatory approvals for the development and operation of data centers, which are essential for us to obtain power supply and expand our business. If demand for power in a particular area does not comply with local carbon emission control requirements or targets, we may not be able to obtain the regulatory approvals and access the increased power supply which we need to grow our business. Furthermore, local governments may take actions, such as implementing differential electricity pricing, requiring the use of green electricity to offset excess consumption, mandating comprehensive rectification to reduce electricity consumption, or even suspending power supply, to achieve carbon emission control targets. This may increase our electricity costs and force us to take corresponding countermeasures, which may harm our financial condition and results of operations.

Mission-critical data centers such as ours, require high levels of redundancy, particularly in respect of power infrastructure. For more information about our data centers’ technical features, see “Item 4. Information on the Company—B. Business Overview—Our Business Model—Self-Developed Data Centers—High-Performance Features.” We are subject to risks associated with obtaining access to power supply and power infrastructure from local utilities. In mainland China, we rely on three utility suppliers, State Grid, Southern Grid and Mengxi Grid, each of which has a monopoly over electricity transmission in its areas of operation. We must coordinate extensively with them and finance the construction of necessary power infrastructure, including infrastructure assets located off-site. If local utilities are unable to meet our requirements, we may not be able to grow our business and provide service to our customers on time or at all.

China’s regulatory regime regarding energy conservation has continued to evolve to achieve national targets for peak carbon consumption and carbon neutrality. The government has established platforms for trading of certified carbon emissions reductions, renewable power, and renewable energy certificates, the role of renewable energy certificates in energy conservation and carbon emission has been further emphasized and the increase of the proportion of renewable energy power consumption in industries including the data center industry, will be accelerated with a target of reaching a level of no less than the average level of the total national renewable energy power consumption standard by 2030, and the proportion of renewable energy power consumption in newly built data centers in national hubs should be over 80% and will be further increased from the baseline of at least 80%. For more details, see “Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business—People’s Republic of China Regulations—Regulations Related to Filing and Energy Conservation of Fixed-Asset Investment.” We note that local authorities, such as those in Beijing, Shanghai and Shenzhen, gradually incorporate data centers into carbon emission management by allocating carbon emission quotas to specific data center operators, after which, data center operators who are allocated carbon emission quotas are responsible for monitoring and reporting carbon emissions and are required to settle the carbon emission quotas within the prescribed time limit. Further, our customers increasingly request that we provide them with renewable energy solutions. We describe our approach to increasing renewable energy usage in our 2024 ESG report, which is accessible via hyperlink in our press release, Exhibit 99.1 to our Form 6-K (File No. 001-37925), furnished to the SEC on July 29, 2025.

Renewable energy supply is very limited in established markets, as these markets are generally located in Chinese eastern regions and further from mainland China's renewable sources. Meanwhile, according to the *Opinion of the National Development and Reform Commission and Other Departments on Promoting the High-quality Development of the Renewable Energy Certificate Market*, the green electricity consumption proportion for data centers shall be, in general, no less than the national average level of the total renewable energy power consumption responsibility weight by 2030; for newly built data centers in national hubs, the green electricity consumption proportion shall be further increased from the baseline of 80%. According to the *Notice of the National Development and Reform Commission and the National Energy Administration on Deepening the Market-oriented Reform of Price of Feed-in Electricity Generated with New Energy to Promote High-quality Development of New Energy* jointly issued by the NDRC and National Energy Administration on January 27, 2025, for new energy projects that commenced operation after June 1, 2025, the mechanism electricity price shall be determined through market-based bidding, and the portion of electricity covered by such mechanism will be gradually reduced each year. Meanwhile, the portion covered by the aforementioned mechanism will no longer be eligible for bilateral green power transactions with end-users. This new policy could result in uncertainties in the supply of green electricity and the price of green electricity certificates. Although it can be expected that the supply of renewable energy will be more abundant in the long term and the entry of long-term power purchase agreements with new energy power generation enterprises may become a trend, we may not be able to obtain sufficient renewable energy supply or find alternative solutions to enable us to meet our targets or satisfy our customer requirements. For more details, see "Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business—People's Republic of China Regulations—Regulations Related to Feed-in Electricity Price for Coal-Fired Power Generation and Renewable Energy Power Generation." Furthermore, the renewable energy may come at a cost premium. If we incur this premium, we may not be able to pass the cost to our customers, even though we expect that they will also be seeking to reduce their carbon footprint, which will negatively affect our future operating results and financial condition.

Our customers' requirements and overall demand for power may increase as they adopt new technologies, for example, for virtualization of hardware resources and for specialized processing of artificial intelligence. As a result, the average amount of power utilized per server is increasing, which in turn increases power consumption required to cool the data center facilities. Pursuant to our colocation service agreements, we provide our customers with a committed level of power supply availability. Although we aim to improve the energy efficiency of the data center facilities that we operate, there can be no assurance such data center facilities will be able to provide sufficient power to meet the growing needs of our customers. Our customers' demand for power may exceed the power capacity in our older data centers, which may limit our ability to fully utilize the net floor area of these data centers. We may lose customers, or our customers may reduce the services purchased from us due to increased power costs and limited availability of power resources, or we may incur costs for data center capacity which we cannot utilize, which would reduce our net revenue and have a material and adverse effect on our cost of revenue and results of operations.

We attempt to manage our power resources and limit exposure to system downtime due to power outages from the electric grid by having redundant power feeds from the grid and by using backup generators and battery power. However, these protections may not limit our exposure to power shortages or outages entirely. Any system downtime resulting from insufficient power resources or power outages could damage our reputation and lead us to lose current and potential customers, which may materially and adversely affect our business, financial condition and results of operations.

China's power market is regulated and undergoing reform which may affect our ability to optimize power usage and costs.

Costs of power account for a significant portion of our cost of revenue. Power costs may be included in the costs for our services, or we may charge our customers separately for actual power consumed.

The NDRC is introducing gradual market-oriented reform to the power markets. See “Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business—People’s Republic of China Regulations—Regulations Related to Feed-in Electricity Price for Coal-Fired Power Generation and Renewable Energy Power Generation.” As a result, we are starting to enter into direct power purchase agreements with power trading companies affiliated with power generators, while continuing to purchase through State Grid, Southern Grid and Mengxi Grid. At this early stage of reform, we see power costs increasing. On May 9, 2023, the NDRC issued a *Notice on Provincial Power Grid Transmission and Distribution Price and Related Matters within the Third Regulatory Period* to announce provincial power grid transmission and distribution prices of the third regulatory period (June 2023 to May 2026), and since certain charges, including the power losses in grid distribution and the pumped storage capacity power charges, are accounted for separately and included in the announced prices, the prices of the third regulatory period are generally higher than those of the second regulatory period. While we believe ongoing reform may enable us to purchase power at normalized or even lower costs by purchasing through a competitive market in the long-term, power costs may remain subject to fluctuations in the short to medium term, which may adversely affect our results of operations.

As part of the reform, in October 2021, the NDRC expanded the price range of coal-fired power generation, by expanding the range of transaction prices. The government raised the ceiling from 10% to 20% above the floor, which has allowed electricity tariffs to rise above historic levels. Additionally, it has been specified that the market transaction price of high energy-consuming enterprises is not subject to the 20% ceiling, and high energy-consuming industries are strictly forbidden from being granted electricity tariff discounts. For more details, see “Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business—People’s Republic of China Regulations—Regulations Related to Feed-in Electricity Price for Coal-Fired Power Generation and Renewable Energy Power Generation.” Although there is a lack of a clear definition for “high energy-consuming enterprises” or “high energy-consuming industries”, data centers were mentioned alongside traditional high energy consuming industries, such as steel, electrolytic aluminum, cement and calcium carbide, by the NDRC when it came to the goal of “Dual-Control” under the Opinions on Enforcing Energy Efficiency Constraints to Promote Energy Conservation and Carbon Reduction in Key Fields published on October 18, 2021. Some local authorities have also considered data centers as a high energy consuming industry under certain documents related to energy conservation and the power markets. For example, the Beijing Development and Reform Commission, or the Beijing DRC, and other departments explicitly classified data centers as a high energy consuming industry in the Implementation Plan for Further Strengthening Energy Conservation in Beijing (2024 Version) published on January 29, 2024. The Jiangsu Development and Reform Commission and other relevant departments have also included data centers in the Jiangsu “Two Highs” Project Management Directory, which was published on July 17, 2025 and took effect on August 17, 2025. The Zhejiang Provincial Development and Reform Commission made similar classification under the Implementation Opinions of Zhejiang Province on Establishing and Improving Ladder Electricity Tariffs for High Energy Consuming Industries and Penalty Electricity Tariffs for Unit Product Exceeding Energy Consumption Limits (Draft for Comments) published on October 3, 2021. With respect to specific enterprises who are subject to rules and regulations related to high energy consumption, the NDRC further required local authorities to publish a list of high energy-consuming enterprises based on the national energy efficiency benchmark in key areas of high energy consuming industries in connection with the power market system under the Notice on Signing and Performing Medium and Long Term Electric Power Contracts in 2023 published on December 2, 2022. While as of the date of this annual report, we have not been asked to pay electricity tariff above the 20% ceiling, there is a trend to designate data centers as a key industry in terms of high energy consumption and therefore we cannot assure you that we will not be considered as high energy consuming enterprises in the future, which will lead to the potential increase in power cost and may affect our capacity to recover such increased power cost from our customers. For more information about risks arising from fixed price agreements with our customers, see “—We enter into fixed price agreements with many customers, and our failure to accurately estimate the resources and time required for the fulfillment of our obligations under these agreements could negatively affect our results of operations.” In addition, due to the implementation of the dual control policies on energy consumption and carbon emissions, projects identified as “Two Highs” Projects may in practice face more complex review procedures and greater challenges in obtaining energy conservation review opinions, which could limit our ability to obtain the regulatory approvals necessary for the development and operation of data centers.

Furthermore, no matter at a state level or at a local level, policies have been rolled out to apply differential electricity tariffs to data centers. On August 24, 2024, the Cyberspace Administration of China, or the CAC, the NDRC, the MIIT, the Ministry of Natural Resources, the Ministry of Ecology and Environment, the Ministry of Housing and Urban-Rural Development, the Ministry of Transport, the Ministry of Agriculture and Rural Affairs, the SAMR, and the National Bureau of Statistics promulgated the *Implementation Guidelines for Coordinated Digital and Green Transformation and Development*, according to which, data centers have been specifically included in the scenario of application of differential electricity tariffs, with the electricity tariffs determined according to the actual operational PUE of data centers. Some local authorities, such as those in Jiangsu and Beijing, have promulgated regulations imposing punitive or differential electricity tariffs on data centers whose PUE or energy consumption exceeds the specified threshold. Specifically, according to the *Beijing Municipal Work Plan for Optimizing Existing Data Centers (2024-2027)* issued by the Beijing EIT, the Beijing DRC and the Beijing Communications Administration, effective from 2026, differential electricity tariffs shall apply to data centers whose PUE value exceeds 1.35. However, PUE is also influenced by our clients' power usage during their move-in process, which is beyond our control. Fluctuations in our clients' power consumption can lead to higher electricity tariffs, potentially having a negative impact on our operations.

Implementation of China's "East Data and West Computation" policy subjects us to regulatory and economic uncertainty.

In December 2020, the NDRC, CAC, MIIT and National Energy Administration jointly released the *Guiding Opinions on Accelerating the Construction of a National Integrated Large Data Center Collaborative Innovation System*, or the guiding opinions. The guiding opinions proposed the construction of a nationwide integrated data center system. The above four agencies have since issued a series of related policy documents, including the *Implementation Plan for Computing Power Hubs of the National Integrated Large Data Center Collaborative Innovation System*, or the Implementation Plan, in May 2021, which introduced the policy of "East Data and West Computation." By moving data that does not require intensive computation from eastern regions to the resource-rich western regions, the "East Data and West Computation" policy aims to optimize the use of the national resources, correct the imbalance in supply and demand of computing capacity and promote the overall development of data centers in both western and eastern regions.

The Implementation Plan and other policy documents identify eight computing hubs in eastern and western China, and designate ten data center clusters in specific locations within these hubs to complete the overall layout of the national integrated big data center system. We have started to develop and operate hyperscale data centers in some of the hubs designated by the "East Data and West Computation" policy to meet customer demand prior to the introduction of such policy and will continue to do so to meet increased customer demand. Most of our existing data center capacity, including area in service, area under construction and area held for future development is located within the four computing hubs in eastern China and a portion of it is in the ten designated data center clusters. We therefore believe our long-term strategy is aligned with the policy aims. Nevertheless, there are uncertainties on how the policy will be implemented in practice and how this policy will affect the customer demand. For example, according to the *Implementation Opinions of the National Development and Reform Commission and Other Ministries and Commissions on In-depth Implementation of the "East-to-West Computing Resource Transfer Project" to Accelerate the Construction of a National Integrated Computing Power Network* promulgated by the NDRC, the National Bureau of Data, the Office of the Central Cyberspace Affairs Commission, the MIIT and the National Energy Administration on December 25, 2023, in principle, no large or extra-large data centers shall be newly constructed outside the aforementioned computing hubs. According to the *Notice on Issuing the Special Action Plan for the Green and Low - Carbon Development of Data Centers* promulgated by the NDRC, the MIIT, the National Energy Administration and the National Bureau of Data on July 3, 2024, newly - built large and extra - large data centers should be primarily located within the scope of the clusters of national data center hubs under the integrated national computing power network, and the national hubs, provincial data centers and edge data centers shall be arranged in an orderly manner at different levels. Furthermore, in principle, no new data center clusters, large data center or extra - large data center may be planned or constructed in cities where existing data centers have been in operation for over one year with an overall utilization rate of less than 50%. By the end of 2025, over 60% of the newly - added computing power nationwide is projected to be in the hubs, and the utilization rate of computing resources in these hubs will be significantly higher than the national average. Following these rules and regulations, government authorities may allocate more energy quota to certain areas within the ten designated data center clusters where we have not yet secured resources and remove favorable land and tax policies in areas outside such data center clusters where we have already secured resources, which may have adverse effects on our business.

In addition, more stringent regulatory requirements in terms of key aspects such as PUE, utilization rate and the proportion of green electricity consumption have been imposed in the designated data center clusters following the introduction of “East Data and West Computation” policy. For example, the NDRC, CAC, MIIT and National Energy Administration jointly published the *Reply on Agreeing the Construction of National Integrated Computing Hubs in Chengdu-Chongqing Region* on February 7, 2022 to provide that the average utilization rate of data centers in Tianfu and Chongqing data center clusters shall be no less than 65% and the PUE of these data center clusters shall be at or below 1.25. The Shanghai Commission of Economy and Informatization, or the Shanghai CEI, the Shanghai Development and Reform Commission, or the Shanghai DRC, Shanghai Municipal Finance Bureau, the Shanghai Branch of PBOC, the Shanghai Municipal Tax Service of STA, Shanghai Municipal Administration for Market Regulation and Shanghai Office of the National Financial Regulatory Administration jointly published a *Notice on Issuing the Special Campaign for Promoting Large - scale Equipment Renewals in Industrial Fields and Expanding the Application of Innovation Products in Shanghai* on May 31, 2024, according to which, the PUE of newly constructed data centers shall be at or below 1.25 and “outdated, small and scattered” data centers shall be included in the catalog of restricted and phased - out industries, and the PUE of such data centers shall aim to be at or below 1.4 after upgrade. The Sichuan DRC, the Sichuan Commission of Economy and Informatization, the Sichuan Communications Administration of, and the Sichuan Energy Bureau jointly published an *Action Plan for High - Quality Development of Sichuan Province’s Computing Power Infrastructure (2024 - 2027)* on November 15, 2024, according to which, the PUE of data centers shall in average be below 1.3 by 2027. In addition, the NDRC, CAC, MIIT and National Energy Administration jointly published the *Reply on Agreeing the Construction of National Integrated Computing Hubs in Guangdong-Hong Kong-Macao Greater Bay Area* on February 7, 2022, and the Guangdong Development and Reform Commission, or the Guangdong DRC, and the Department of Industry and Information Technology of Guangdong Province, or the Guangdong IIT, jointly issued the *Opinions on Strengthening the Layout and Construction of Data Centers* on December 2, 2022, according to which, 1) the average PUE of data centers which are newly constructed and located in data center clusters of national hubs shall be at or below 1.25 while the average PUE of other data centers in Guangdong province shall be at or below 1.3; and 2) the average utilization rate of data centers in Shaoguan data center cluster shall be no less than 65% while the average utilization rate of other data centers in Guangdong province should aim to be no less than 80%. The NDRC and the *National Energy Administration* jointly issued the *Notice on the 2025 Renewable Energy Power Consumption Responsibility Weight and Related Matters* on July 1, 2025, according to which, the green electricity consumption proportion for newly built data centers in national hubs shall reach 80% during 2025-2026. While we have been making every effort to develop and operate our data centers in some of the hubs designated by the “East Data and West Computation” policy in compliance with the relevant regulatory requirements, we cannot assure you that we have complied, and will be able to comply with the required regulatory requirements for all our data centers in a timely manner or at all due to the constantly evolving regulatory requirements and practices.

Implementation of the “East Data and West Computation” policy may result in unfavorable business conditions in any region we operate currently or expect to operate, and could have a material and adverse effect on our results of operations.

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.

We incurred net losses of RMB4,285.4 million in 2023. We recorded net income of RMB3,303.8 million in 2024 primarily due to gain on deconsolidation of DayOne. We also recorded net income of RMB959.4 million (US\$137.2 million) in 2025 primarily due to gains on deconsolidation of several data center project companies following the closing of asset monetization transactions. Excluding the impact of gain on deconsolidation of DayOne and the project companies, we still incurred net losses in 2024 and 2025. We expect our costs and expenses to increase as we expand our operations, primarily including costs and expenses associated with owning and leasing data center capacity, increasing our headcount and utility expenses. Our ability to achieve and maintain profitability depends on the continued growth and maintenance of our customer base, our ability to renew on the same terms including same price or same commitment of utilization (see “— Our customer agreement commitments are subject to reduction, potential cancellation and non-renewal upon expiry; if renewed, the renewal may be at lower pricing terms or for a lower commitment of utilization”), our ability to control our costs and expenses, the expansion of our service offerings and our ability to provide our services at the level needed to satisfy the stringent demands of our customers. In addition, our ability to achieve profitability is affected by many factors which are beyond our control, such as the overall demand for data center services in mainland China, as well as general economic conditions. If we cannot efficiently manage the data center facilities we operate, our financial condition and results of operations could be materially and adversely affected. We may continue to incur losses in the future due to our continued investments in data center capacity, increased headcount and increased utility expenses.

The data center business is capital-intensive. 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, capital recycle from asset monetization or through the issuance of additional equity securities if necessary and when market conditions permit. If we are unable to secure such additional financing, it will have a material adverse effect on our business and we may have to limit operations in a manner inconsistent with our development plans. If additional funds are raised through the issuance of equity securities or convertible debt securities, it will be dilutive to our shareholders and could result in a decrease in our stock price. In addition, if there are other factors that negatively impact our cash flow, such as the credit risk associated with accounts receivable or the ability to recover VAT on a timely basis, our cash flow and ability to fund our operations and capital expenditures would be negatively affected. If we are unable to obtain requisite financing needed to fund our planned operations and expansion, it would have a material adverse effect on our business.

Any significant or prolonged failure in the data center facilities we operate or services we provide would lead to significant costs and disruptions and would reduce our net revenue, harm our business reputation, and have a material adverse effect on our results of operation.

The data center facilities we operate are subject to failure. Any significant or prolonged failure in any data center facility we operate or services that we provide, including a breakdown in critical plant, equipment or services, such as the cooling equipment, generators, backup batteries, routers, switches, or other equipment, power supplies, or network connectivity, whether or not within our control, could result in service interruptions and data losses for our customers as well as equipment damage, which could significantly disrupt the normal business operations of our customers and harm our reputation and reduce our net revenue. Any failure or downtime in one of the data center facilities that we operate could affect many of our customers. The destruction or severe impairment of any of the data center facilities we operate could result in significant downtime of our services and catastrophic loss of customer data. Since our ability to attract and retain customers depends on our ability to provide highly reliable service, even minor interruptions in our service could harm our reputation and cause us to incur financial penalties. The services we provide are subject to failures resulting from numerous factors, including:

- power loss;
- equipment failure;
- human error or accidents;
- theft, sabotage and vandalism;
- failure by us or our suppliers to provide adequate service or maintenance to our equipment;
- network connectivity downtime and fiber cuts;
- security breaches to our infrastructure;
- improper building maintenance by us or by the landlords of the data center buildings which we lease;
- physical, electronic and cybersecurity breaches;
- fires and fire hazards, earthquake, hurricane, tornado, flood and other natural disasters;
- extreme temperatures;
- water damage;
- public health emergencies; and
- terrorism.

Furthermore, we generate significant revenue from data centers located in only a few locations and a significant disruption to any single location could materially and adversely affect our operations. As of March 31, 2026, most of our data centers (self-developed and third-party) were located in our established markets. Several of our data centers are located on campuses or clusters in close proximity to each other in specific districts within our established markets. The occurrence of a catastrophic event, or a prolonged disruption in any of these regions, could materially and adversely affect our operations.

We have in the past experienced, and may in the future experience, interruptions in service due to power outages or other technical failures or for reasons outside of our control, including a service interruption that caused system downtime to certain banking and financial institution customers and other customers. These interruptions in service, regardless of whether they result in breaches of the service level agreements we have with customers, may negatively affect our relationships with customers, including resulting in customers terminating their agreements with us or seeking damages from us or other compensatory actions. Interruptions in service may also have consequences for customers, such as banking and financial institutions, that are under the oversight of industry regulators, including the State Administration for Financial Regulation, or SAFR, and other PRC regulatory agencies. In response to such interruptions in service, industry regulators have taken, and may in the future take, various regulatory actions, including notifications or citations to our customers, over which they have oversight. Such regulatory actions with respect to our customers, including banking and financial institutions, could negatively impact our relationships with such customers, lead to audits of our services, inspections of our facilities, place restrictions or prohibitions upon the ability of such institutions to use our services, and thereby negatively affect our business operations and results of operations. We have taken and continue to take steps to improve our infrastructure to prevent service interruptions, including upgrading our electrical and mechanical infrastructure and sourcing, designing the best facilities possible and implementing rigorous operational procedures to maintain programs to manage risk. However, we cannot assure you that such interruptions in service will not occur again in the future, or that such incidents will not result in the loss of customers and revenue, our paying compensation to customers, reputational damage to us, penalties or fines against us, and would not have a material and adverse effect on our business and results of operations. See “Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business—People’s Republic of China Regulations—Regulations Related to Information Technology Outsourcing Services Provided to Banking Financial Institutions.” Service interruptions continue to be a significant risk for us and could affect our reputation, damage our relationships with customers and materially and adversely affect our business.

Delays in the delivery of new data centers or the expansion of existing data centers could involve significant risks to our business.

In order to meet customer demand and the continued growth of our business, we need to expand existing data centers, lease buildings for conversion into new data center facilities or obtain suitable land to build new data centers. Expansion of existing data centers and/or construction of new data centers are currently underway or being contemplated and such expansion and/or construction require us to carefully select and rely on the experience of one or more designers, general contractors, and subcontractors during the design and construction process. If a designer or contractor experiences financial or other problems during the design or construction process, we could experience significant delays and/or incur increased costs to complete the projects, resulting in negative impacts on our results of operations.

In addition, we need to work closely with the local power suppliers, and sometimes local governments, where our proposed data centers are located. Delays in actions that require the assistance of such third parties, or delays in receiving required permits and approvals from such parties, may also affect the speed with which we complete data center projects or result in their not being completed at all. We have experienced such delays in receiving approvals and permits or in actions to be taken by third parties in the past and may experience them again in the future.

If we experience significant delays in the supply of power required to support the data center expansion or new construction, either during the design or construction phases, the progress of the data center expansion and/or construction could deviate from our original plans and we may fail to meet delivery schedules committed to customers, which could, among others, result in liability for penalties and loss of customers, and cause material and negative effect to our revenue growth, profitability and results of operations.

The occurrence of a catastrophic event or a prolonged disruption may exceed our insurance coverage by significant amounts.

Our operations are subject to hazards and risks normally associated with the daily operations of our data center facilities. Currently, we maintain insurance policies in the following categories: construction and erection all risks, business interruption, property all risks, public liability, cybersecurity liability, directors and officers liability, employer liability and commercial employee insurance. Our business interruption insurance includes coverage for gross loss; our property all risks insurance includes coverage for equipment breakdowns; and our commercial employee insurance includes employee group insurance and senior management medical insurance. We believe our insurance coverage adequately covers the risks of our daily business operations. However, our current insurance policies may be insufficient in the event of a prolonged or catastrophic event. The occurrence of any such event that is not entirely covered by our insurance policies may result in interruption of our operations and subject us to significant losses or liabilities and damage our reputation as a provider of business continuity services. In addition, any losses or liabilities that are not covered by our current insurance policies may have a material adverse effect on our business, financial condition and results of operations.

We may be vulnerable to cybersecurity failures, data security breaches and operational risks which could disrupt or have a material adverse effect on our operations, our financial condition and results of operations.

A party who is able to compromise cybersecurity, data security and/or other measures protecting the data center facilities we operate, any of the data stored in such data center facilities, or their IT systems, could misappropriate our or our customers' proprietary information or cause interruptions or malfunctions in our operations. As we provide assurances to our customers that we provide the highest level of security, such a compromise could be particularly harmful to our brand and reputation. We face the ongoing risk of threats to, attacks on and incidents involving cybersecurity, data security, and the IT systems of ours. For example, a non-critical customer support IT system of ours was a target of cyber-attacks and hacking activities. We may be required to expend significant capital and resources to protect against such threats or to alleviate problems caused by failures or breaches in cybersecurity or data security. In addition, as we continue expanding our service offerings in managed cloud services, including direct private connection to major cloud platforms and the provision of cloud infrastructure, we will face greater risks from potential threats, attacks and incidents because the provision of cloud-related services will increase the flow of internet user data through the data center facilities we operate and create broader public access to our system. As techniques used to breach security change frequently and are often not recognized until launched against a target, we may not be able to implement new security measures in a timely manner or, if and when implemented, we may not be certain whether these measures could be circumvented. Any cybersecurity failures or data security breaches that may occur could expose us to increased risk of lawsuits, regulatory investigations and penalties, negative publicity, loss of existing or potential customers, harm to our reputation and increases in our security costs, which could have a material adverse effect on our operations, financial condition and results of operations.

Risks and deficiencies in cybersecurity and/or data security may also be identified in the course of government inspections, which could subject us to fines and other sanctions. During construction of certain of our facilities, government inspectors have cited security risks at our construction sites and subjected us and our legal representative to fines for such risks. We cannot assure you that similar fines and sanctions will not occur in the future, or that such fines and sanctions will not result in damage to our business and reputation, which could have a material and adverse effect on our results of operations.

In addition, any assertions of alleged breaches in cybersecurity or data security or IT systems failures made against us, whether true or not, could harm our reputation, cause us to incur substantial legal fees and have a material adverse effect on our business, reputation, financial condition and results of operations.

Our ability to provide data center services depends on the major telecommunications carriers in China providing sufficient network services to our customers in the data center facilities that we operate on commercially acceptable terms.

Our ability to provide data center services depends on the major telecommunications carriers in mainland China, namely China Telecom, China Unicom and China Mobile, providing sufficient network connectivity and capacity to enable our customers to transfer data to and from equipment that they locate in the data center facilities that we operate. Furthermore, given the limited competition among basic service providers in the telecommunications market in mainland China, we depend on the dominant carrier in each location to provide such services to our customers on commercially acceptable terms. Although we believe we have maintained good relationships with China Telecom, China Unicom and China Mobile in the past, there can be no assurance that they will continue to provide the network services that our customers require on commercially acceptable terms at each of the data centers where we operate, if at all. In addition, if China Telecom, China Unicom or China Mobile increases the price of their network services, it would have a negative impact on the overall cost-effectiveness of data center services in mainland China, which could cause our customers' demand for our services to decline and would materially and adversely affect our business and results of operations.

Our leases for self-developed data centers or our agreements for third-party data centers could be terminated early and we may not be able to renew our existing leases and agreements on commercially acceptable terms or our rent or payment under the agreements could increase substantially in the future, which could materially and adversely affect our operations.

Most of our self-developed data centers are located in properties that we hold under long-term leases. Such leases generally have 15 to 20-year terms from inception. In some instances, we may negotiate an option to purchase the leased premises and facilities or a right of first refusal for the renewal of the existing leases according to the terms and conditions under the relevant lease agreements. However, upon the expiration of such leases, we may not be able to renew these leases on commercially reasonable terms, if at all. Under certain lease agreements, the lessor may terminate the agreement by giving prior notice and paying default penalties to us. However, such default penalties may not be sufficient to cover our losses. Even though the lessors for most of our data centers generally do not have the right of unilateral early termination unless they provide the required notice, the lease may nonetheless be terminated early if we are in material breach of the lease agreements. We may assert claims for compensation against the landlords if they elect to terminate a lease agreement early and without due cause. If the leases for our data centers were terminated early prior to their expiration date, notwithstanding any compensation we may receive for early termination of such leases, or if we are not able to renew such leases, we may have to incur significant cost related to relocation. In addition, we have entered into one agreement in respect of a data center in operation with a party who has not produced evidence of proper legal title of the premises, and although we may seek damages from the party, the lease may be void and we may be forced to relocate. The agreement is in relation to one leased data center which collectively accounted for approximately 0.12%, 0.34% and 0.43% of our revenues in the years ended December 31, 2023, 2024 and 2025, respectively, and approximately 0.3%, 0.3% and 0.3% of total area committed as of December 31, 2023, 2024 and 2025, respectively. Eleven of our data centers are located in properties that were already mortgaged to third parties before the commencement of the lease. If such third parties claim their rights on the mortgaged properties in case of default or breach under the principal debt by the lessors or other relevant parties, we may not be able to protect our leasehold interest and may be ordered to vacate the affected premises. Any relocation could also affect our ability to provide continuous uninterrupted services to our customers and harm our reputation. As a result, our business and results of operations could be materially and adversely affected.

Furthermore, certain portions of our data center operations are located in third-party data centers that we lease from wholesale data center providers. Our agreements with third parties are typically five years but may also be up to ten years. Under some of such agreements, we have the right of first refusal to renew the agreements subject to mutual agreement with the third parties. Some of such agreements allow the third parties to terminate the agreements early, subject to a notification period requirement and the payment of a pre-determined termination fee, which in some cases may not be sufficient to cover any direct and indirect losses we might incur as a result. Although historically we have successfully renewed all agreements we wanted to renew, and we do not believe that any of our agreements will be terminated early in the future, there can be no assurance that the counterparties will not terminate any of our agreements prior to its expiration date. We plan to renew our existing agreements with third parties upon expiration or migrate our operations to the data centers leased or owned by our company. However, we may not be able to renew these agreements on commercially acceptable terms, if at all, or the space in data centers that we lease or own may not be adequate for us to relocate such operations, and we may experience an increase in our payments under such agreements. Any adverse change to our ability to exert operational control over any of the data center facilities we operate could have a material adverse effect on our ability to operate these data center facilities at the standards required for us to meet our service level commitments to our customers.

Our net revenue is highly dependent on a limited number of customers, and the loss of, or any significant decrease in business from, any one or more of our major customers or from any major contract with any customer could adversely affect our financial condition and results of operations.

We consider our customers to be the end users of our services. We may enter into agreements directly with our customers or provide services to our customers through agreements with intermediate contracting parties. See “Item 4. Information on the Company—B. Business Overview—Our Customers.”

We have in the past derived, and believe that we will continue to derive, a significant portion of our net revenue from a limited number of customers. We had two customers that generated 28.3% and 17.1% of our total net revenue, respectively, in 2023, two customers that generated 29.0% and 14.4% of our total net revenue, respectively, in 2024, and two customers that generated 29.0% and 12.0% of our total net revenue, respectively, in 2025. No other customer accounted for 10% or more of our total net revenue during those periods. We expect our net revenue will continue to be highly dependent on a limited number of customers who account for a large percentage of our total area committed. As of December 31, 2025, we had two customers who accounted for 37.9% and 11.8%, respectively, of our total area committed. No other customer accounted for 10% or more of our total area committed. Moreover, for several of our data centers, a limited number of customers accounted for or are expected to account for a substantial majority of area committed or area utilized, including some cases where a single customer accounted for all area committed or area utilized.

Delay of customer move-in results in less area utilized by the customer which is already committed. If the customer’s move-in time is longer than the typical committed move-in period of 12 to 24 months, the customer may either pay the minimum billable amount or we may renegotiate with the customer on a case by case basis. If there are contract early terminations or non-renewal in relation to these customers, then our net revenue and results of operations would be materially and adversely affected. Our churn rate, which we define as area terminated or expired without renewal during the quarter divided by total area utilized at the end of the preceding quarter, averaged approximately 1.2% and 0.9% in 2024 and 2025, respectively. There are a number of factors that could cause us to experience early termination or non-renewal of contracts. Because many of our agreements involve services that are mission-critical to our customers, any failure by us to meet a customer’s expectations could result in cancellation or non-renewal of the agreement. Moreover, as a single major contract may relate to a significant amount of area committed and utilized, accordingly, higher churn can create uncertainty and lack of stability in our maintaining consistent area committed and area utilized, therefore our revenue can be adversely affected by higher churn rate or by the termination of any one or more major contract.

Our service agreements usually allow our customers to terminate their agreements with us before the end of the contract period under certain specified circumstances, including our failure to deliver services as required under such agreements, and in some cases without cause as long as sufficient notice is given. In addition, our customers may decide to reduce spending on our services due to a challenging economic environment or other factors, both internal and external, relating to their business such as corporate restructuring or changing their outsourcing strategy by moving more facilities in-house or outsourcing to other service providers. Furthermore, our customers, some of whom have experienced rapid changes in their business, substantial price competition and pressures on their profitability, may demand price reductions or reduce the scope of services to be provided by us, any of which could reduce our profitability. In addition, our reliance on any individual customer for a significant portion of our net revenue may give that customer a degree of pricing leverage against us when negotiating agreements and terms of services with us.

The loss of any of our major customers, or a significant decrease in the extent of the services that they outsource to us or the price at which we sell our services to them, could materially and adversely affect our financial condition and results of operations.

If we are unable to meet our service level commitments, our reputation and results of operation could suffer.

Most of our customer agreements provide that we maintain certain service level commitments to our customers. If we fail to meet our service level commitments, we may be contractually obligated to pay the affected customer a financial penalty, which varies by agreement, and the customer may in some cases be able to terminate its agreement. Although we have not had to pay any material financial penalties for failing to meet our service level commitments in the past, there is no assurance that we will be able to meet all of our service level commitments in the future and that no material financial penalties may be imposed. In addition, if such a failure were to occur, there can be no assurance that our customers will not seek other legal remedies that may be available to them, including:

- requiring us to provide free services;
- seeking damages for losses incurred; and
- cancelling or electing not to renew their agreements.

Any of these events could materially increase our expenses or reduce our net revenue, which would have a material adverse effect on our reputation and results of operations. Our failure to meet our commitments could also result in substantial customer dissatisfaction or loss. As a result of such customer loss and other potential liabilities, our net revenue and results of operations could be materially and adversely affected.

Our customer base may decline if our customers or potential customers develop their own data centers or expand their own existing data centers.

Some of our customers may develop their own data center facilities. Other customers with their own existing data centers may choose to expand their data center operations in the future. In the event that any of our key customers were to develop or expand their data centers, we may lose business or face pressure as to the pricing of our services. Although we believe that the trend is for companies in China to outsource more of their data center facilities and operations to colocation data center service providers, there can be no assurance that this trend will continue. In addition, if we fail to offer services that are cost-competitive and operationally advantageous as compared with services provided in-house by our customers, we may lose customers or fail to attract new customers. If we lose a customer, there is no assurance that we would be able to replace that customer at the same or a higher rate, or at all, and our business and results of operations would suffer.

Our customer agreement commitments are subject to reduction, potential cancellation and non-renewal upon expiry; if renewed, the renewal may be at lower pricing terms or for a lower commitment of utilization.

Many of our customer agreements allow for early termination, subject to payment of specified costs and penalties, which are usually less than the revenues we would expect to receive under such agreements. Our customer agreement commitments could significantly decrease if any of the customer agreements is terminated either pursuant to, or in violation of, the terms of such agreement. Even if our current and future customers have entered into a binding agreement with us, they may choose to terminate such agreement prior to the expiration of its terms. Any penalty for early termination may not adequately compensate us for the time and resources we have expended in connection with such agreement, or at all, which could have a material adverse effect on our results of operations and cash flows.

Although we seek to renew customer agreements when those agreements are due for renewal, and we endeavor to secure high rates of agreement renewals for our services on the same or better terms including price, and same commitment of utilization, there can be no assurance that we will be able to renew service agreements with our existing customers with the same or better terms, including price and same commitment of utilization, or re-commit space relating to expired service agreements to new customers if our current customers do not renew their agreements.

In addition, our customer agreement commitments during a particular future period may be reduced due to intense competition, or for reasons outside of our customers' control, such as general prevailing economic conditions. It is difficult to predict how market forces, or PRC or U.S. government policies, in particular, and uncertainty in bilateral relations between the PRC and the U.S., may continue to impact the PRC economy as well as related demand for our colocation and managed services going forward. See "—Geopolitical tensions have led to adverse trends in the areas of trade, technology and even finance between China and the United States and these adverse trends may continue, which could negatively affect our business operations and results of operations."

In the event of a customer's early termination, non-renewal of expired agreements, or a renewal of an expired agreement for significantly fewer services or reduced area than it had previously utilized, or a renewal of an expired agreement for significantly lower pricing terms than it had previously paid, we may be unable to timely enter into services agreements so that the expired existing space can be utilized by new or other existing customers, our service revenue may be negatively impacted, and our results of operations could be materially and adversely affected.

If we do not succeed in attracting new customers for our services and/or growing revenue from existing customers, we may not achieve our revenue growth goals.

We have been expanding our customer base to cover a range of industry verticals, particularly cloud service providers and other internet-based businesses. Our ability to attract new customers, as well as our ability to grow revenue from our existing customers, depends on a number of factors, including our ability to offer high-quality services at competitive prices, the strength of our competitors and the capabilities of our marketing and sales teams to attract new customers. If we fail to attract new customers, we may not be able to grow our net revenue as quickly as we anticipate or at all.

As our customer base grows and diversifies into other industries, we may be unable to provide customers with services that meet the specific demand of such customers or their industries, or with quality customer support, which could result in customer dissatisfaction, decreased overall demand for our services and loss of expected revenue. In addition, our inability to meet customer service expectations may damage our reputation and could consequently limit our ability to retain existing customers and attract new customers, which would adversely affect our ability to generate revenue and negatively impact our results of operations.

Customers who rely on us for the colocation of their servers, the infrastructure of their cloud systems, and management of their IT and cloud operations could potentially sue us for their lost profits or damages if there are disruptions in our services, which could impair our financial condition.

As our services are critical to many of our customers' business operations, any significant disruption in our services could result in lost profits or other indirect or consequential damages to our customers. Although our customer agreements typically contain provisions attempting to limit our liability for breach of the agreement, including failing to meet our service level commitments, there can be no assurance that a court would enforce any contractual limitations on our liability in the event that one of our customers brings a lawsuit against us as the result of a service interruption that they may ascribe to us. The outcome of any such lawsuit would depend on the specific facts of the case and any legal and policy considerations that we may not be able to mitigate. In such cases, we could be liable for substantial damage awards. Since we do not carry liability insurance coverage, such damage awards could seriously impair our financial condition.

Our major customers operate in a limited number of industries, particularly in the cloud services and internet sector. Factors that adversely affect these industries or information technology spending in these industries may adversely affect our business.

Our major customers operate in a limited number of industries, particularly in the cloud services and internet sector. As of December 31, 2025, customers from the cloud services and internet sector accounted for 56.0% and 33.3% of our total area committed, respectively. Our business and growth depend on continued demand for our services from our current and potential customers in the cloud services and internet sector. Demand for our services, and technology services in general, in any particular industry could be affected by multiple factors outside of our control, including a decrease in growth or growth prospects of the industry, a slowdown or reversal of the trend to outsource information technology operations, or consolidation in the industry. In addition, serving a major customer within a particular industry may effectively preclude us from seeking or obtaining engagements with direct competitors of that customer if there is a perceived conflict of interest. Any significant decrease in demand for our services by customers in these industries, or other industries from which we derive significant net revenue in the future, may reduce the revenue derived from such customers.

We enter into fixed price agreements with many customers, and our failure to accurately estimate the resources and time required for the fulfillment of our obligations under these agreements could negatively affect our results of operations.

Our data center services are generally provided on a fixed price basis that requires us to undertake significant projections and planning related to resource utilization and costs. Although our past project experience helps to reduce the risks associated with estimating, planning and performing fixed price agreements, we bear the risk of failing to accurately estimate our projected costs, including power costs as we may not accurately predict our customer's ultimate power usage once the agreement is implemented, and failing to efficiently utilize our resources to deliver our services, and there can be no assurance that we will be able to reduce the risk of estimating, planning and performing our agreements. In light of the NDRC's market-oriented reforms for coal-fired power, electricity prices may fluctuate while the reforms are being implemented at various levels of government. See "Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business—People's Republic of China Regulations—Regulations Related to Feed-in Electricity Price for Coal-Fired Power Generation and Renewable Energy Power Generation." For fixed priced agreements, we may absorb higher power costs which may result in higher cost of revenue. Any failure to accurately estimate the resources and time required for a project, or any other factors that may impact our costs, could adversely affect our profitability and results of operations.

We may be unable to maintain current pricing levels for our data center services in China, and a continued or accelerated decline in market prices could materially and adversely affect our revenue, margins and overall financial performance.

Despite continued demand growth for digital infrastructure and cloud services in China, the data center industry has experienced a sustained downward trend in service pricing in recent years. This trend reflects a combination of structural and cyclical pressures, including significant new capacity coming online, intensified competition from both domestic and international providers, evolving customer preferences, and increased pricing transparency. In particular, hyperscale and large enterprise customers, which represent a substantial portion of our revenue base, often possess considerable bargaining power and leverage economies of scale to negotiate lower rates, longer payment terms, or other commercial concessions.

Although we strive to maintain or improve pricing in our customer contracts through value-added services, premium locations, and high service quality, there can be no assurance that we will be able to sustain our historical pricing levels. As industry supply continues to expand, particularly in key established markets and emerging markets surrounding the established markets, we may be required to enter into new or renewed customer agreements at lower rates or less favorable terms. In some cases, we may face pressure to offer volume-based discounts or extended move-in periods to secure or retain strategic clients.

Furthermore, certain regulatory and macroeconomic developments, such as government-imposed limitations on power usage by data centers, regional planning constraints, or shifting customer investment strategies, could contribute to excess capacity in specific markets, further exacerbating pricing pressure. These dynamics are especially pronounced in certain municipalities where approval pipelines have led to concentrated development, intensifying competition and pushing down utilization rates across operators.

A sustained decline in pricing for our data center services could significantly impact our revenue growth, gross margins, and return on invested capital, particularly given the high fixed cost structure and capital intensity of our business. Declining average revenue per square meter or per kilowatt could also impair our ability to recover upfront capital expenditures and reduce the attractiveness of new development projects.

If pricing pressure continues or intensifies, and we are unable to offset the impact through cost efficiencies, operational scale, or higher-value service offerings, our business, financial condition and results of operations could be materially and adversely affected.

We may not be able to compete effectively against our current and future competitors.

We offer a broad range of data center services and, as a result, we may compete with a wide range of data center service providers for some or all of the services we offer. Policies promoted by the PRC government concerning the concept of "new infrastructure" may encourage and result in a new wave of investment in, among other things, largescale data centers, artificial intelligence and industrial internet at all levels of the economy. Accordingly, there may be an increase in the number of companies engaging in the data center services business due to the numerous opportunities presented by such policies, which may result in increased competition in our industry.

We face competition from the state-owned telecommunications carriers, namely China Telecom, China Unicom and China Mobile, domestic and international carrier-neutral data center service providers and other global telecommunications carriers. Our current and future competitors may vary by size and service offerings and geographic presence. See “Item 4. Information on the Company—B. Business Overview—Competition.”

Competition is primarily centered on reputation and track record, quality and availability of data center capacity, quality of service, technical expertise, security, reliability, functionality, breadth and depth of services offered, geographic coverage, financial strength and price. Some of our current and future competitors may have greater brand recognition, marketing, technical and financial resources than we do. As a result, some of our competitors may be able to:

- bundle colocation services with other services or equipment they provide at reduced prices;
- develop superior products or services, gain greater market acceptance, and expand their service offerings more efficiently or rapidly;
- adapt to new or emerging technologies and changes in customer requirements more quickly;
- take advantage of acquisition and other opportunities more readily; and
- adopt more aggressive pricing policies and devote greater resources to the promotion, marketing and sales of their services.

We operate in a competitive market, and we face pricing pressure for our services. Prices for our services are affected by a variety of factors, including supply and demand conditions and pricing pressures from our competitors. Although we offer a broad range of data center services, our competitors that specialize in only one of our service offerings may have competitive advantages in that offering. With respect to all of our colocation services, our competitors may offer such services at rates below current market rates or below the rates we currently charge our customers. With respect to both our colocation and managed service offerings, our competitors may offer services in a greater variety that are more sophisticated or that are more competitively priced than the services we offer. We may be required to lower our prices to remain competitive, which may decrease our margins and adversely affect our business prospects, financial condition and results of operations.

Export control and economic or trade sanctions could subject us to regulatory investigations or other actions, and may limit our ability to sell to certain customers, which could materially and adversely affect our competitiveness and business operations.

Our operations expose us to risks related to export controls and economic and trade sanctions. In recent years, the U.S. government and other governments have threatened and/or imposed export controls, economic sanctions, or other trade restrictions on a number of China-based technology companies, including Huawei Technologies Co., Ltd., or Huawei, and certain of their respective affiliates and other China-based technology companies, as well as taken other actions against Huawei and related persons. This has raised further concerns as to whether, in the future, China-based companies, including us, may be subject to additional regulatory challenges or enhanced restrictions in a wide range of areas such as data security, telecommunications, artificial intelligence, cloud computing, semiconductor manufacturing, technologies deployed for surveillance purposes, import/export of technology or other business activities. We may also face restrictions on transactions with certain customers, business partners and other persons.

For example, the U.S. government has added hundreds of Chinese companies and institutions, including Huawei, to the Entity List under the U.S. Export Administration Regulation, or EAR, and imposed targeted export controls and trade restrictions on them that could effectively bar their access to U.S.-origin goods and technologies, as well as goods and technologies that contain a significant portion of U.S.-origin content or involve certain U.S.-origin technology or software. The Entity List identifies foreign parties that are prohibited from obtaining—whether by export, re-export, or transfer in-country—some or all items subject to the EAR, unless the exporter secures a license. Licenses and exceptions to the license requirement are rarely granted or available to exporters. Exporting, re-exporting or transferring items in violation of the EAR could result in criminal and/or civil penalties. The U.S. Department of Commerce has indicated that engaging in activities contrary to U.S. national security and/or foreign policy interests would be grounds for inclusion on the Entity List. More recently on September 29, 2025, BIS issued a new interim final rule that expands the scope of U.S. export restrictions to non-U.S. entities directly or indirectly owned 50 percent or more, individually or in aggregate, by parties designated on the Entity List, the Military End User List, or by Specially Designated Nationals blocked under certain sanctions programs of the Office of Foreign Assets Control of the United States identified in the EAR. While this interim final rule has been suspended until November 9, 2026, the United States and other countries may impose other and more expansive export controls and trade restrictions targeting China and China-based companies, including us, in the future.

Furthermore, on June 3, 2021, U.S. President Biden issued Executive Order 14032 amending Executive Order 13959 to prohibit certain transactions involving the purchase or sale of publicly traded securities of designated companies. Restrictions are applicable to certain entities designated as Chinese Military-Industrial Complex Companies, or CMICs, who have been placed on the CMIC List. While the CMIC List is not a blocking sanctions list, it is possible that in the future more severe sanctions may be imposed by the U.S. government on CMICs.

Export control and economic sanctions laws and regulations are complex and likely subject to frequent changes, and the interpretation and enforcement of the relevant regulations involve substantial uncertainties, which may be driven by political and/or other factors that are out of our control or heightened by national security concerns. Such potential restrictions, as well as any associated inquiries or investigations or any other government actions, may be difficult or costly to comply with and may, among other things, delay or impede the development of our technology, products and solutions, hinder the stability of our supply chain, and may result in negative publicity, require significant management time and attention and subject us to fines, penalties or orders that we cease or modify our existing business practices, any of which may have a material and adverse effect on our business, financial condition and results of operations.

These restrictions, and similar or more expansive restrictions or sanctions may be imposed by the U.S. or other governments in the future that may adversely affect our ability to work with certain existing and future customers and business partners. This, in turn, could possibly lead to the modification or cancellation of our existing customer contracts, all of which would harm our business. Furthermore, our association with customers or business partners that are or become subject to U.S. regulatory scrutiny, export restrictions or sanctions could subject us to actual or perceived reputational harm among current or prospective investors, suppliers or customers, customers of our customers, other parties doing business with us, or the general public. Any such reputational harm could result in the loss of investors, suppliers or customers, which could harm our business, financial conditions or prospects.

Additionally, given the important role played by China-based companies in our business, these developments may materially and adversely affect certain of our suppliers' and customers' abilities to acquire technologies, systems, devices or components that may be critical to their technology infrastructure, service offerings and business operations, and further cause a turmoil to their industries including telecommunications, information technology infrastructure and consumer electronics, which may, in turn, materially and adversely affect their demand for our services and affect our business, financial condition and results of operations. There can be no assurance that we will not be affected by current or future export controls or economic and trade sanctions regulations.

Geopolitical tensions have led to adverse trends in the areas of trade, technology and finance between China and the United States and these adverse trends may continue, which could negatively affect our business operations and results of operations.

In recent years, the bilateral relationship between China and the United States has been marked by intense conflicts between the two countries in trade, technology and other areas, and this has led to greater uncertainties in the geopolitical situations in other parts of the world affecting China and Chinese companies. Uncertainty about the future relationship between China and the United States has increased in recent years due to, among other things, export controls, economic and trade sanctions which have been imposed and/or threatened by the U.S. government on a number of Chinese technology companies, some of which are existing or potential customers and/or suppliers to us. These have raised concerns that there may be increasing regulatory challenges or enhanced restrictions against China and other Chinese technology companies, including us, in a wide range of areas such as data security, emerging technologies, semiconductor manufacturing, artificial intelligence, cloud computing, outbound investment, “dual-use” commercial technologies and applications that could be deployed for surveillance or military purposes, import/export of technology or other business activities.

For instance, in August 2022, the U.S. enacted the Creating Helpful Incentives to Produce Semiconductors and Science Act of 2022 (CHIPS Act). The CHIPS Act aims to strengthen U.S. domestic semiconductor manufacturing, design and research, fortify the economy and national security, and to help the U.S. compete economically against China. In October 2022, the U.S. Department of Commerce’s Bureau of Industry and Security, or BIS, released broad changes in export control regulations, including new regulations restricting the export to China of advanced semiconductors, supercomputer technology, equipment for the manufacturing of advanced semiconductors, and components and technology for the manufacturing in China of certain semiconductor manufacturing equipment. In October 2023, BIS issued updated and strengthened export controls restricting the export to China of advanced computing semiconductors, semiconductor manufacturing equipment and supercomputing items, that are intended to restrict China’s ability to purchase and manufacture advanced chips, enhancing controls under the previous regulations from October 2022. In December 2024, BIS introduced additional export controls on advanced computing and semiconductor manufacturing items, and in January 2025, BIS issued additional rules, including the AI Diffusion Framework, expanding controls worldwide on advanced computing integrated circuits and model weights for AI models. Although the Trump administration rescinded the AI Diffusion Framework in May 2025, it may replace it with similar or more restrictive rules, which could reduce China’s access to advanced computing items through third countries. For example, on January 20, 2025, President Trump issued a memorandum titled “America First Trade Policy” directing the Department of Commerce to review existing measures to enhance export controls and eliminate loopholes. This review could lead to additional AI-related controls against China as well as potential restrictions on the provision of certain kinds of AI-related cloud-computing services globally to China-based companies. More recently on January 12, 2026, the U.S. House of Representatives passed the Remote Access Security Act, which, if enacted into law, would further restrict China-based companies’ access to computing resources of service providers powered by advanced U.S. chips.

In addition, the United States in recent years has placed an increasing number of Chinese entities on the Entity List and other restricted or prohibited parties lists, and has imposed complex and restrictive rules applicable to doing business with such listed entities.

Furthermore, the U.S. has adopted new laws and regulations limiting cross-border data transfer. For example, on December 27, 2024, the U.S. Department of Justice issued a final rule implementing Executive Order 14117 of February 28, 2024 “Preventing Access to Americans’ Bulk Sensitive Personal Data and United States Government-Related Data by Countries of Concern.” Effective on April 8, 2025, this final rule aims to prohibit and restrict certain data transactions involving access to U.S. sensitive personal data or U.S. government-related data by countries of concern, including China, and by covered persons, including us.

These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the U.S. or other jurisdictions in the future, may materially and adversely affect our ability to provide services to our existing or potential customers as well as our and our customers’ ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, service offerings and business operations. For instance, the development and adoption of AI technologies in China may rely on access to semiconductor manufacturing items and advanced computing software and hardware, including integrated circuits and model weights for AI models. The U.S. government has placed stringent export controls on some of these items and may continue to expand and tighten these restrictions going forward. To the extent that companies in China, including our customers in China, are unable to access alternative sources of such restricted items, including advanced computing software and hardware, with comparable operating performance and cost-efficiency, the development and adoption of AI technologies in China may be negatively impacted. This could, in turn, reduce AI-related demand for data centers in China. There can be no assurance that the current and/or future restrictions or regulations implemented by the U.S. government, or authorities in other jurisdictions, and related developments, will not have a negative impact on our business operations or reputation.

In addition, new sanctions or export control restrictions targeting our existing or potential customers and/or suppliers of ours or any other parties that have business relationships with us or our affiliates, or our company may result in significant interruption in our business, regulatory investigations and reputational harm to us. Media reports on alleged violation of export control or economic and trade sanctions or data security and privacy laws, by us or by our customers or suppliers, even on matters not involving us, could nevertheless damage our reputation and lead to regulatory investigations, fines and penalties against us. Such fines and penalties may be significant, and if we were publicly named or investigated by any regulator on the basis of suspected or alleged violations of export control or economic and trade sanctions or data security and privacy laws and rules, even in situations where the potential amount or fine involved may be relatively small, our businesses could be severely interrupted and our reputation could be significantly harmed.

Furthermore, rising trade and political tensions between the United States and China could place pressure on the economic growth in China as well as the rest of the world. Such rising tensions could also reduce levels of trade, investments, technological exchanges and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. Measures taken by the U.S. and Chinese governments may have the effect of restricting our ability to transact or otherwise do business with entities within or outside of China and may cause investors to lose confidence in Chinese companies and counterparties, including us. If we were unable to conduct our business as it is currently conducted as a result of such regulatory changes, our business, results of operations and financial condition would be materially and adversely affected.

Any further escalation in trade or other tensions between the United States and China or news and rumors of any escalation, could introduce uncertainties to China's economy and the global economy which in turn could affect the Chinese economy generally, including the use of mobile, web-based commerce as well as our customers' cloud-based platforms and services. Any such decline in the technology industry, reduction in cloud adoption or slowdown in the growth of the internet and the use of our customers' platforms and services may lead to decreased demand for data center capacity or managed services, which could have a material and adverse effect on our business, results of operations and financial condition. Foreign policies of the United States tend to be followed by certain other countries, and those countries may adopt similar policies in their relationships with China and Chinese companies.

Changes in international trade or investment policies and barriers to trade or investment, and the ongoing trade conflict, may have an adverse effect on our business and expansion plans.

In recent years, international market conditions and the international regulatory environment have been increasingly affected by competition among countries and geopolitical frictions. Changes to national trade or investment policies, treaties and tariffs, fluctuations in exchange rates or the perception that these changes could occur, could adversely affect the financial and economic conditions in these jurisdictions, as well as our investment in DayOne, and our financial condition and results of operations. In particular, the U.S. government has advocated for and taken steps towards restricting trade in certain goods, particularly from China. The progress of trade talks between China and the United States is subject to uncertainties, and there can be no certainty as to whether the United States will maintain or reduce tariffs, or impose additional tariffs on Chinese products in the near future. For example, in September 2024, the United States implemented tariff increases on certain goods and technologies imported from China, including electric vehicles, chips, battery technologies, solar panels, certain medical equipment and other goods. In addition, starting in February 2025, President Trump issued an executive order imposing a 10% tariff on imports from China, which was amended on March 3, 2025, raising tariffs on imports from China to 20%. More recently, on April 2, 2025, the U.S. government imposed a series of tariff increases on imports from China, including two sets of tariffs under the International Economic Emergency Powers Act (“IEEPA”), prompting China’s retaliatory tariffs on imports from the U.S. On November 1, 2025, the two countries reached a one-year agreement to de-escalate trade tensions. On February 20, 2026, the U.S. Supreme Court ruled that the President lacked authority to impose tariffs under IEEPA. The reciprocal and fentanyl tariffs imposed on goods imported from China are thus *void ab initio*, and any goods imported into the U.S. from China are no longer subject to IEEPA tariffs. In response to the court’s ruling, the Trump Administration announced a 10% global tariff under Section 122 of the Trade Act, effective February 24, 2026. The Trump Administration may seek to impose additional tariffs under other statutory authorities, including Section 301, when the Section 122 tariffs lapse. The United States may take further actions to eliminate perceived unfair competitive advantages created by alleged manipulating actions. On December 6, 2024, the U.S. Department of Commerce issued a final rule titled “Securing the Information and Communications Technology and Services Supply Chain” pursuant to Executive Order 13873 of May 15, 2019. This final rule, which came into effect on February 4, 2025, establishes procedures for reviewing and potentially prohibiting or restricting certain transactions involving the provision of information and communications technology and services, including cloud-computing services, by China-based companies to the U.S. Furthermore, the U.S. Department of Commerce Bureau of Industry and Security has announced that it is developing the ICTS Class Rule: Cloud Computing and Data Center Products and Services notice of proposed rulemaking to place controls on cloud computing products and services and data center products and services provided by China-based companies in the U.S. market.

In addition, the United States has been considering ways to limit U.S. investment portfolio flows into China. For example, in May 2020, the Federal Retirement Thrift Investment Board suspended its implementation of plans to change the benchmark of one of its retirement asset funds to an international index that includes companies in emerging markets, including China. China-based companies, including us and our related entities, may become subject to executive orders or other regulatory actions that may, among other things, prohibit U.S. investors from investing in these companies or delist the securities of these companies from U.S. exchanges. As a result, U.S. and certain other persons may be prohibited from investing in the securities of our company or our related entities, whether or not they are listed on U.S. exchanges, and holders of our debt and equity securities may be required or forced to divest, which could result in significant loss to them. In November 2020, the U.S. administration issued U.S. Executive Order 13959, as amended by Executive Order 14032 of June 3, 2021, prohibiting investments by any U.S. persons in publicly traded securities of certain Chinese companies that are deemed owned or controlled by the Chinese military. In May 2021, the American depositary shares of China Telecom Corporation Limited, China Mobile Limited and China Unicom (Hong Kong) Limited were delisted from the NYSE to comply with this executive order. In June 2021, the U.S. administration expanded the scope of the executive order to include Chinese defense and surveillance technology companies. In April 2023, certain U.S. senators also called for the imposition of sanctions on Chinese cloud companies.

In addition, in October 2024, the U.S. Treasury Department issued a final rule titled “Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern” to implement Executive Order 14105 of August 9, 2023 (the “Outbound Investment Rule”). The Outbound Investment Rule establishes a new national security regulatory framework, aimed at restricting outbound investment from the United States in specific sensitive industries and sectors in China (including the Special Administrative Regions of Hong Kong and Macau). This rule, which became effective on January 2, 2025, specifically targets investments involving any “covered foreign person” which includes persons and entities associated with countries of concern, currently only China, that engage in certain activities in three sectors: (i) semiconductor and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems. Depending on the activity in question, the Outbound Investment Rule imposes obligations on U.S. persons, either prohibiting, or requiring notification to the U.S. government concerning, “covered transactions,” which is defined to include, among other things, acquisitions of equity interests or provision of certain debt financing to covered foreign persons, brownfield or greenfield investment in China, or entry into a joint venture with a covered person, unless an enumerated exception applies, such as investment in publicly traded securities (such as the ADSs).

While we do not currently believe that GDS Holdings Limited is a covered foreign person, the Outbound Investment Rule is new and there are significant uncertainties in how the regulation will be applied, interpreted and enforced. The Outbound Investment Rule could still result in limitations to our ability to raise additional capital or contingent equity capital from U.S. investors, and our ability to raise such capital may be significantly and negatively affected, which could be detrimental to our business, financial condition and prospects. In addition, on February 21, 2025, President Trump issued a memorandum titled “America First Investment Policy,” instructing the U.S. Treasury Department and other regulatory agencies to explore the expansion of sectors and technologies covered by the Outbound Investment Rule. Further, on December 18, 2025, President Trump signed into law the Fiscal Year 2026 National Defense Authorization Act, which includes the Comprehensive Outbound Investment National Security Act of 2025 (“COINS Act”). The COINS Act largely codifies the core of the current Outbound Investment Rule while making certain modifications. Among other things, the COINS Act added Cuba, Iran, North Korea, Russia, and Venezuela to the list of “countries of concern” and expanded covered technology sectors to include those related to high-performance computing and supercomputing as well as hypersonic systems. Before the U.S. Treasury issues implementing regulations, the current Outbound Investment Rule remains effective. The U.S. government may potentially broaden the scope of this rule and/or implement additional laws and regulations to further restrict outbound investment from the U.S. to, or involving, China.

The future relationship between China and the United States remains uncertain, and there can be no assurances that the United States or China will not increase tariffs or impose additional tariffs in the future. Any further actions to increase existing tariffs or impose additional tariffs could result in an escalation of the trade conflict, and may have tremendous negative impact on the economies of not merely the two countries concerned, but the global economy as a whole. If these measures and tariffs affect any of our customers and their business results and prospects, their demand for, or ability to pay for, our data center services may decrease, which would materially and adversely affect our results of operations. In addition, if China were to increase the tariff on any of the items imported by our suppliers from the U.S., they might not be able to find substitutes with the same quality and price in China or from other countries. As a result, our costs would increase and our business, financial condition and results of operations would be adversely affected.

Our failure to comply with regulations applicable to our leased data center buildings may materially and adversely affect our ability to use such data centers.

Among the data center buildings that we lease, including those under construction, a majority of the lease agreements have not been registered or filed with relevant authorities in accordance with the applicable PRC laws and regulations. The enforcement of this legal requirement varies depending on local practices. In case of failure to register or file a lease, the parties to the unregistered lease may be ordered to make rectifications (which would involve registering such leases with the relevant authority) before being subject to penalties. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. The relevant PRC law is not clear as to which of the parties, the lessor or the lessee, is liable for the failure to register the lease, and the lease agreements of several of our data centers provide that the lessor is responsible for processing the registration and must compensate us for losses caused by any breach of the obligation. Although we have proactively requested that the applicable lessors complete or cooperate with us to complete the registration in a timely manner, we are unable to control whether and when such lessors will do so. In the event that a fine is imposed on both the lessor and lessee, and if we are unable to recover from the lessor any fine paid by us in accordance with the terms of the lease agreement, such fine will be borne by us. In the case of one data center in Beijing, a portion of the building has been constructed without obtaining the building ownership certificate, and the part of the lease in relation to such portion may be deemed invalid if the construction has not been duly approved by the government, in which event we would not be able to use that portion of property. If the owners fail to obtain the necessary consents and/or to comply with the applicable legal requirements for the change of usage of these premises, and the relevant authority or the court orders us to use the relevant leased buildings for the designated usage only, we may not be able to continue to use these buildings for data center purposes and we may need relocate our operation there to other suitable premises. We may also be subject to administrative penalties for lack of fire safety approvals for renovation of the leased premises, and we may be ordered to suspend operations at applicable premises if we fail to timely cure any such defect. Construction or renovation of certain other of our data centers was carried out without obtaining construction (including zoning) related permits, and certain leased premises were put into use without fulfillment of construction inspection and acceptance procedures, which may cause administrative penalties to be imposed on us in the case of renovation, and may cause the use of the leased premises to be deemed illegal, and we may be forced to suspend our operations as a result. See also “—Risks Related to Doing Business in the People’s Republic of China—Our business operations are impacted by the policies and regulations of the PRC government. Any policy or regulatory change may cause us to incur compliance costs.”

We may be regarded as being non-compliant with the regulations on VATS due to the lack of IDC licenses for which penalties may be assessed that may materially and adversely affect our business, financial condition, growth strategies and prospects.

The laws and regulations regarding VATS licenses in the PRC are relatively new and are still evolving, and their interpretation and implementation involve uncertainties. Investment activities in the PRC by foreign investors are principally governed by the *Industry Catalog Relating to Foreign Investment*, or the Catalog, which was promulgated and is amended from time to time by the MOFCOM and the NDRC. Industries not included in the *Special Management Measures (Negative List) of the Catalog* are permitted industries. Industries such as VATS, including internet data center services, are restricted or prohibited to foreign investment. On September 6, 2024, the MOFCOM and the NDRC promulgated the *Special Management Measures (Negative List) for the Access of Foreign Investment, or the Negative List (2024)*, which became effective on November 1, 2024. Foreign investment in VATS (other than e-commerce, domestic multi-party communications, store-and-forward and call center), including internet data center services, still falls within the Negative List (2024). Specifically, the *Administrative Regulations on Foreign-Invested Telecommunications Enterprises* restrict the ultimate capital contribution percentage held by foreign investor(s) in a foreign-invested VATS enterprise to 50% or less. On April 10, 2024, the MIIT released the *Circular on the Pilot Scheme for the Further Opening of Value-Added Telecom Services to Foreign Investment*, or the VAT Circular, announcing that China will remove foreign ownership restrictions on certain VATS provided within domestic Pilot Areas, and following the VAT Circular, the relevant local Communications Administrations in Beijing, Shanghai, Shenzhen and Hainan successively released the relevant guidelines on the application of VAT licenses within the Pilot Areas. However, the relevant regulatory authorities would have discretion in granting approval on the VAT licenses under the VAT Circular. For more details, see “Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business—People’s Republic of China Regulations—Regulations on Foreign Investment Restrictions.” Under the Telecommunications Regulations, telecommunications service providers are required to procure operating licenses prior to their commencement of operations. The Administrative Measures for Telecommunications Business Operating License, which took effect on April 10, 2009 and was amended on September 1, 2017, set forth the types of licenses required to provide telecommunications services in mainland China and the procedures and requirements for obtaining such licenses.

Before 2013, the definition of the IDC services was subject to interpretation as to whether our services would fall within its scope. According to the Classification Catalogue of Telecommunications Services, or the Telecom Catalogue, publicized in February 2003 by the Ministry of Information Industry, the predecessor of the MIIT, which took effect in April 2003, and our consultations with the MIIT, IDC services should be rendered through the connection with the internet or other public telecommunications networks.

On May 6, 2013, the “Q&A on the Application of IDC/ISP Business,” or the Q&A, was published on the website of China Academy of Telecom Research, an affiliate of the MIIT. The Q&A was issued together with the draft revised Telecom Catalogue of the 2013 version, which although not an official law or regulation, reflected the evolving attitude of the MIIT towards the legal requirements as to applications for IDC licenses. A national consulting body and certain telephone numbers, the Designated Numbers, are provided in the Q&A to answer any questions arising from the application of IDC licenses. Since then, even though the definition of IDC services under the Q&A is identical to that under the Telecom Catalogue, whether a business model should be deemed to be IDC services is subject to the unified clarifications under the Q&A and replies obtained from such Designated Numbers, rather than different replies which may be obtained from different officials from the MIIT or its local branches. The draft revised Telecom Catalogue did not come into effect until March 2016, when it was further revised to adapt to developments in the telecommunications industry. During such period, we closely followed legislative developments and conducted feasibility studies for restructuring our business. Based on the Q&A and our consultation with both the Designated Numbers and MIIT officials in 2014 and 2015, IDC services which did not utilize public telecommunications networks would also require an IDC license and that IDC services could only be provided by a holder of an IDC license, or a subsidiary of such holder, with the authorization of the holder.

GDS Beijing obtained a cross-regional IDC license in November 2013, the scope of which now includes Shanghai, Suzhou, Beijing, Shenzhen, Chengdu, Guangzhou, Zhangjiakou, Langfang, Tianjin, Huizhou, Wulanchabu, Wuhan, Nantong, Chongqing, Shaoguan and Ganzhi. In order to adapt to the new regulatory requirements and address pre-existing customer agreements, we converted GDS Suzhou into a domestic company wholly owned by GDS Beijing by acquiring all of the equity interests in GDS Suzhou from Further Success Limited, or FSL, a limited liability company established in the British Virgin Islands, in order to enable GDS Suzhou to provide IDC services with the authorization of GDS Beijing, and under the auspices of an IDC license held by GDS Beijing. The MIIT approved GDS Beijing’s application to expand its IDC license coverage to include GDS Suzhou and Kunshan Wanyu, so that they were authorized to provide IDC services, and as of the date of this annual report, GDS Suzhou and Kunshan Wanyu have obtained their own IDC licenses respectively. As part of the VIE restructuring, we converted and changed the shareholding of EDC Shanghai Waigaoqiao, in the same way as GDS Suzhou, and the MIIT approved GDS Beijing’s application to expand its IDC license coverage to include EDC Shanghai Waigaoqiao so that EDC Shanghai Waigaoqiao was also authorized to provide IDC services, and the MIIT approved GDS Beijing’s application to expand its IDC license coverage to include Shenzhen Yaode. As of the date of this annual report, EDC Shanghai Waigaoqiao and Shenzhen Yaode have obtained their own IDC licenses respectively. As the result of our acquisition of BJ10, BJ11 and BJ12, we have acquired all of the equity interests in Lanting (Beijing) Information Science and Technology Co., Ltd., or Lanting Information, which therefore has been converted into a foreign-invested company. The existing customer agreements of BJ10, BJ11 and BJ12 were entered into by Lanting Information as an IDC service provider before our acquisition. As part of the acquisition, Lanting Information canceled its IDC license prior to the closing and the relevant counterparties have completed the assignment of all of the rights and obligations of Lanting Information as the IDC service provider under these customer agreements to GDS Beijing as the IDC service provider. In addition, with regard to the other WFOEs that have not contributed substantial revenue, we are deliberating different measures to ensure that any business activity that may have to be conducted by IDC license holders will be conducted by our IDC license holders, which are the VIEs and their subsidiaries.

However, there can be no assurance that our agreements signed before the completion of the VIE restructuring with any of our WFOEs as the service provider will not be deemed as historical non-compliance. Also, we cannot assure you that the fact that Lanting Information is the signing party of such agreements during the interim period from the cancellation date of its own IDC license to the completion date of the assignment of such agreements will not be deemed as historical non-compliance. If the MIIT regards us as existing in a state of non-compliance, penalties may potentially be assessed against us. It is possible that the amount of any such penalties may be several times more than the net revenue generated from these services. Our business, financial condition, expected growth and prospects would be materially and adversely affected if such penalties were to be assessed upon us. It is also possible that the PRC government may prohibit a non-compliant entity from continuing to carry on its business, which would materially and adversely affect our results of operations, expected growth and prospects.

Some of the consolidated VIEs may be regarded as being non-compliant with the regulations on VATS, due to operating beyond the permitted scope of their IDC licenses.

One of the consolidated VIEs, GDS Shanghai, obtained a regional IDC license for the Shanghai area in January 2012. Nevertheless, GDS Shanghai provided IDC services in cities outside of Shanghai, which were beyond the scope of its then-effective IDC license. GDS Shanghai upgraded its IDC license to a cross-regional license in April 2016, according to which GDS Shanghai is allowed to provide IDC services in Beijing, Shanghai, Suzhou, Shenzhen and Chengdu. A subsidiary of one of the consolidated VIEs, GDS Suzhou, was historically authorized to provide general IDC services under the auspices of an IDC license held by GDS Beijing but such authorization approved by MIIT did not include internet resources collaboration services. Nevertheless, GDS Suzhou signed agreements with clients to provide internet resources collaboration services. In 2018, we further expanded GDS Beijing's authorization to GDS Suzhou so that GDS Suzhou also was allowed to provide internet resources collaboration services. In addition, in 2016, 2017 and 2018, GDS Beijing and GDS Suzhou entered into IDC service agreements with relevant customers, according to which GDS Beijing and GDS Suzhou have been providing IDC services to their respective customers through third-party data centers in Tianjin. In 2017, GDS Beijing entered into an IDC services agreement with a certain customer, according to which GDS Beijing has been providing IDC services since 2018 in our three data centers located at Zhangjiakou, Hebei Province. However, GDS Beijing's IDC license and its authorization granted to GDS Suzhou have not included the Tianjin and Zhangjiakou areas until 2019, when GDS Beijing has upgraded its IDC license to cover the Zhangjiakou, Langfang and Tianjin areas, and GDS Suzhou has obtained its own IDC license whereby GDS Suzhou is also allowed to provide general IDC services in broad geographic scope including Tianjin and Zhangjiakou. However, although such approvals have been obtained, we cannot assure you that any agreements signed before GDS Beijing and GDS Suzhou obtained such approvals may not be deemed as historical non-compliance. If the MIIT regards GDS Shanghai, GDS Suzhou and GDS Beijing as being historically non-compliant, penalties which could be several times more than the net revenue generated from these services, could potentially be assessed against us, and as a result, our business, financial condition, expected growth and prospects would be materially and adversely affected. It is also possible that the PRC government may prohibit a historically non-compliant entity from continuing to carry on its business, which would materially and adversely affect our results of operations, expected growth and prospects.

We may fail to obtain, maintain and update licenses or permits necessary to conduct our operations in the PRC, and our business may be materially and adversely affected as a result of any changes in the laws and regulations governing the VATS industry in the PRC.

There can be no assurance that we will be able to maintain our existing licenses or permits necessary to provide our current IDC services in the PRC, renew any of them when their current term expires, or update existing licenses or obtain additional licenses necessary for our future business expansion. The failure to obtain, retain, renew or update any license or permit generally, and our IDC licenses in particular, could materially and adversely disrupt our business and future expansion plans.

For example, the revised Telecom Catalogue came into effect in March 2016 in which the definition of the IDC business also covers the internet resources collaboration services business to reflect the developments in the telecommunications industry in mainland China and covers cloud-based services. Also, in January 2017, the MIIT issued The Circular of the Ministry of Industry and Information Technology on Clearing up and Regulating the Internet Access Service Market, or the 2017 MIIT Circular, according to which an enterprise that obtained its IDC license prior to the implementation of the revised Telecom Catalogue and has actually carried out internet resources collaboration services shall make a written commitment to its original license issuing authority before March 31, 2017 to meet the relevant requirements for business licensing and obtain the corresponding telecommunication business license by the end of 2017. The 2017 MIIT Circular also requires that companies providing IDC services shall not construct communication transmission facilities without permission. Although we have successfully expanded the scope of our IDC licenses to cover internet resources collaboration services, fixed network domestic data transmission services and domestic internet virtual private network services as required under the 2017 MIIT Circular, changes in the regulatory environment of this kind are potentially disruptive to our business as they may require us to modify the way we conduct our business in order to receive licenses or otherwise comply with such requirements. We may also be deemed in non-compliance for failure to update our operation licenses in a timely manner according to such new regulatory requirements. Any such changes could increase our compliance costs, divert management's attention or interfere with our ability to serve customers, any of which could harm our results of operations.

In addition, if future PRC laws or regulations governing the VATS industry require that we obtain additional licenses or permits or update existing licenses in order to continue to provide our IDC services, there can be no assurance that we would be able to obtain such licenses or permits or update existing licenses in a timely manner, or at all. If any of these situations occur, our business, financial condition and prospects would be materially and adversely affected.

Third-party data center providers from whom we lease data center capacity on a wholesale basis may fail to maintain licenses and permits necessary to conduct their operations in the PRC, and our business may be materially and adversely affected.

As of December 31, 2025, we operated an aggregate net floor area of 3,593 sqm that we lease on a wholesale basis from other data center providers, and which we refer to as our third-party data centers. There can be no assurance that the wholesale data center providers from whom we lease will be able to maintain their existing licenses or permits necessary to provide our current IDC services in the PRC or renew any of them when their current term expires. Their failure to obtain, retain or renew any license or permit generally, and their IDC licenses in particular, could materially and adversely disrupt our business.

In addition, if any future PRC laws or regulations governing the VATS industry require that the wholesale data center providers from whom we lease obtain additional licenses or permits in order to continue to provide their IDC services, there can be no assurance that they would be able to obtain such licenses or permits in a timely manner, or at all. If any of these situations occur, our business, financial condition and prospects could be materially and adversely affected.

We cannot assure you that we will be able to relocate such operations to suitable alternative premises, and any such relocation may result in disruption to our business operations and thereby result in loss of earnings. We may also need to incur additional costs for the relocation of our operation. There is also no assurance that we will be able to effectively mitigate the possible adverse effects that may be caused by such disruption, loss or costs. Any of such disruption, loss or costs could materially and adversely affect our financial condition and results of operations.

Our failure to maintain our relationships with various cloud service providers may adversely affect our business, operating results and financial condition.

We derive the majority of our revenue from cloud service providers. Since our agreements with key cloud service providers in mainland China are non-exclusive, these companies may decide in the future to partner with more of our competitors, develop in-house data center capabilities or terminate their agreements with us, any of which could adversely and materially affect our business expansion plan and expected growth.

Our managed cloud services involve providing services to the customers of cloud service providers. If we do not maintain good relationships with cloud service providers, our business could be negatively affected. If these cloud service providers fail to perform as required under our agreements for any reason or suffer service level interruptions or other performance issues, or if our customers are less satisfied than expected with the services provided or results obtained, we may not realize the anticipated benefits of these relationships.

We may not be able to keep up with rapidly changing technology, including our ability to upgrade our power, cooling, security or connectivity systems cost-effectively or at all.

The markets for the data centers we own and operate, as well as certain of the industries in which our customers operate, are characterized by rapidly changing technology, evolving industry standards, frequent new service introductions, shifting distribution channels and changing customer demands. As a result, the infrastructure at our data centers may become obsolete or unmarketable due to demand for new processes and/or technologies, including, without limitation: (i) new processes to deliver power to, or eliminate heat from, computer systems; (ii) customer demand for additional redundancy capacity; (iii) new technology that permits higher levels of critical load and heat removal than our data centers are currently designed to provide; and (iv) an inability of the power supply to support new, updated or upgraded technology. In addition, the systems that connect our self-developed data centers, and in particular, our third-party data centers, to the internet and other external networks may become outdated, including with respect to latency, reliability and diversity of connectivity. When customers demand new processes or technologies, we may not be able to upgrade our data centers on a cost-effective basis, or at all, due to, among other things, increased expenses to us that cannot be passed on to customers or insufficient revenue to fund the necessary capital expenditures. The obsolescence of our power and cooling systems and/or our inability to upgrade our data centers, including associated connectivity, could reduce revenue at our data centers and could have a material adverse effect on us. Furthermore, potential future regulations that apply to industries we serve may require customers in those industries to seek specific requirements from their data centers that we are unable to provide. If such regulations were adopted, we could lose customers or be unable to attract new customers in certain industries, which could have a material adverse effect on us.

If we are unable to adapt to evolving technologies and customer demands in a timely and cost-effective manner, our ability to sustain and grow our business may suffer.

To be successful, we must adapt to our rapidly changing market by continually improving the performance, features and reliability of our services and modifying our business strategies accordingly, which could cause us to incur substantial costs. We may not be able to adapt to changing technologies in a timely and cost-effective manner, if at all, which would adversely impact our ability to sustain and grow our business.

In addition, new technologies have the potential to replace or provide lower cost alternatives to our services. The adoption of such new technologies could render some or all of our services obsolete or unmarketable. We cannot guarantee that we will be able to identify the emergence of all of these new service alternatives successfully, modify our services accordingly, or develop and bring new services to market in a timely and cost-effective manner to address these changes. If and when we do identify the emergence of new service alternatives and introduce new services to market, those new services may need to be made available at lower profit margins than our then-current services. Failure to provide services to compete with new technologies or the obsolescence of our services could lead us to lose current and potential customers or could cause us to incur substantial costs, which would harm our operating results and financial condition. Our introduction of new alternative services that have lower price points than our current offerings may also result in our existing customers switching to the lower cost products, which could reduce our net revenue and have a material adverse effect on our results of operation.

We have limited ability to protect our intellectual property rights, and unauthorized parties may infringe upon or misappropriate our intellectual property.

Our success depends in part upon our proprietary intellectual property rights, including certain methodologies, practices, tools and technical expertise we utilize in designing, developing, implementing and maintaining applications and processes used in providing our services. We rely on a combination of copyright, trademark, trade secrets and other intellectual property laws, nondisclosure agreements with our employees, customers and other relevant persons and other measures to protect our intellectual property, including our brand identity. Nevertheless, it may be possible for third parties to obtain and use our intellectual property without authorization. The unauthorized use of intellectual property is common in mainland China and enforcement of intellectual property rights by PRC regulatory agencies is inconsistent. As a result, litigation may be necessary to enforce our intellectual property rights. Litigation could result in substantial costs and diversion of our management's attention and resources, and could disrupt our business, as well as have a material adverse effect on our financial condition and results of operations. Given the complex and changing regulatory environment as well as potential difficulties in enforcing a court judgment in mainland China, there is no guarantee that we would be able to halt any unauthorized use of our intellectual property in mainland China through litigation.

We may be subject to third-party claims of intellectual property infringement.

We derive most our revenues in mainland China and use , our figure trademarks, in a majority of our services. We have registered the figure trademark  in mainland China and the trademark  and  in Hong Kong in several categories that cover our services areas and we plan to register the figure trademark  in mainland China in certain additional categories. We have also registered the pure text of “GDS”, “万国数据” as a trademark in several categories that cover our services areas, however, a third party has also registered the pure text of “GDS”, “万国数据” as a trademark in certain IT-related services. As the services for which the third-party trademark is registered are also IT-related and could be construed as similar to ours in some respects, infringement claims may be asserted against us, and we cannot assure you that a government authority or a court will hold the view that such similarity will not cause confusion in the market. In this case, if we use the pure text of “GDS”, “万国数据” (which we have not registered as a trademark with respect to all services we provide) as our trademark, we may be required to explore the possibility of acquiring this trademark or entering into an exclusive licensing agreement with the third party, which will cause us to incur additional costs. In addition, we may be unaware of intellectual property registrations or applications that purport to relate to our services, which could give rise to potential infringement claims against us. Parties making infringement claims may be able to obtain an injunction to prevent us from delivering our services or using trademark or technology containing the allegedly intellectual property. If we become liable to third parties for infringing upon their intellectual property rights, we could be required to pay a substantial damage award. We may also be subject to injunctions that require us to alter our processes or methodologies so as not to infringe upon a third party’s intellectual property, which may not be technically or commercially feasible and may cause us to expend significant resources. Any claims or litigation in this area, whether we ultimately win or lose, could be time-consuming and costly, could cause the diversion of management’s attention and resources away from the operations of our business and could damage our reputation.

If our customers’ proprietary intellectual property or confidential information is misappropriated or disclosed by us or our employees in violation of applicable laws and contractual arrangements, we could be exposed to protracted and costly legal proceedings and lose customers.

We and our employees are in some cases provided with access to our customers’ proprietary intellectual property and confidential information, including technology, software products, business policies and plans, trade secrets and personal data. Many of our customer agreements require that we do not engage in the unauthorized use or disclosure of such intellectual property or information and that we will be required to indemnify our customers for any loss they may suffer as a result. We use security technologies and other methods to prevent employees from making unauthorized copies, or engaging in unauthorized use or unauthorized disclosure, of such intellectual property and confidential information. We also require our employees to enter into nondisclosure arrangements to limit access to and distribution of our customers’ intellectual property and other confidential information as well as our own. However, the steps taken by us in this regard may not be adequate to safeguard our customers’ intellectual property and confidential information. Moreover, most of our customer agreements do not include any limitation on our liability with respect to breaches of our obligation to keep the intellectual property or confidential information we receive from them confidential. In addition, we may not always be aware of intellectual property registrations or applications relating to source codes, software products or other intellectual property belonging to our customers. As a result, if our customers’ proprietary rights are misappropriated by us or our employees, our customers may consider us liable for such act and seek damages and compensation from us.

Assertions of infringement of intellectual property or misappropriation of confidential information against us, if successful, could have a material adverse effect on our business, financial condition and results of operations. Protracted litigation could also result in existing or potential customers deferring or limiting their purchase or use of our services until resolution of such litigation. Even if such assertions against us are unsuccessful, they may cause us to lose existing and future business and incur reputational harm and substantial legal fees.

We rely on third-party suppliers for key elements of our facilities, equipment, network infrastructure and software.

We contract with third parties for the supply of facilities, equipment and hardware that we use in the provision of our services to our customers and that we sell to our customers in some cases. The loss of a significant supplier could delay expansion of the data center facilities that we operate, impact our ability to sell our services and hardware and increase our costs. If we are unable to purchase the hardware or obtain a license for the software that our services depend on, our business could be significantly and adversely affected. In addition, if our suppliers are unable to provide products that meet evolving industry standards or that are unable to effectively interoperate with other products or services that we use, then we may be unable to meet all or a portion of our customer service commitments, which could materially and adversely affect our results of operations.

We engage third-party contractors to carry out various services relating to our data center facilities.

We engage third-party contractors to carry out various services relating to our data center facilities, including on-site security, cleaning and greening service, part of the 24/7 on duty operations and IT and customer service delivery. We endeavor to engage third-party companies with a strong reputation and proven track record, high-performance reliability and adequate financial resources. However, any such third-party contractor may still fail to provide satisfactory security services or quality outsourced labor, resulting in inappropriate access to our facilities or IT faults which, though non-critical, may cause poor service quality to customers.

We face significant risks associated with our minority equity investment in DayOne, our former consolidated subsidiary and current equity investee company, including lack of control, limited visibility and exposure to complex international markets, any of which could materially and adversely affect our financial results and the value of our investment.

Following the closing of DayOne's Series B equity financing on December 31, 2024, we held a 35.6% equity interest in DayOne, which is a minority equity interest under U.S. GAAP. Following the completion of part of DayOne's Series C equity financing on December 31, 2025, our equity interest in DayOne was diluted to 30.1%. As of the date of this annual report, following the closing of the upsizing of DayOne's series C equity financing and DayOne's repurchase of a portion of our shares in DayOne, we owned an equity interest in DayOne of approximately 19.9%. We do not have control over DayOne's strategic direction, operational decisions or business execution. Although we remain a major shareholder in DayOne and have board appointment rights, we do not have full voting control, board control or other governance rights that would allow us to control and direct DayOne's decisions or operations.

As a minority equity investor, we are exposed to substantial risks associated with our lack of control and limited ability to protect our interests. We are not able to direct DayOne's business plans, investment pacing, risk management, financial discipline or compliance practices. Our ability to protect the value of our investment is dependent on the actions and performance of DayOne's other shareholders, all of which are also minority equity investors, board and management team, over whom we have no direct authority. Furthermore, we have limited visibility into DayOne's day-to-day operations, long-term financial planning or risk exposures, all of which could materially affect our investment return.

Furthermore, there is significant uncertainty as to how and when we may be able to recover or realize value from our investment in DayOne. While we have the right to initiate an initial public offering for DayOne, subject to certain qualifications under the terms of the shareholders agreement with DayOne, given that we do not control DayOne or its exit strategy, we may not be able to monetize our equity stake in a timely manner or at a desirable valuation. There can be no assurance that DayOne will pursue a liquidity event or that any such transaction would provide a favorable return to us. In addition, as a privately held company, DayOne's shares may be illiquid, and we may not have the ability to sell or transfer our stake on acceptable terms or at all. The value of our investment may also be impaired if DayOne's business underperforms, incurs further losses or fails to meet its development or financing goals. There can also be no certainty that DayOne will be financially able to issue dividends, or if it is able that it will determine to do so.

Our minority equity interest in DayOne also exposes us to a variety of risks related to international operations in markets that differ significantly from our core business in mainland China. The development, construction and operation of data centers in Southeast Asia and other international markets involve substantial regulatory, legal and operational complexity. DayOne is required to navigate local zoning regulations, environmental laws, telecommunications rules, tax codes, construction permitting, land use approvals, and other legal and compliance frameworks across multiple jurisdictions, some of which are still developing and may be inconsistent or conflicting across regions.

In particular, the success of DayOne's projects depends on obtaining timely approvals from local governments and coordinating with third-party contractors, utilities and network carriers. DayOne's ability to secure adequate and redundant power and network connectivity in countries such as Singapore, Malaysia and Indonesia is essential to supporting customer deployment, and any failure to do so could limit its ability to attract or retain key customers. DayOne's expansion in Southeast Asia also depends heavily on market demand from customers who wish to grow their IT presence in these regions. Any changes in customer strategy, reduced demand or delayed deployments could result in underutilized capacity, which would negatively impact DayOne's financial performance and, in turn, our investment income.

Additionally, DayOne faces increased operational risk associated with large capital expenditures and long development cycles. The data center industry in these markets is highly competitive, with both global and regional operators investing aggressively in capacity. If DayOne is unable to achieve economies of scale, secure customer pre-commitments, or execute efficiently, it may incur significant costs without generating commensurate revenue, which would adversely affect our investment returns. Delays, cost overruns or disputes with local contractors or vendors could further impair project timelines and profitability.

Moreover, each of these jurisdictions presents unique political, economic and regulatory risks. Shifts in data sovereignty laws, tax policies, labor regulations or trade policies could increase operating costs or hinder DayOne's ability to do business. Compliance failures or legal violations in any of these countries could result in fines, loss of licenses or reputational harm. Any such event could materially reduce the value of our investment and expose us to reputational and financial risks despite our minority role. While we remain optimistic about the long-term growth of digital infrastructure in Southeast Asia and Northeast Asia, there is no guarantee that DayOne will be able to execute its strategy successfully or deliver returns that justify our investment. Given the scale and capital intensity of international data center projects, we expect DayOne will continue to incur substantial costs in the near term, and our investment income and financial results will remain sensitive to its performance. Our continued minority equity interest in DayOne introduces material uncertainty and volatility to our financial results. Any deterioration in DayOne's business or external environment could materially and adversely affect our profitability, financial condition, and ability to generate shareholder value.

While we are indemnified by DayOne in accordance with the contractual arrangements between DayOne and us, our guarantees and undertakings for DayOne might expose us to potential liabilities and complex financial assessments following the deconsolidation.

Prior to our deconsolidation of DayOne, we provided certain guarantees and undertakings for DayOne in connection with certain DayOne's bank facilities, lease agreements and customer agreements, some of which continued to exist after the deconsolidation as of the date of this annual report.

While DayOne has the obligation to indemnify us under our agreement with DayOne, such guarantees or undertakings may expose us to financial liabilities that could materially adversely affect our balance sheet and cash flow, especially if the underlying projects do not perform as anticipated. See "Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Transactions with Our Associate." Furthermore, these arrangements were established prior to our deconsolidation of DayOne on December 31, 2024. In addition, we cannot assure you that any request for early repayment under the loan agreements, or early termination of leases or customer agreements and any damages payable to counterparties under these agreements, would not result in disputes or litigation. Any disagreements regarding the terms of the agreements or the extent of liabilities could potentially escalate into legal disputes and negatively affect our financial standing.

If we are unable to monetize our existing data center assets, our business, results of operations and financial condition may be materially and adversely affected.

Our business, results of operations and financial condition partly depend on our ability to monetize our existing data center assets while continuously investing in new data center projects and acquisitions. We are working on various kinds of asset monetization transactions, such as public REITs, ABS Scheme, data center funds, joint ventures, sale and lease-back arrangements and private asset sales. For example, in March 2025, we entered into definitive agreements to monetize a 70% equity interest in several of our data centers through the ABS, with the transaction backed by top-tier institutional investors, led by China Life Insurance Company Limited. In July 2025, we completed sale of 100% equity interest in a project company which holds two stabilized data center assets to a newly established C-REIT (the “GDS C-REIT”), with GDS subscribing for 20% of the units issued by the GDS C-REIT. Both the ABS and GDS C-REIT are listed on the Shanghai Stock Exchange. However, there are additional risks associated with these transactions, including uncertainties in meeting performance targets and potential impacts on our proceeds or asset management fee income, which could affect our contingent consideration and therefore our financial obligations under existing undertakings. We also face a number of challenges that may affect our ability to successfully execute such asset monetization transactions, including:

- the highly complex and lengthy process in securing regulatory approvals for the issuance and listing of C-REITs as well as additional capital raising by the GDS C-REIT to acquire future asset injection from us;
- highly complex structuring requirements, in order to comply with PRC regulations applicable to the data center sector business and industry in mainland China;
- potential market price volatility of the ABS and GDS C-REIT and the impact of the underlying project performance on the cash flow and valuation of the ABS and GDS C-REIT;
- our ability to continue to take responsibility for colocation and managed services delivery and operations under relevant customer agreements for our existing data center assets, given the highly demanding and complex nature of such agreements;
- intense competition for financing generally, and alternative investment opportunities may be available on more favorable terms to investors;
- challenges in securing sufficient investor interests for our operational or development data center assets and successfully negotiating mutually acceptable commercial and legal terms for the proposed future transactions; and
- limited investor willingness to transact in the data center sector in China as there is not a well-established market with any generally accepted valuation benchmark for this asset class.

Any of these factors may prevent us from being successful in monetizing our existing data center assets. Investment performance achieved and rates of return realized by any asset monetization transactions may fail to meet investor expectations. We therefore may be unable to establish and scale up asset monetization transactions in order to meet our financing objectives. If we are unable to monetize our existing data center assets, our business, results of operations and financial condition may be materially and adversely affected.

The assets we sold in the monetization program involving the ABS Scheme and C-REITs and failure to comply with relevant laws and regulations may adversely impact our financial performance and profitability and may subject us to potential liabilities.

The future performance of the assets we sold under the monetization transaction involving the ABS Scheme and GDS C-REIT may adversely affect the returns on our long-term investment in the ABS and GDS C-REIT and impact our financial performance. Although the underlying assets have been deconsolidated following the sale, we have provided certain undertakings to the relevant regulators and investors and we remain exposed to certain financial outcomes based on the underlying assets' future performance. Specifically, our returns from the ABS and GDS C-REIT could be adversely impacted in several ways. First, a portion of the consideration payable to us from the asset sale agreement under the ABS Scheme is contingent upon the performance of the underlying assets. If these assets underperform, we may receive reduced contingent consideration or none at all. In addition, we re-invested part of the cash proceeds from the asset sale into the ABS Scheme and GDS C-REIT, which is accounted for as a long-term investment. Any deterioration in the financial results of the underlying projects may result in lower-than-expected dividends from the ABS and GDS C-REIT over the life of the securities. Finally, our ability to realize value from the ABS and GDS C-REIT investment, whether through a sale of the ABS or upon the liquidation of the underlying assets, depends on the operational and financial performance of those assets. A decline in asset value or market demand at the time of liquidation may lead to diminished returns. Any of these factors could negatively affect our profitability, financial condition, and ability to generate stable long-term returns.

We are also subject to regulatory and compliance risks arising from the evolving legal framework governing ABS and C-REITs in China. The legal and regulatory environment for the ABS and C-REITs in China is relatively new and complex and continues to develop. As the original asset owner in our ABS Scheme and GDS C-REIT transaction, we are required to provide timely, accurate and complete information to the ABS and C-REIT manager. While we have not been subject to penalties to date, uncertainties remain regarding the interpretation and future application of these regulatory requirements, and there is no assurance that we will not be subject to regulatory scrutiny or penalties in the future as the ABS and C-REIT regulatory frameworks continue to evolve. Any developments or compliance failures related to ABS and C-REITs could materially and adversely affect our financial results and business operations.

As data security and data privacy laws and regulations involve uncertainties, any non-compliance with such laws and regulations may subject us to fines and/or other sanctions which may have a material adverse effect on us.

The cross-border transfer of data raises data security concerns for the governments in which we operate and the companies who are our customers and suppliers. Our ability to develop profitable data centers is dependent on acceptance and implementation of a data management framework and cross border flows transferring data across borders. We are cooperating with government authorities to clarify our concerns regarding data protection, but there can be no assurance that a data management framework will be fully accepted by market participants such that cross-border transfer of data will no longer raise data privacy concern, which will affect our ability to develop data centers and attract customers to them. Furthermore, as existing laws and regulations regarding data security involve uncertainties, we cannot assure you that we will comply with such laws and regulations in all respects, and we may be ordered to rectify or terminate any actions that are deemed illegal by regulatory authorities. We may also become subject to fines and/or other sanctions which may have a material adverse effect on our business, operations and financial condition as well as price of our securities.

We have expanded in the past and may continue to expand in the future through acquisitions of other companies, each of which may divert our management's attention, result in additional dilution to shareholders or use resources that are necessary to operate our business.

In the past, we have grown our business through acquisitions and we may continue to evaluate and enter into discussions regarding potential strategic acquisition transactions and alliances to further expand our business, and, from time to time, we may have a number of pending investments and acquisitions that are subject to closing conditions. However, such pending acquisitions are subject to uncertainties and may not be completed due to failure to satisfy all closing conditions as a result of inaccuracy or breach of representations and warranties of, or non-compliance with covenants by, either party or other reasons. If we are presented with appropriate opportunities, we may acquire additional businesses, services, resources, or assets, including data centers, that are complementary to our core business. Our integration of the acquired entities or assets into our business may not be successful and may not enable us to generate the expected revenues or expand into new services, customer segments or operating locations as well as we expect. This would significantly affect the expected benefits of these acquisitions. Moreover, the integration of any acquired entities or assets into our operations could require significant attention from our management. The diversion of our management's attention and any difficulties encountered in any integration process could have an adverse effect on our ability to manage our business. In addition, we may face challenges trying to integrate new operations, services and personnel with our existing operations. Our possible future acquisitions may also expose us to other potential risks, including risks associated with unforeseen or hidden liabilities, litigation, corrupt practices of prior owners, problems with data center design or operation, or other issues not discovered in the due diligence process or addressed through acquisition agreements, the diversion of resources from our existing businesses and technologies, our inability to generate sufficient revenue to offset the costs, expenses of acquisitions and potential loss of, or harm to, relationships with employees and customers as a result of our integration of new businesses.

Our failure to address these risks or other problems encountered in connection with our past or future acquisitions and investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities and harm our business generally. Future acquisitions could also result in the use of substantial amounts of our cash and cash equivalents, dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses or the write-off of goodwill, any of which could harm our financial condition. Also, the anticipated benefits of any acquisitions may not materialize, may be less beneficial, or may develop more slowly, than we expect. If we do not receive the benefits anticipated from these acquisitions and investments, or if the achievement of these benefits is delayed, our operating results may be adversely affected and our stock price could decline.

The anticipated benefits of our joint ventures and strategic partnerships or future joint ventures or strategic partnerships may not be fully realized, or take longer to realize than expected.

We have entered into onshore and offshore joint ventures with several third-party partners, including GIC. See "Item 4. Information on the Company—A. History and Development of the Company" for additional details about our relationship with GIC. We may continue to evaluate and establish potential joint ventures and strategic partnerships with other appropriate partners to further develop our business.

We may not realize the anticipated benefits from these joint ventures and strategic partnerships. The success of these joint ventures and strategic partnerships will depend, in part, on the successful partnership between the relevant partner and us. Such a partnership is subject to the risks outlined below, and more generally, to the same types of business risks that would impact our business operations when pursued on a cooperative basis:

- we may not have the right to exercise sole decision-making authority regarding the joint venture and strategic partnerships;
- our partner may become bankrupt or fail to pay the relevant consideration for the cooperation with us;
- our partner's interests may not be aligned with our interests, our partner may have economic, tax or other business interests or goals which are inconsistent with our business interests or goals, and may take actions contrary to our policies or objectives;

- our partner may take actions unrelated to our business agreement but which reflect adversely on us because of our joint venture;
- changes in the terms of the arrangements of our partnerships may materially and adversely affect our ability to complete or operate projects we are pursuing or contemplating through joint venture partnerships;
- disputes between us and our partner may result in litigation or arbitration that would increase our expenses and prevent our management from focusing their time and effort on our business; and
- we may in certain circumstances be liable for the actions of our partner or guarantee all or a portion of the joint venture's liabilities.

A failure to successfully partner, or a failure to realize our expectations for the joint ventures and strategic partnerships, could materially impact our business, financial condition and results of operations.

The uncertain economic environment may have an adverse impact on our business and financial condition.

The uncertain economic environment could have an adverse effect on our liquidity. While we believe we have a strong customer base, if the current market conditions were to worsen, some of our customers may have difficulty paying us and we may experience increased churn in our customer base and reductions in their commitments to us. We may also be required to make allowances for doubtful accounts and our results would be negatively impacted. Our sales cycle could also be lengthened if customers reduce spending on, or delay decision-making with respect to, our services, which could adversely affect our revenue growth and our ability to recognize net revenue. We could also experience pricing pressure as a result of economic conditions if our competitors lower prices and attempt to lure away our customers with lower cost solutions. Finally, our ability to access the equity and debt capital markets may be severely restricted at a time when we would like, or need, to do so, especially during times of increased volatility in global financial markets and stock markets, which could limit our ability to raise funds through additional equity sales. Any inability to raise funds from capital markets generally, and equity capital markets in particular, could adversely affect our liquidity as well as hinder our ability to pursue additional strategic expansion opportunities, execute our business plans and maintain our desired level of revenue growth in the future.

A downturn in the PRC or global economy could reduce the demand for our services, which could materially and adversely affect our business and financial condition.

There is considerable uncertainty over the global economy and the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including those of the United States and the PRC. There have been concerns about the economic effects of rising tensions between the PRC and the United States, as well as between the PRC and surrounding Asian countries. See "—Geopolitical tensions have led to adverse trends in the areas of trade, technology and even finance between China and the United States and these adverse trends may continue, which could negatively affect our business operations and results of operations." Economic conditions in the PRC are sensitive to global economic conditions. International conditions and any new or escalating trade war can lead to disruption in our supply chain and higher costs of capital expenditures.

The conflicts between Russia and Ukraine, between Israel and Hamas, and between the U.S.-Israel and Iran, as well as escalating trade wars between the U.S. and its trading partners have significantly impacted global economic markets. We cannot predict the progress or outcome of these situations as the conflict and governmental reactions continue to evolve. In particular, the rising trade tensions between the U.S. and its trading partners are generating significant economic uncertainty and hindering investment decisions. Prolonged unrest, intensified military activities, and more extensive economic or trade sanctions could have a material adverse effect on the global economy, and such effect could in turn have a material adverse effect on our operations, financial condition, liquidity and business outlook. Any disruptions or continuing or worsening slowdown in the global economy or the PRC economy, whether as a result of the Russia-Ukraine conflict, the Israel-Hamas conflict, the U.S.-Israel conflict with Iran, escalating international trade wars and uncertainty about the future relationship between the PRC and the U.S., or other reasons, could significantly impact and reduce domestic commercial activities in China, which may lead to decreased demand for our colocation or managed services and have a negative impact on our business, financial condition and results of operations. A decrease in economic activity, whether actual or perceived, a further decrease in economic growth rates or an otherwise uncertain economic outlook in China could have a material adverse effect on our customers' expenditures and, as a result, may also adversely affect our business, financial condition and results of operations. Additionally, continued turbulence in the international markets may adversely affect our ability to access the capital markets to meet our liquidity needs. Any periods of continuing or worsening increased or heightened volatility in financial, equity and other markets, particularly due to investor concerns relating to the Russia-Ukraine conflict, the Israel-Hamas conflict, the U.S.-Israel conflict with Iran, trade war or uncertainty about the future relationship between the PRC and the U.S., could limit our ability to raise funds, pursue further business expansion and maintain revenue growth. See “—The uncertain economic environment may have an adverse impact on our business and financial condition” above.

Our success depends to a substantial degree upon our senior management, including Mr. Huang, and key personnel, and our business operations may be negatively affected if we fail to attract and retain highly competent senior management.

We depend to a significant degree on the continuous service of Mr. Huang, our founder, chairman and chief executive officer, and our experienced senior management team and other key personnel such as project managers and other middle management. If one or more members of our senior management team or key personnel resigns, it could disrupt our business operations and create uncertainty as we search for and integrate a replacement. If any member of our senior management leaves us to join a competitor or to form a competing company, any resulting loss of existing or potential customers to any such competitor could have a material adverse effect on our business, financial condition and results of operations. Additionally, there could be unauthorized disclosure or use of our technical knowledge, practices or procedures by such personnel. We have entered into employment agreements with our senior management and key personnel. We have also entered into confidentiality agreements with our personnel which contain nondisclosure covenants that survive indefinitely as to our trade secrets. Additionally, pursuant to these confidentiality agreements, any inventions and creations of our employees relating to the company's business that are completed within twelve months after termination of employment shall be transferred to the company without payment of consideration, and the employees shall assist the company in applying for corresponding patents or other rights. In addition, if our key personnel are unable to devote sufficient attention, resources and efforts to our business, our business and results of operations could be adversely affected. Currently, Mr. Huang has entered into an employment agreement with DayOne and acts as a director of DayOne, in which we hold minority equity interest, and accordingly, devotes a portion of his time and energy to the business of DayOne in addition to his duties with our company. Furthermore, our employment agreements do not ensure the continued service of these senior management and key personnel, and we may not be able to enforce the confidentiality agreements we have with our personnel. In addition, we do not maintain key man life insurance for any of the senior members of our management team or our key personnel.

Competition for employees is intense, and we may not be able to attract and retain the qualified and skilled employees needed to support our business.

We believe our success depends on the efforts and talent of our employees, including data center design, construction management, operations, engineering, IT, risk management, and sales and marketing personnel. Our future success depends on our continued ability to attract, develop, motivate and retain qualified and skilled employees. Competition for highly skilled personnel is extremely intense. We may not be able to hire and retain these personnel at compensation levels consistent with our existing compensation and salary structure. Some of the companies with which we compete for experienced employees have greater resources than we have and may be able to offer more attractive terms of employment.

In addition, we invest significant time and expenses in training our employees, which increases their value to competitors who may seek to recruit them. If we fail to retain our employees, we could incur significant expenses in hiring and training their replacements, and the quality of our services and our ability to serve our customers could diminish, resulting in a material adverse effect to our business.

Our operating results may fluctuate, which could make our future results difficult to predict, and may fall below investor or analyst expectations.

Our operating results may fluctuate due to a variety of factors, including many of the risks described in this section, which are outside of our control. You should not rely on our operating results for any prior periods as an indication of our future operating performance. Fluctuations in our net revenue can lead to even greater fluctuations in our operating results. Our budgeted expense levels depend in part on our expectations of long-term future net revenue. Given relatively large fixed cost of revenue for services, other than utility costs, any substantial adjustment to our costs to account for lower than expected levels of net revenue will be difficult. Consequently, if our net revenue does not meet projected levels, our operating performance will be negatively affected. If our net revenue or operating results do not meet or exceed the expectations of investors or securities analysts, the price of our ADSs and/or ordinary shares may decline.

Declining valuation of long-lived assets could result in impairment charges, the determination of which involves a significant amount of judgment on our part. Any impairment charge could have a material adverse effect on us.

We test long-lived assets (including property and equipment, prepaid land use rights, operating lease right-of-use (“ROU”) assets and intangible assets subject to amortization) for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. If the carrying amount of an asset group exceeds its estimated undiscounted future cash flows, an impairment loss is recognized in the amount of the excess of the asset group’s carrying value over its fair value. As of each relevant measurement date, the fair value of asset groups, if determined to be impaired, were measured under income approach and determined based on the higher of the forecasted discounted cash flows expected to result from the data center assets’ operations and eventual disposition and the price market participant would pay to sub-lease and acquire the remaining data center assets, which reflects the highest and best use of the asset groups. The significant unobservable inputs used in the income approach primarily included sales prices and utilization rates used to estimate the forecasted undiscounted cashflows expected to result from the data center assets’ operation, and discount rate of approximately 8.5% as of December 31, 2025. Forecasting of prices used in the future cash flows is primarily based on that of existing contracts and foreseeable renewal contracts. Forecasting of utilization rate of data centers is based on various historical utilization rates, customer contracts, business plans and market conditions for each respective data center at the time of the impairment test to achieve an estimated stabilized utilization rate of approximately 90%. For the year ended December 31, 2023, impairment losses for the Company’s data centers’ long-lived assets of RMB3,013.4 million were recognized. For the year ended December 31, 2025, impairment losses of RMB1,561.2 million (US\$223.3 million) were recognized, which were mainly due to lower sales price and slower move-in of certain data centers with fixed lease terms. No impairment loss was recorded for the year ended December 31, 2024.

We may need to recognize additional impairment charges going forward when actual results in future periods are materially worse than assumptions used in the impairment analysis. Any additional impairment charges may materially and adversely affect our business, financial condition and results of operations.

We may fail to acquire land use rights according to our investment and framework agreements and failure to commence or resume development of land that we have been granted right to use within the required timeframe or to fulfill the investment commitments under the land use right grant contracts and/or investment/framework agreements may cause us to lose such land use rights and subject us to liabilities under land use right grant contracts and investment/framework agreements.

We have entered into, and may enter into additional, binding investment and framework agreements to reserve or acquire land use rights. The reservation or acquisition of land use rights under such investment and framework agreements are usually subject to certain grant conditions and subsequently entering into a land use right grant contract through relevant tender, auction or listing-for-sale procedures, and we cannot assure you that all these grant conditions will be satisfied or that ultimately we will be able to enter into the land use right grant contract, or that we will indeed acquire the land use right under the relevant investment and framework agreement.

Contracts for the grant of land use rights and some of the investment/framework agreements that we have entered into with the local governments as well as PRC regulations provide for the timeframe within which we are obligated to carry out the construction projects on the land parcels under these contracts and/or agreements. According to the relevant PRC regulations, the PRC government may impose an “idle land fee” equal to 20% of the land fees on land use if the relevant construction land has been identified as “idle land.” The construction land may be identified as “idle land” under any of the following circumstances: (i) where development of and construction on the land fails to commence for more than one year from the construction commencement date prescribed in the land grant contract; or (ii) the development and construction on the land have commenced but have been suspended when the area of the developed land is less than one-third of the total area to be developed or the invested amount is less than 25% of the total amount of investment, and the suspension of development attains for one year. Furthermore, the PRC government has the authority to confiscate any land without compensation if the construction does not commence within two years after the construction commencement date specified in the land grant contract, unless the delay is caused by force majeure, governmental action or preliminary work necessary for the commencement of construction. In addition, these contracts and agreements usually provide for certain investment commitments (such as total investment amount and amount of revenues and taxes generated by the investment projects on the land parcels). We may lose the land use rights and be subject to other liabilities under the land use right grant contracts and the investment/framework agreements if we fail to commence or resume development of land that we have been granted right to use within the required timeframe or to fulfill the investment commitments under the land use right grant contracts and/or investment/framework agreements.

For example, we have a parcel of land in Chengdu, over which we have obtained land use rights, but which may be treated as “idle land” by the respective local government authorities. We suspended the development of one parcel of land in Chengdu after completion of the construction of the then existing buildings thereon in November 2010, and upon such suspension, the area of the developed land was less than one third of the total land area. We have received approval from the local government authorities to commence construction on the rest of such land parcel in Chengdu and we commenced construction after receiving such approval. As of December 31, 2025, we made progress in construction on the parcel in Chengdu. Our PRC legal counsel, based on their consultation with the local authorities, has advised us that it is unlikely the local authorities will order penalties against us or require us to forfeit the relevant land by invoking the laws and regulations in relation to “idle land” or for breach of relevant land use right grant contracts and/or the investment/framework agreements.

We have not been subject to any penalties or required to forfeit any land as a result of failing to commence or resume development or fulfill the relevant investment commitments we made pursuant to the relevant land grant contracts and/or the investment/framework agreements. However, we cannot assure you that we will not be subject to penalties as a result of any failure to commence development or fulfill our investment commitments in accordance with the relevant land grant contracts and/or the investment/framework agreements in the future. If this occurs, our financial condition and results of operations could be materially and adversely affected.

We may experience impairment of goodwill in connection with our acquisition of entities.

We review our goodwill for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable, such as a decline in stock price and market capitalization. We are required to perform an annual goodwill impairment test. As of December 31, 2025, we carried RMB5,187.7 million (US\$741.8 million) of goodwill on our balance sheet. However, goodwill can become impaired. We test goodwill for impairment annually or more frequently if events or changes in circumstances indicate possible impairment, but the fair value estimates involved require a significant amount of difficult judgment and assumptions. We may not achieve the anticipated benefits of the acquisitions, which may result in the need to recognize impairment of some or all of the goodwill we recorded.

We are subject to anti-corruption laws of mainland China, Hong Kong and Macau, as well as the U.S. Foreign Corrupt Practices Act. Our failure to comply with these laws could result in penalties, which could harm our reputation and have an adverse effect on our business, financial condition and results of operations.

We operate our business and invest in various countries and regions, including mainland China, Hong Kong and Macau. Thus, we are subject to the laws and regulations related to anti-corruption of mainland China, Hong Kong and Macau, which prohibit bribery to government agencies, state or government owned or controlled enterprises or entities, to government officials or officials that work for state or government owned enterprises or entities, as well as bribery to non-government entities or individuals. We are also subject to the U.S. Foreign Corrupt Practices Act, or the FCPA, which generally prohibits companies and any individuals or entities acting on their behalf from offering or making improper payments or providing benefits to foreign officials for the purpose of obtaining or keeping business, along with various other anti-corruption laws. Our existing policies prohibit any such conduct and we have implemented and conducted additional policies and procedures designed, and providing training, to ensure that we, our employees, business partners and other third parties comply with PRC anti-corruption laws and regulations, the FCPA and other anti-corruption laws to which we are subject. There is, however, no assurance that such policies or procedures will work effectively all the time or protect us against liability under the FCPA or other anti-corruption laws. There is no assurance that our employees, business partners and other third parties would always obey our policies and procedures. Further, there is discretion and interpretation in connection with the implementation of PRC anti-corruption laws. We could be held liable for actions taken by our employees, business partners and other third parties with respect to our business or any businesses that we may acquire. We operate in the data center services industry in China and generally purchase our colocation facilities and telecommunications resources from state or government-owned enterprises and sell our services domestically to customers that include state or government-owned enterprises or government ministries, departments and agencies. This puts us in frequent contact with persons who may be considered “foreign officials” under the FCPA, resulting in an elevated risk of potential FCPA violations. If we are found not to be in compliance with PRC anti-corruption laws, the FCPA and other applicable anti-corruption laws governing the conduct of business with government entities, officials or other business counterparties, we may be subject to criminal, administrative, and civil penalties and other remedial measures, which could have an adverse impact on our business, financial condition and results of operations. Any investigation of any potential violations of the FCPA or other anti-corruption laws by U.S., mainland China, Hong Kong or Macau authorities or the authorities of any other foreign jurisdictions, could adversely impact our reputation, cause us to lose customer sales and access to colocation facilities and telecommunications resources, and lead to other adverse impacts on our business, financial condition and results of operations. In addition, investigation of any potential violations by DayOne of the FCPA or other anti-corruption laws by Hong Kong, Macau, Singapore, Malaysia, Indonesia, Thailand or Japan authorities or the authorities of any other foreign jurisdictions, could adversely impact the value of our investment in DayOne and our results of operations.

We face risks related to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our operations.

On May 12, 2008 and April 14, 2010, severe earthquakes hit part of Sichuan Province in southwestern China and part of Qinghai Province in western China, respectively, resulting in significant casualties and property damage. While we did not suffer any loss or experience any significant increase in cost resulting from these earthquakes, if a similar disaster were to occur in the future that affected our established markets or another city where we have data centers or are in the process of developing data centers, our operations could be materially and adversely affected due to loss of personnel and damages to property. In addition, a similar disaster affecting a larger, more developed area could also cause an increase in our costs resulting from the efforts to resurvey the affected area. Even if we are not directly affected, such a disaster could affect the operations or financial condition of our customers and suppliers, which could harm our results of operations.

In addition, our business could be materially and adversely affected by other natural disasters, such as snowstorms, typhoon, fires or floods, the outbreak of a widespread health epidemic or pandemic, such as swine flu, avian influenza, severe acute respiratory syndrome, or SARS, Ebola, Zika, COVID-19, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. If any of our employees is suspected of having contracted any contagious disease, we may under certain circumstances be required to quarantine such employees and the affected areas of our premises. Therefore, we may have to temporarily suspend part of or all of our operations. Furthermore, any future outbreak may restrict economic activities in affected regions, resulting in temporary closure of our offices or prevent us and our customers from traveling. Such closures could severely disrupt our business operations and adversely affect our results of operations.

If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired.

We are subject to the reporting requirements of the U.S. Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and the rules and regulations of Nasdaq. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal controls over financial reporting. Commencing with our year ended December 31, 2017, we have been obligated to perform system and process evaluation and testing of our internal controls over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting in our Form 20-F filing for that year, as required by Section 404 of the Sarbanes-Oxley Act. In addition, as of December 31, 2018, we ceased to be an “emerging growth company” as the term is defined in the Jumpstart Our Business Startups Act, or the JOBS Act, and our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. Even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. This has required and will continue to require us to incur substantial additional professional fees and internal costs to expand our accounting and finance functions and that we expend significant management efforts. We continue to enhance our accounting personnel and other resources to address our internal controls and procedures. We also continuously enhance our accounting procedures and internal controls.

In addition, our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls, we may not be able to produce timely and accurate financial statements. If that were to happen, the market price of our ADSs and/or ordinary shares could decline and we could be subject to sanctions or investigations by the SEC, Nasdaq, or other regulatory authorities.

Fluctuations in exchange rates could result in foreign currency exchange losses and could materially reduce the value of your investment.

The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions and the foreign exchange policy adopted by the PRC government. It is difficult to predict how market forces or PRC or U.S. government policy, including any increases in the target range for the federal funds rate announced by the Federal Open Market Committee of the U.S. Federal Reserve System, may impact the exchange rate between the Renminbi and the U.S. dollar in the future. We cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future or what impact this will have on our results of operations.

Substantially all of our net revenue and costs are denominated in Renminbi. We are a holding company and we rely on dividends paid by our operating subsidiaries in mainland China for our cash needs. Any significant revaluation of the Renminbi may materially reduce any dividends payable on, our ADSs and/or ordinary shares in U.S. dollars.

Risks Related to Our Corporate Structure

If the PRC government deems that the contractual arrangements in relation to the consolidated VIEs do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we may be subject to severe penalties or be forced to relinquish our interests in the operations of the consolidated VIEs and their subsidiaries.

The PRC government regulates telecommunications-related businesses through strict business licensing requirements and other government regulations. These laws and regulations also include limitations on foreign ownership of PRC companies that engage in telecommunications-related businesses. Specifically, foreign investors are not allowed to own more than a 50% equity interest in any PRC company engaging in value-added telecommunications businesses, with certain exceptions relating to certain categories which do not apply to us. On April 10, 2024, the MIIT released the VAT Circular, announcing that China will remove foreign ownership restrictions on certain VATS provided within domestic Pilot Areas, and following the VAT Circular, the relevant local Communications Administrations in Beijing, Shanghai, Shenzhen and Hainan successively released the relevant guidelines on the application of VAT licenses within the Pilot Areas. However, the relevant regulatory authorities would have discretion in granting approval on the VAT licenses under the VAT Circular. For more details, see “Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business—People’s Republic of China Regulations—Regulations on Foreign Investment Restrictions.”

Because we are a Cayman Islands company, we are classified as a foreign enterprise under PRC laws and regulations, and our wholly owned mainland China subsidiaries or PRC joint ventures are foreign-invested enterprises, or their subsidiaries. See List of Subsidiaries of the Registrant, Exhibit 8.1 to this annual report, for a complete list of our wholly owned subsidiaries and joint ventures incorporated in the PRC. To comply with PRC laws and regulations, we conduct our business in mainland China through contractual arrangements with the consolidated VIEs and their shareholders. These contractual arrangements provide us with effective control over the consolidated VIEs, and enable us to receive substantially all of the economic benefits of the consolidated VIEs and their subsidiaries in consideration for the services provided by our consolidated mainland China subsidiaries, and have an exclusive option to purchase all of the equity interest in the consolidated VIEs when permissible under PRC laws. See List of Subsidiaries of the Registrant, Exhibit 8.1 to this annual report, for a complete list of the consolidated VIEs and their subsidiaries. For a description of the contractual arrangements among GDS Investment Company, Management HoldCo, GDS Beijing and GDS Shanghai, see “Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with Affiliated Consolidated Entities.”

We believe that our corporate structure and contractual arrangements comply with the current applicable PRC laws and regulations. Our PRC legal counsel, based on its understanding of the relevant laws and regulations, is of the opinion that each of the contracts among our consolidated mainland China subsidiaries, the consolidated VIEs and their shareholders is valid, legally binding and enforceable in accordance with its terms. However, as there are uncertainties regarding the interpretation and application of PRC laws and regulations, including the M&A Rules, the telecommunications circular described above and the Telecommunications Regulations of the People’s Republic of China, or the Telecommunications Regulations, and the relevant regulatory measures concerning the telecommunications industry, there can be no assurance that the PRC government, such as the MIIT, or other authorities that regulate providers of data center service and other participants in the telecommunications industry would agree that our corporate structure or any of the above contractual arrangements comply with PRC licensing, registration or other regulatory requirements, with existing policies or with requirements or policies that may be adopted in the future. PRC laws and regulations governing the validity of these contractual arrangements are uncertain and the relevant government authorities have discretion in interpreting these laws and regulations. In addition, such laws and regulations may change or be interpreted differently in the future.

If our corporate and contractual structure constituting part of the VIE structure is deemed by the MIIT, MOFCOM or other regulators having competent authority to be illegal, either in whole or in part, we could be forced to relinquish control of, and our interests in the operations of, the consolidated VIEs and their subsidiaries, and/or be forced to modify such structure to comply with regulatory requirements as interpreted by such authorities. However, there can be no assurance that we can achieve this without material disruption to our business. Further, if our corporate and contractual structure is found to be in violation of any existing or future PRC laws or regulations, we may be subject to severe penalties. The relevant regulatory authorities would have discretion in dealing with such violations, including:

- revoking our business and operating licenses;

- levying fines on us;
- confiscating any of our income that they deem to be obtained through illegal operations;
- shutting down a portion or all of our networks and servers;
- discontinuing or restricting our operations in mainland China;
- imposing conditions or requirements with which we may not be able to comply;
- requiring us to restructure our corporate and contractual structure;
- restricting or prohibiting our use of the proceeds from overseas offering to finance our consolidated VIEs' business and operations; and
- taking other regulatory or enforcement actions that could be harmful to our business.

Furthermore, the enforceability of the agreements under the contractual arrangements has not been tested in a court of law, and new PRC laws, rules and regulations may be introduced to impose additional requirements that may be applicable to our corporate structure and contractual arrangements. In addition, relevant PRC regulatory authorities could disallow the VIE structure. See “—Uncertainties exist with respect to the interpretation and implementation of the 2019 PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.” If any of the foregoing were to occur, and as a result we were unable to direct the activities of the consolidated VIEs, receive their economic benefits and/or claim our contractual control rights over the assets of the VIEs and their subsidiaries that conduct substantially all of our operations in mainland China, we would no longer be able to consolidate such VIEs in our consolidated financial statements in accordance with U.S. GAAP, which would likely materially and adversely affect our financial condition and results of operations, and cause the value of our securities, including our ADSs and ordinary shares, to significantly decline or become worthless. For the years ended December 31, 2023, 2024 and 2025, the VIEs and their subsidiaries contributed 97.0%, 96.1% and 97.5%, respectively, of our total net revenue.

Our contractual arrangements with the consolidated VIEs may result in adverse tax consequences to us.

We could face material and adverse tax consequences if the PRC tax authorities determine that our contractual arrangements with the consolidated VIEs were not made on an arm's length basis and adjust our income and expenses for PRC tax purposes by requiring a transfer pricing adjustment. A transfer pricing adjustment could adversely affect us by (i) increasing the tax liabilities of the consolidated VIEs without reducing the tax liability of our subsidiaries, which could further result in late payment fees and other penalties to the consolidated VIEs for underpaid taxes; or (ii) limiting the ability of the consolidated VIEs to obtain or maintain preferential tax treatments and other financial incentives.

We rely on contractual arrangements with the consolidated VIEs and their shareholders for our China operations, which may not be as effective as direct ownership in providing operational control and otherwise have a material adverse effect as to our business.

We rely on contractual arrangements with the consolidated VIEs and their shareholders to operate our business in mainland China. We enhanced the structure of the variable interest entities and certain other variable interest entities, or the VIE Enhancement, in order to further improve control over the variable interest entities, reduce key man risks associated with having certain individuals be the equity holders of the variable interest entities, and address the uncertainty resulting from any potential disputes between us and the individual equity holders of the variable interest entities that may arise. As part of the VIE Enhancement, the entire equity interests of GDS Beijing and GDS Shanghai were transferred to a holding company, Management HoldCo. The entire equity interest in Management HoldCo is held by a number of management personnel designated by our board of directors. In conjunction with the transfer of legal ownership, GDS Investment Company, one of our subsidiaries, entered into a series of contractual arrangements with Management HoldCo, its shareholders, GDS Beijing and GDS Shanghai to replace the previous contractual arrangements with GDS Beijing and GDS Shanghai on substantially the same terms under such previous contractual arrangements. We also replaced the sole director of GDS Shanghai and certain subsidiaries of GDS Beijing with a board of three directors. Mr. Huang acts as the chairman of the boards of directors of Management HoldCo, GDS Investment Company, GDS Beijing, and certain subsidiaries of GDS Beijing and GDS Shanghai. Other management members of us and board appointees serve as directors and officers of Management HoldCo, GDS Investment Company, GDS Beijing, and certain subsidiaries of GDS Beijing and GDS Shanghai.

For a description of the abovementioned contractual arrangements, see “Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with Affiliated Consolidated Entities.” In 2023, 2024 and 2025, 97.0%, 96.1% and 97.5% of our total net revenue, respectively, were attributed to the VIEs and their subsidiaries. See “Item 4. Information on the Company—C. Our Corporate Structure.” These contractual arrangements may not be as effective as direct ownership in providing us with control over the consolidated VIEs. If the consolidated VIEs or their shareholders fail to perform their respective obligations under these contractual arrangements, our recourse to the assets held by the consolidated VIEs is indirect and we may have to incur substantial costs and expend significant resources to enforce such arrangements in reliance on legal remedies under PRC law. These remedies may not always be effective, particularly in light of the complex and changing regulatory environment in mainland China. Furthermore, in connection with litigation, arbitration or other judicial or dispute resolution proceedings, assets under the name of any of record holder of equity interest in the consolidated VIEs, including such equity interest, may be put under court custody. As a consequence, we cannot be certain that the equity interest will be disposed pursuant to the contractual arrangement or ownership by the record holder of the equity interest.

All of these contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in the PRC. Accordingly, these contracts would be interpreted in accordance with PRC laws and any disputes would be resolved in accordance with PRC legal procedures. As a result, our ability to enforce these contractual arrangements could be limited by the complex and changing regulatory environment in mainland China. In the event that we are unable to enforce these contractual arrangements, or if we suffer significant time delays or other obstacles in the process of enforcing these contractual arrangements, it would be very difficult to exert effective control over the consolidated VIEs, and our ability to conduct our business and our financial condition and results of operation may be materially and adversely affected. See “—Risks Related to Our Corporate Structure—Uncertainties exist with respect to the interpretation and implementation of the 2019 PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.”

The individual management shareholders of our Management HoldCo may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.

In connection with our operations in mainland China, we rely on the individual management shareholders of our Management HoldCo to abide by the obligations under such contractual arrangements. In particular, GDS Beijing and GDS Shanghai are wholly-owned by Management HoldCo, which, as of March 31, 2026, is in turn owned by five individual management shareholders designated by our board, each holding 20% equity interest in Management HoldCo, namely Hui Zhou (senior vice president, public affairs and Northern China business), Yan Liang (executive vice president, data center operation and delivery), Kejing Zhang (executive vice president, sales and service), Andy Wenfeng Li (general counsel, compliance officer, and company secretary) and Qi Wang (senior vice president, cloud and network business), together referred as “Individual Management Shareholders.” The interests of such Individual Management Shareholders in their individual capacities as the shareholders of Management HoldCo may differ from the interests of our company as a whole, as what is in the best interests of Management HoldCo, including matters such as whether to distribute dividends or to make other distributions to fund our offshore requirement, may not be in the best interests of our company. There can be no assurance that when conflicts of interest arise, any or all of these individuals will act in the best interests of our company or that conflicts of interest will be resolved in our favor. In addition, these individuals may breach or cause the consolidated VIEs to breach or refuse to renew the existing contractual arrangements with us.

Currently, we do not have arrangements to address potential conflicts of interest the Individual Management Shareholders may encounter; provided that we could, at all times, exercise our option under the exclusive call option agreements to cause them to transfer all of their equity ownership in Management HoldCo to a PRC entity or individual designated by us as permitted by the then applicable PRC laws. In addition, if such conflicts of interest arise, we could also, in the capacity of attorney-in-fact of the then existing shareholders of Management HoldCo as provided under the shareholder voting rights proxy agreements, directly appoint new directors of Management HoldCo. We rely on the shareholders of the consolidated VIEs to comply with PRC laws and regulations, which protect contracts and provide that directors and executive officers owe a duty of loyalty to our company and require them to avoid conflicts of interest and not to take advantage of their positions for personal gains, and the laws of the Cayman Islands, which provide that directors and executive officers have a duty of care and a duty of loyalty to act honestly in good faith with a view to our best interests. However, the legal frameworks of mainland China and the Cayman Islands do not provide guidance on resolving conflicts in the event of a conflict with another corporate governance regime. If we cannot resolve any conflicts of interest or disputes between us and the shareholders of the consolidated VIEs, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

In order to enhance corporate governance and facilitate administration of the VIEs and their subsidiaries, we have also replaced the sole director of GDS Shanghai and certain subsidiaries of GDS Beijing with a board of three directors. Mr. Huang acts as the chairman of the boards of directors of Management HoldCo, GDS Investment Company, GDS Beijing and certain subsidiaries of GDS Beijing and GDS Shanghai. Other management members of us and board appointees serve as directors and officers of Management HoldCo., GDS Investment Company, GDS Beijing, and certain subsidiaries of GDS Beijing and GDS Shanghai. These enhancements to the corporate governance and management of the VIEs and their subsidiaries may help to mitigate some of the conflict of interest and other risks detailed above; however, we cannot assure you that the enhancements will be effective in preventing or mitigating such risks.

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 ADSs and/or ordinary shares and materially reduce the value of your investment.

Our Articles of Association provide that Class B ordinary shares are entitled to 50 votes per ordinary share at general meetings of our shareholders with respect to the election or removal of a simple majority of our directors. Mr. Huang beneficially owns 100% of the Class B ordinary shares issued and outstanding, and any additional Class A ordinary shares which Mr. Huang directly or indirectly acquires may be converted into Class B ordinary shares. In addition, for so long as there are Class B ordinary shares outstanding, the Class B shareholders are entitled (i) to nominate five of our directors, and (ii) to have 50 votes per ordinary share with respect to the election and removal of a simple majority, or six, of our directors. In addition, our Articles of Association provide that STT Garnet, 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. Such appointments will not be subject to a vote by our shareholders. See “Item 6. Directors, Senior Management and Employees—C. Board Practices—Appointment, Nomination and Terms of Directors.”

As of March 31, 2026, two of our principal shareholders—STT Garnet and Mr. Huang, our founder, chairman and chief executive officer—beneficially owned approximately 29.4% of our outstanding Class A ordinary shares and 100% of our outstanding Class B ordinary shares, respectively. On matters where Class A and Class B ordinary shares vote on a 1:1 basis, STT Garnet exercises 26.3% of the aggregate voting power. On matters where Class A and Class B ordinary shares vote on a 1:50 basis, Mr. Huang exercises 57.9% of the aggregate voting power. For more details, see “Item 6. Directors, Senior Management and Employees—E. Share Ownership.”

As a result of these appointment rights, nomination rights, dual-class ordinary share structure and ownership concentration, these shareholders have the ability to control or exert significant influence over important corporate matters, investors may be prevented from affecting important corporate matters involving our company that require approval of shareholders, including:

- the composition of our board of directors and, through it, any determinations with respect to our operations, business direction and policies, including the appointment and removal of officers;
- any determinations with respect to mergers or other business combinations;
- our disposition of substantially all of our assets; and
- any change in control.

These actions may be taken even if they are opposed by our other shareholders, including the holders of our ADSs and/or ordinary shares. We have granted special rights to STT Garnet and certain of our other shareholders. The rights granted to STT Garnet include directors' appointment rights, right to requisition an extraordinary general meeting, committee appointment rights, registration rights and information rights, which enable STT Garnet to maintain its significant influence over our Company. We have also granted registration rights to certain other shareholders, including STT Garnet and PA Goldilocks Limited, an affiliate of China Ping An Insurance Overseas (Holdings) Limited (a subsidiary of Ping An Insurance (Group) Company of China). If any shareholders exercise their registration rights, we will incur costs and be required to divert management attention and resources associated with facilitating the registration of their ordinary shares.

Furthermore, this concentration of ownership may also discourage, delay or prevent a change in control of our company, which could have the dual effect of depriving our shareholders of an opportunity to receive a premium for their ordinary shares as part of a sale of our company and reducing the price of the ADSs and/or ordinary shares. As a result of the foregoing, the value of your investment could be materially reduced.

If the custodians or authorized users of our controlling non-tangible assets, including chops and seals, fail to fulfill their responsibilities, or misappropriate or misuse these assets, our business and operations may be materially and adversely affected.

Under PRC law, legal documents for corporate transactions, including agreements and contracts such as the leases and sales contracts that our business relies on, are executed using the chop or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with the relevant local branch of the SAIC. We generally execute legal documents by affixing chops or seals, rather than having the designated legal representatives sign the documents.

We have three major types of chops—corporate chops, contract chops and finance chops. We use corporate chops generally for documents to be submitted to government agencies, such as applications for changing business scope, directors or company name, and for legal letters. We use contract chops for executing leases and commercial, contracts. We use finance chops generally for making and collecting payments, including, but not limited to issuing invoices. Use of corporate chops and contract chops must be approved by our legal department and use of finance chops must be approved by our finance department. The chops of our subsidiaries and consolidated VIEs are generally held by the relevant entities so that documents can be executed locally. Although we usually utilize chops to execute contracts, the registered legal representatives of our subsidiaries and consolidated VIEs have the apparent authority to enter into contracts on behalf of such entities without chops, unless such contracts set forth otherwise.

In order to maintain the physical security of our chops, we generally have them stored in secured locations accessible only to the designated key employees of our legal, business operation or finance departments. Our designated legal representatives generally do not have access to the chops. Although we have approval procedures in place and monitor our key employees, including the designated legal representatives of our subsidiaries and consolidated VIEs, the procedures may not be sufficient to prevent all instances of abuse or negligence. There is a risk that our key employees or designated legal representatives could abuse their authority, for example, by binding our subsidiaries and consolidated VIEs with contracts against our interests, as we would be obligated to honor these contracts if the other contracting party acts in good faith in reliance on the apparent authority of our chops or signatures of our legal representatives. If any designated legal representative obtains control of the chop in an effort to obtain control over the relevant entity, we would need to have a shareholder or board resolution to designate a new legal representative and to take legal action to seek the return of the chop, apply for a new chop with the relevant authorities, or otherwise seek legal remedies for the legal representative's misconduct. If any of the designated legal representatives obtains and misuses or misappropriates our chops and seals or other controlling intangible assets for whatever reason, we could experience disruption to our normal business operations. We may have to take corporate or legal action, which could involve significant time and resources to resolve while distracting management from our operations, and our business and operations may be materially and adversely affected.

Uncertainties exist with respect to the interpretation and implementation of the 2019 PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.

On March 15, 2019, the National People's Congress adopted the 2019 PRC Foreign Investment Law and on December 26, 2019, the State Council further issued the Regulations on Implementing the 2019 PRC Foreign Investment Law, both of which became effective on January 1, 2020 and replaced three existing laws regulating foreign investment in mainland China, namely, the Wholly Foreign-Invested Enterprise Law of the PRC, the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC and the Sino-Foreign Equity Joint Venture Enterprise Law of the PRC, together with their implementation rules and ancillary regulations. On December 26, 2019, the State Council issued the Regulations on Implementing the 2019 PRC Foreign Investment Law, which came into effect on January 1, 2020, and replaced the Regulations on Implementing the Sino-Foreign Equity Joint Venture Enterprise Law of the PRC, Provisional Regulations on the Duration of Sino-Foreign Equity Joint Venture Enterprise Law, the Regulations on Implementing the Wholly Foreign-Invested Enterprise Law of the PRC, and the Regulations on Implementing the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC. The 2019 PRC Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, uncertainties still exist in relation to its interpretation and implementation. For example, the 2019 PRC Foreign Investment Law adds a catch-all clause to the definition of "foreign investment" so that foreign investment, by its definition, includes "investments made by foreign investors in mainland China through other means defined by other laws or administrative regulations or provisions promulgated by the State Council" without further elaboration on the meaning of "other means." It leaves leeway for future legislations to provide for contractual arrangements as a form of foreign investment. It is therefore uncertain whether our corporate structure will be seen as violating the foreign investment rules as we are currently leveraging the contractual arrangements to operate certain businesses in which foreign investors are prohibited from or restricted to investing. Furthermore, if future legislations mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face uncertainties as to whether we can complete such actions in a timely manner, or at all. If we fail to take appropriate and timely measures to comply with any of these or similar regulatory compliance requirements, our current corporate structure, corporate governance and business operations could be materially and adversely affected.

Risks Related to Doing Business in the People's Republic of China

Changes in the political and economic policies of the PRC government may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies.

Substantially all of our operations are conducted in the PRC and a substantial majority of our net revenue is sourced from the PRC. Accordingly, our financial condition and results of operations are affected to a significant extent by economic, political and legal developments in the PRC.

The PRC economy differs from the economies of most developed countries in many respects, including the extent of government involvement, level of development, growth rate, and control of foreign exchange and allocation of resources. Although the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in mainland China is still owned by the government. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government drives China's economic growth by allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, regulating financial services and institutions and providing preferential treatment to particular industries or companies.

While the PRC economy has experienced significant growth in the past three decades, such growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may also have a negative effect on us. Our financial condition and results of operation could be materially and adversely affected by government control over capital investments or changes in tax regulations that are applicable to us. See "—The complex and changing regulatory environment in mainland China as well as changes in policies, laws, rules and regulations in the PRC could adversely affect us." In addition, the PRC government has implemented in the past certain measures to control the pace of economic growth. These measures may cause decreased economic activity, which in turn could lead to a reduction in demand for our services and consequently have a material adverse effect on our businesses, financial condition and results of operations.

We face various legal and operational risks and uncertainties as a company based in and primarily operating in China.

We face various legal and operational risks and uncertainties as a company based in and primarily operating in China. The PRC government has authority to exert influence on the ability of a China-based company, like us, to conduct its business, accept foreign investments or list on a U.S. stock exchange. For example, we face risks associated with regulatory approvals of offshore offerings, anti-monopoly regulatory actions, cybersecurity and data privacy, as well as any future inability of the U.S. PCAOB to inspect or investigate our auditors completely. In addition, the PRC government may also intervene with or influence our operations as the government deems appropriate to further regulatory, political and societal goals. The PRC government has published new policies that affected certain industries such as the education and internet industries, and we cannot rule out the possibility that it may in the future release regulations or policies regarding our industry that could affect our business, financial condition and results of operations. See “—Complex and changing regulatory environment in the mainland China, and changes in policies, laws, rules and regulations in the PRC that could adversely affect us.” Any such regulatory oversight actions, once taken by the PRC government, could impact our ability to offer or continue to offer securities to investors, and could cause the value of our securities, including our ADSs, to significantly decline or become worthless.

The complex and changing regulatory environment in mainland China as well as changes in policies, laws, rules and regulations in the PRC could adversely affect us.

Substantially all of our operations are conducted in mainland China, and are governed by PRC laws, rules and regulations. Our mainland China subsidiaries, the VIEs and their subsidiaries are subject to laws, rules and regulations applicable to foreign investment in mainland China. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value under the civil law system.

In 1979, the PRC government began to promulgate a comprehensive system of laws, rules and regulations governing economic matters in general. The overall effect of legislation over the past three decades has significantly enhanced the protections afforded to various forms of foreign investment in mainland China. However, enacted laws, rules and regulations may not sufficiently cover all aspects of economic activities in mainland China or may be subject to degrees of interpretation by PRC regulatory agencies. Any failure or perceived failure to comply with the related laws, rules and regulations, by us or our top customers, may result in governmental investigations or enforcement actions, litigations or claims against us or our top customers and could have an adverse effect on our business, financial condition and results of operations.

Any administrative and court proceedings in mainland China may be protracted, resulting in costs and diversion of resources and management attention. Since PRC administrative and court authorities have discretion in interpreting and implementing statutory and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy. These uncertainties may impede our ability to enforce the contracts we have entered into and could materially and adversely affect our business, financial condition and results of operations.

Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which may have retroactive effect. As a result, we may not be aware of any claim of a violation or actual violation we may have committed of any of these policies and rules until sometime after such putative or actual violation. And the laws and regulations governing the internet industry in China, as well as the application and interpretation of some of them, are relatively new and quickly evolving, and they have been applied and interpreted for only a short period of time. Such unpredictability could adversely affect our business and impede our ability to continue our operations.

Our business operations are impacted by the policies and regulations of the PRC government. Any policy or regulatory change may cause us to incur compliance costs.

The PRC government has significant oversight and discretion over the conduct of our business. The PRC government has released regulations and policies that have impacted various industries in general and specific operators within such industries, and may in the future release new regulations or policies that could intervene or influence our operations or the industry sectors in which we operate. We are subject to national, provincial and local governmental regulations, policies and controls. Central governmental authorities and provincial and local authorities and agencies regulate many aspects of Chinese industries, including without limitation, among others and in addition to specific industry-related regulations, the following aspects:

- construction or development of new data centers or renovation, rebuilding or expansion of existing data centers;
- banking regulations, as a result of the colocation services we provide to banks and financial institutions, including regulations governing the use of subcontractors in the management and maintenance of facilities;
- environmental protection laws and regulations;
- security laws and regulations;
- establishment of or changes in shareholder of foreign investment enterprises;
- foreign exchange;
- taxes, duties and fees;
- customs;
- land planning and land use rights;
- energy conservation and emission reduction;
- cybersecurity and information protection laws and regulations, including the *Cybersecurity Law of the People's Republic of China*, or the Cybersecurity Law, the *Data Security Law of the People's Republic of China*, or the Data Security Law, and the Administrative Measures for the Graded Protection of Information Security; and
- artificial intelligence laws and regulations.

The liabilities, costs, obligations and requirements associated with these laws and regulations may be material, may delay the commencement of operations at our new data centers or cause interruptions to our operations. Failure to comply with the relevant laws and regulations in our operations may result in various penalties, including, among others, the suspension of our operations and thus adversely and materially affect our business, prospects, financial condition and results of operations. While we have endeavored to comply with the relevant laws and regulations in the development and operation of our data centers, we may incur additional costs in order to fulfill such requirements, and we cannot assure you that we have complied with, or will comply with the requirements of all relevant laws and regulations (including obtaining of all relevant approvals required for the development and operation of data centers). Additionally, there can be no assurance that currently applicable laws or regulations will remain unchanged or no new laws or regulations will be imposed, and the PRC government may also require us to obtain new permits or approvals to continue our operations. For example, see “Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business —People’s Republic of China Regulations—Regulations Related to Information Technology Outsourcing Services Provided to Banking Financial Institutions” for information regarding regulations of banking and financial institutions that outsource their data center services to us, and “—Regulations Related to Land Use Rights and Construction” for information regarding restrictions on the new construction or expansion of data centers within the boundaries of the Beijing municipality. We cannot assure you that we will comply with the requirements of all new laws and regulations. If we fail to comply with these regulations, policies or requirements, the enforcement actions taken by the PRC government may intervene or influence our operations at any time and it could result in a material adverse change in our operations and the value of our ADSs. Therefore, investors of our company and our business face uncertainty from potential actions taken by regulators that may affect our business and the value of our ADSs. For example, the PRC Civil Code, which was passed on May 28, 2020 by the National People’s Congress and became effective in January 2021, replaces among other laws, the General Provisions of the PRC Civil Law, the PRC Marriage Law, the PRC Guarantee Law, the PRC Contract Law, the PRC Property Law and the PRC Tort Liability Law. It remains to be seen how the PRC Civil Code will be implemented and enforced in practice. In addition, in March 2021, the National People’s Congress published the Fourteenth Five-Year Plan for the National Economic and Social Development of the People’s Republic of China and the Outline of the Long-term Goals for 2035, according to which the PRC government aims to reach the goal of achieving net-zero carbon dioxide emissions by offsetting emissions of carbon dioxide by 2060, namely carbon neutrality, through various measures including afforestation, energy conservation and emission reduction. To achieve the carbon neutrality goal, the PRC government has promulgated certain regulations and may promulgate more laws and regulations in the future. For example, the *Notice on the 2025 Renewable Energy Power Consumption Responsibility Weight and Related Matters* establishes the renewable energy power consumption responsibility weights and the green electricity consumption ratios for key energy-consuming industries for the years 2025 and 2026, wherein the 2025 weight is designated as a binding target, which is an important measure for the “Dual-Control” targets. These laws and regulations may compel us to source more renewable energy, and we may be unable to do so on commercially acceptable terms. Compliance with such laws or regulations may require us to incur material capital expenditures or other obligations or liabilities.

The PRC Cybersecurity Law and Data Security Law are relatively new, and subject to change and uncertain interpretation by regulators. These laws may result in claims, penalties, changes to our business practices, increased cost of operations, damages to our reputation and brand, or otherwise harm our business.

The *Cybersecurity Law of the People’s Republic of China*, or the Cybersecurity Law, which was approved by the SCNPC promulgated on November 7, 2016, amended on October 28, 2025 and came into effect on January 1, 2026, provides certain rules and requirements applicable to network service providers in mainland China. The Cybersecurity Law requires network operators to perform certain functions related to cybersecurity protection and the strengthening of network information management through taking technical and other necessary measures as required by laws and regulations to safeguard the operation of networks, responding to network security effectively, preventing illegal and criminal activities, and maintaining the integrity and confidentiality and usability of network data. However, the Cybersecurity Law still leaves a series of gaps to be filled due to the complex and sensitive nature of this regulatory area. While the Cybersecurity law sets out a broad set of principles, certain key terms and clauses are uncertain and ambiguous, which appear intended to be clarified through a series of laws, implementing regulations and guidelines to be issued by relevant authorities. Numerous regulations, guidelines and other measures have been and are expected to be adopted under the Cybersecurity Law. For more details, see “Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business —People’s Republic of China Regulations—Regulations Related to Information Security and Confidentiality of User Information.” Currently, the Cybersecurity Law and relevant regulations, guidelines and other measures have not directly impacted our operations, but in light of rapid advances in its implementation, we believe the implementation of the Cybersecurity Law involves potential risks to our business because we may be deemed as the network operator of critical information infrastructure thereunder.

Furthermore, the PRC regulatory and enforcement regime with regard to data security and data protection has continued to evolve. There are uncertainties on how certain laws and regulations will be implemented in practice. PRC regulators have been increasingly focused on regulating data security and data protection. We expect that these areas will receive greater attention from regulators, as well as attract public scrutiny and attention going forward. This greater attention, scrutiny and enforcement, including more frequent inspections, could increase our compliance costs and subject us to heightened risks and challenges associated with data security and protection. As of the date of this annual report, we have not been designated as operator of critical information infrastructure by the PRC governmental authorities. While we do not have access to our customers' data stored on the servers collocated in our data centers, we cannot rule out the possibility that data related to our operations may be deemed important data/core data or we may be deemed to be a critical information infrastructure operator, which would subject us to additional supervisory requirements. Any incompliance on such additional supervisory requirements may subject us to fines, order to rectify, suspension of users registration, revocation of business certificate and other penalties, which may have material adverse effect on our business, operations and financial condition as well as the price of our securities.

In addition, we could become subject to enhanced cybersecurity review or investigations launched by PRC regulators in the future. The Data Security Law provides that the state shall establish a data security review mechanism on data processing activities that do or may affect national security. Pursuant to the Cybersecurity Review Measures effective on February 15, 2022, critical information infrastructure operators that procure internet products and services must be subject to the cybersecurity review if their activities affect or may affect national security and network platform operators that hold personal information of over one million users shall apply with the Cybersecurity Review Office for a cybersecurity review before any public listing in a foreign country. For more details, please see "Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business—People's Republic of China Regulations—Regulations Related to Information Security and Confidentiality of User Information." Any failure or delay in the completion of the cybersecurity review procedures or any other non-compliance with the cybersecurity related laws and regulations may result in fines or other penalties, including suspension of business, website closure, and revocation of prerequisite licenses, as well as reputational damage or legal proceedings or actions against us, which may have material adverse effect on our business, financial condition or results of operations. As of the date of this annual report, we have not been informed by any PRC governmental authority of any requirement that we file for a cybersecurity review. We have not been involved in any investigations on cybersecurity review initiated by the CAC or other competent authorities, and we have not received any inquiry, notice, warning, or sanction in such respect. However, there remains significant uncertainty in the interpretation and enforcement of relevant PRC cybersecurity laws and regulations. We cannot assure you that our future offering will be subject to cybersecurity review by the CAC or other competent authorities, and if so, we may not be able to pass such review.

We believe that we are in compliance with the regulations and policies that have been issued by the CAC and other competent PRC regulatory authorities on cybersecurity in all material respects as of the date of this annual report. We have formulated a cybersecurity management policy and information security management guidelines to comply with the requirements under the Cybersecurity Law. See "Item 16K. Cybersecurity" for details on measures we have taken to manage information security risk. However, we cannot assure you that the measures we have taken or will take are adequate under the Cybersecurity Law or other cybersecurity related laws and regulations, and we may be held liable in the event of any breach of the relevant requirements under the Cybersecurity Law or other relevant laws and regulations. Furthermore, as uncertainties remain regarding the interpretation and implementation of applicable PRC laws and regulations, we cannot assure you that we will comply with such laws and regulations in all respects and we may be ordered to rectify or terminate any actions that are deemed illegal by regulatory authorities. We may also become subject to fines and/or other sanctions which may have material adverse effect on our business, operations and financial condition as well as price of our securities.

We may also be held liable in the event of any breach of general clauses on our compliance with such statutory requirements as well as some other specific requirements related to data protection under the relevant customer contracts. If further changes in our business practices are required under China's evolving regulatory framework for the protection of information in cyberspace, our business, financial condition and results of operations may be adversely affected.

The approval of, or filing with the CSRC or other PRC government authorities may be required in connection with acquisitions conducted by foreign investors or future offshore offerings under PRC law, and, if required, we cannot predict whether or for how long it will take to obtain such approval or complete such filing.

The M&A Rules include, among other things, provisions that purport to require that an offshore special purpose vehicle formed for the purpose of an overseas listing of securities in a PRC company obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. On September 21, 2006, the CSRC published on its official website procedures regarding its approval of overseas listings by special purpose vehicles. However, uncertainty remains regarding the scope and applicability of the M&A Rules to offshore special purpose vehicles.

While the application of the M&A Rules remains unclear, we believe, based on the advice of our PRC counsel, King & Wood, that the CSRC approval was not required in the context of our initial public offering or follow-on public offerings under the M&A Rules because we had not acquired any equity interests or assets of a PRC company owned by its controlling shareholders or beneficial owners who are PRC companies or individuals, as such terms are defined under the M&A Rules. There can be no assurance that the PRC regulatory authorities will not take a view that is contrary to or otherwise different from the above opinions of our PRC counsel in the future. If any other PRC regulatory body subsequently determines that its approval was needed for our initial public offering or follow-on public offerings or such approval is needed for any future offerings, we may face actions or sanctions by the CSRC or other PRC regulatory agencies. In any such event, these regulatory agencies may impose fines and penalties on our operations in mainland China, limit our operating privileges in mainland China, delay or restrict the repatriation of the proceeds from our initial public offering or follow-on public offerings into the PRC or take other actions that could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs and/or ordinary shares.

The regulations also established additional procedures and requirements that are expected to make merger and acquisition activities in mainland China by foreign investors more time-consuming and complex, including requirements in some instances that MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, or that the approval from MOFCOM be obtained in circumstances where overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. We may grow our business in part by acquiring other companies operating in our industry. Complying with the requirements of the new regulations to complete such transactions could be time-consuming, and any required approval processes, including approval from MOFCOM, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share. See "Item 4. Information on the Company-B. Business Overview-Regulatory Matters Related to Our Business - People's Republic of China Regulations-Regulations Related to M&A and Overseas Listings."

On February 17, 2023, the CSRC released several regulations regarding the filing requirements for overseas offerings and listings by domestic companies, including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, or the Trial Measures, and five supporting guidelines, or together with the Trial Measures, the New Regulations on Filing. The New Regulations on Filing were formally implemented on March 31, 2023. The New Regulations on Filing provides, among others, that PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after the application for overseas listing submitted. However, listed companies like us, which are called as "the stock enterprises", are not required to apply for the filing immediately until they involved in matters required filings, such as follow-on financing activities. For details about the Trial Measures, please refer to "Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business —People's Republic of China Regulations—Regulations Related to M&A and Overseas Listings."

If it is determined in the future that approval and filing from the CSRC or other regulatory authorities or other procedures, including the cybersecurity review under the Cybersecurity Review Measures, are required for our offshore offerings, it is uncertain whether we can or how long it will take us to obtain such approval or complete such filing procedures and any such approval or filing could be rejected. Any failure to obtain (including possible rescission of such approval) or delay in obtaining such approval or completing such filing procedures for our offshore offerings, or a rescission of any such approval or filing if obtained by us, would subject us to sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or filing or other government authorization for our offshore offerings. These regulatory authorities may impose fines and penalties on our operations in mainland China, limit our ability to pay dividends outside of mainland China, limit our operating privileges in mainland China, delay or restrict the repatriation of the proceeds from our offshore offerings into mainland China or take other actions that could materially and adversely affect our business, financial condition, results of operations, and prospects, as well as the trading price of our listed securities. The CSRC or other PRC regulatory authorities also may require us to halt our offshore offerings before settlement and delivery of the shares offered. Consequently, if investors engage in market trading or other activities in anticipation of and prior to settlement and delivery, they do so at the risk that settlement and delivery may not occur. In addition, if the CSRC or other regulatory authorities later promulgate new rules or explanations requiring that we obtain their approvals or accomplish the required filing or other regulatory procedures for our prior offshore offerings, we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Any uncertainties or negative publicity regarding such approval requirement could materially and adversely affect our business, prospects, financial condition, reputation, and the trading price of our listed securities. We cannot assure you that we would be able to comply with such requirements. Any failure to obtain or delay in obtaining such permission, clearing such review process or meeting such requirements would subject us to restrictions and penalties imposed by the CSRC, the CAC or other PRC regulatory authorities, which could include fines and penalties on our operations in mainland China, delays of or restrictions on the repatriation of the proceeds from our offerings into mainland China, restrictions on our ability to remain listed on a U.S. exchange, or other actions that could materially and adversely affect our business, financial condition, results of operations, and prospects, as well as significantly limit or completely hinder our ability to offer or continue to offer our securities to investors and cause the value of such securities to significantly decline or be worthless.

PRC regulations relating to investments in offshore companies by PRC residents may subject our PRC-resident beneficial owners or our mainland China subsidiaries to liability or penalties, limit our ability to inject capital into our mainland China subsidiaries or limit our mainland China subsidiaries' ability to increase their registered capital or distribute profits.

SAFE Circular 37, which replaced the former circular commonly known as "SAFE Circular 75" promulgated by SAFE on October 21, 2005, requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the mainland China subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its mainland China subsidiary. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls. According to the *Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment* released on February 13, 2015 by SAFE, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under SAFE Circular 37 from June 1, 2015.

Mr. Huang completed the initial SAFE registration pursuant to SAFE Circular 75 in 2012, and is in the process of applying for amendment of such registration. We have notified substantial beneficial owners of ordinary shares who we know are PRC residents of their filing obligation. Nevertheless, we may not be aware of the identities of all of our beneficial owners who are PRC residents. We do not have control over our beneficial owners and there can be no assurance that all of our PRC-resident beneficial owners will comply with SAFE Circular 37 and subsequent implementation rules, and there is no assurance that the registration under SAFE Circular 37 and any amendment will be completed in a timely manner or will be completed at all. The failure of our beneficial owners who are PRC residents to register or amend their foreign exchange registrations in a timely manner pursuant to SAFE Circular 37 and subsequent implementation rules, or the failure of future beneficial owners of our company who are PRC residents to comply with the registration procedures set forth in SAFE Circular 37 and subsequent implementation rules, may subject such beneficial owners or our mainland China subsidiaries to fines and legal sanctions. Failure to register or comply with relevant requirements may also limit our ability to contribute additional capital to our mainland China subsidiaries and limit our mainland China subsidiaries' ability to distribute dividends to our company. These risks may have a material adverse effect on our business, financial condition and results of operations.

Any failure to comply with PRC regulations regarding our employee share incentive plan may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to SAFE Circular 37, PRC residents who participate in share incentive plans in overseas non-publicly-listed companies due to their position as director, senior management or employees of the mainland China subsidiaries of the overseas companies may submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose companies. Our directors, executive officers and other employees who are PRC residents and who were granted options may follow SAFE Circular 37 to apply for the foreign exchange registration before our company became an overseas listed company. Since our company became an overseas listed company upon completion of our initial public offering, we and directors, executive officers and other employees of our mainland China subsidiaries, the VIEs and their subsidiaries and any individuals who have been granted options have been subject to the *Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company*, issued by SAFE in February 2012, or SAFE Circular 7, according to which, among others, employees, directors, supervisors and other management members of PRC companies participating in any stock incentive plan of an overseas publicly listed company who are domestic individuals as defined therein are required to register and make regular periodic filings with SAFE through a domestic qualified agent, which could be a mainland China subsidiary of such overseas listed company, and complete certain other procedures. One of our subsidiaries, as the domestic qualified agent, has completed the registration under SAFE Circular 7 for our share incentive plan and we are making efforts to comply with these requirements stipulated in SAFE Circular 7. Failure to complete the SAFE registrations or meet other requirements may subject relevant participants in our share incentive plan to fines and legal sanctions and may also limit the ability to make payment under our share incentive plan or receive dividends or sales proceeds related thereto, or our ability to contribute additional capital into our wholly-foreign owned enterprises in mainland China and limit our wholly-foreign owned enterprises' ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional share incentive plans for our directors and employees under PRC law.

It may be difficult for overseas regulators to conduct investigations or collect evidence within China.

There are significant legal and other obstacles in mainland China to providing information needed for regulatory investigations or litigation initiated by regulators outside mainland China. Although the authorities in mainland China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the United States involves uncertainty. Furthermore, according to Article 177 of the PRC Securities Law, or Article 177, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation, evidence collection and other activities within the territory of the PRC. While detailed interpretation of or implementation rules under Article 177 have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within mainland China may further increase difficulties faced by you in protecting your interests.

The enforcement of the Labor Contract Law of the People's Republic of China, or the PRC Labor Contract Law, and other labor-related regulations in the PRC may increase our labor costs, impose limitations on our labor practices and adversely affect our business and our results of operations.

On June 29, 2007, the SCNPC enacted the *PRC Labor Contract Law*, which became effective on January 1, 2008 and was amended on December 28, 2012. The PRC Labor Contract Law introduces specific provisions related to fixed-term employment contracts, part-time employment, probation, consultation with labor unions and employee assemblies, employment without a written contract, dismissal of employees, severance, and collective bargaining, which together represent enhanced enforcement of labor laws and regulations. According to the PRC Labor Contract Law, an employer is obliged to sign an unfixed-term labor contract with any employee who has worked for the employer for ten consecutive years. Further, if an employee requests or agrees to renew a fixed-term labor contract that has already been entered into twice consecutively, the resulting contract must have an unfixed term, with certain exceptions. The employer must pay economic compensation to an employee where a labor contract is terminated or expires in accordance with the PRC Labor Contract Law, except for certain situations which are specifically regulated. In addition, the government has issued various labor-related regulations to further protect the rights of employees. According to such laws and regulations, employees are entitled to annual leave ranging from five to fifteen days and are able to be compensated for any untaken annual leave days in the amount of three times their daily salary, subject to certain exceptions. In the event that we decide to change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may also limit our ability to effect those changes in a manner that we believe to be cost-effective. In addition, as the interpretation and implementation of these new regulations are still evolving, our employment practices may not be at all times deemed in compliance with the new regulations. If we are subject to severe penalties or incur significant liabilities in connection with labor disputes or investigations, our business and financial conditions may be adversely affected.

We rely to a significant extent on dividends and other distributions on equity paid by our principal operating subsidiaries to fund offshore cash and financing requirements.

We are a holding company and rely to a significant extent on dividends and other distributions on equity paid by our principal operating subsidiaries and on remittances from the VIEs, for our offshore cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders, fund intercompany loans, service any debt we may incur outside of mainland China and pay our expenses. When our principal operating subsidiaries or the VIEs incur additional debt, the instruments governing the debt may restrict their ability to pay dividends or make other distributions or remittances to us. Furthermore, the laws, rules and regulations applicable to our mainland China subsidiaries and certain other subsidiaries permit payments of dividends only out of their retained earnings, if any, determined in accordance with applicable accounting standards and regulations.

Under PRC laws, rules and regulations, each of our subsidiaries incorporated in mainland China is required to set aside at least 10% of its net income each year to fund certain statutory reserves until the cumulative amount of such reserves reaches 50% of its registered capital. These reserves, together with the registered capital, are not distributable as cash dividends. As a result of these laws, rules and regulations, our subsidiaries, VIEs and their subsidiaries incorporated in mainland China are restricted in their ability to transfer a portion of their respective net assets to their shareholders as dividends, loans or advances. As of December 31, 2025, the restricted net assets were RMB26,248.4 million (US\$3,753.5 million), including those of the VIEs and their subsidiaries of RMB356.5 million (US\$51.0 million) and our subsidiaries of RMB25,891.9 million (US\$3,702.5 million), which mainly consisted of paid-in registered capital. In addition, registered share capital and capital reserve accounts are also restricted from withdrawal in the PRC, up to the amount of net assets held in each operating subsidiary.

Limitations on the ability of VIEs to make remittance to the wholly-foreign owned enterprise and on the ability of our subsidiaries to pay dividends to us could limit our ability to access cash generated by the operations of those entities, including to make investments or acquisitions that could be beneficial to our businesses, pay dividends to our shareholders or otherwise fund and conduct our business.

In January 2017, SAFE promulgated the *Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification*, or SAFE Circular 3, which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transactions, banks shall check board resolutions regarding profit distribution, original copies of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting any profits. Moreover, pursuant to SAFE Circular 3, domestic entities shall make detailed explanations of their sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with any outbound investment.

We may be treated as a resident enterprise for PRC tax purposes under the PRC Enterprise Income Tax Law, and we may therefore be subject to PRC income tax on our global income.

Under the *PRC Enterprise Income Tax Law* and its implementing rules, enterprises established under the laws of jurisdictions outside of mainland China with “de facto management bodies” located in mainland China may be considered PRC tax resident enterprises for tax purposes and may be subject to the PRC enterprise income tax at the rate of 25% on their global income. “De facto management body” refers to a managing body that exercises substantive and overall management and control over the production and business, personnel, accounting books and assets of an enterprise. The STA issued Circular 82 on April 22, 2009. Circular 82 provides certain specific criteria for determining whether the “de facto management body” of a Chinese-controlled offshore-incorporated enterprise is located in mainland China. Although Circular 82 only applies to offshore enterprises controlled by PRC enterprises, not those controlled by foreign enterprises or individuals, the determining criteria set forth in Circular 82 may reflect the STA general position on how the “de facto management body” test should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises. If we were to be considered a PRC resident enterprise, we would be subject to PRC enterprise income tax at the rate of 25% on our global income. In such case, our profitability and cash flow may be materially reduced as a result of our global income being taxed under the Enterprise Income Tax Law. We believe that none of our entities outside of mainland China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body.”

We may not be able to obtain certain benefits under the relevant tax treaty on dividends paid by our mainland China subsidiaries to us through our Hong Kong subsidiary.

We are a holding company incorporated under the laws of the Cayman Islands and as such rely on dividends and other distributions on equity from our mainland China subsidiaries to satisfy part of our liquidity requirements. Pursuant to the *PRC Enterprise Income Tax Law*, a withholding tax rate of 10% currently applies to dividends paid by a PRC “resident enterprise” to a foreign enterprise investor, unless any such foreign investor’s jurisdiction of incorporation has a tax treaty with China that provides for preferential tax treatment. Pursuant to the *Arrangement between Mainland China and the Hong Kong for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income*, such withholding tax rate may be lowered to 5% if a Hong Kong resident enterprise owns no less than 25% of a PRC enterprise. However, the 5% withholding tax rate does not automatically apply and certain requirements must be satisfied, including without limitation that (a) the Hong Kong enterprise must be the beneficial owner of the relevant dividends; and (b) the Hong Kong enterprise must directly hold no less than 25% share ownership in the PRC enterprise during the 12 consecutive months preceding its receipt of the dividends.

Dividends payable to our foreign investors and gains on the sale of our ADSs and/or ordinary shares by our foreign investors may become subject to PRC tax.

Under the *Enterprise Income Tax Law* and its implementation regulations issued by the State Council, a 10% PRC withholding tax, subject to any reduction or exemption set forth in applicable tax treaties or under applicable tax arrangements between jurisdictions, is applicable to dividends payable to investors that are non-resident enterprises, which do not have an establishment or place of business in the PRC or which have such establishment or place of business but the dividends are not effectively connected with such establishment or place of business, to the extent such dividends are derived from sources within the PRC. Similarly, any gain realized on the transfer of ADSs and/or ordinary shares by such investors is also subject to PRC tax at a current rate of 10%, subject to any reduction or exemption set forth in applicable tax treaties or under applicable tax arrangements between jurisdictions, if such gain is regarded as income derived from sources within the PRC. If we are deemed a PRC resident enterprise, dividends paid on our ordinary shares and/or ADSs, and any gain realized from the transfer of our ordinary shares and/or ADSs, would be treated as income derived from sources within the PRC and would as a result be subject to PRC taxation. Furthermore, if we are deemed a PRC resident enterprise, dividends payable to individual investors who are non-PRC residents and any gain realized on the transfer of ADSs and/or ordinary shares by such investors may be subject to PRC tax at a current rate of 20%, subject to any reduction or exemption set forth in applicable tax treaties or under applicable tax arrangements between jurisdictions. If we or any of our subsidiaries established outside mainland China are considered a PRC resident enterprise, it is unclear whether holders of our ADSs and/or ordinary shares would be able to claim the benefit of income tax treaties or agreements entered into between mainland China and other countries or areas. If dividends payable to our non-PRC investors, or gains from the transfer of our ADSs and/or ordinary shares by such investors, are deemed as income derived from sources within the PRC and thus are subject to PRC tax, the value of your investment in our ADSs and/or ordinary shares may decline significantly.

We and our shareholders face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises or other assets attributed to a Chinese establishment of a non-Chinese company, or immovable properties located in China owned by non-Chinese companies.

On February 3, 2015, the STA issued the *Bulletin on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises*, or STA Bulletin 7, which replaced or supplemented previous rules under the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises, or Circular 698, issued by the STA, on December 10, 2009. Pursuant to STA Bulletin 7, an “indirect transfer” of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be recharacterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to STA Bulletin 7, “PRC taxable assets” include assets attributed to an establishment in China, immovable properties located in China, and equity investments in PRC resident enterprises, in respect of which gains from their transfer by a direct holder, being a non-PRC resident enterprise, would be subject to PRC enterprise income taxes. When determining whether there is a “reasonable commercial purpose” of the transaction arrangement, features to be taken into consideration include: whether the main value of the equity interest of the relevant offshore enterprise derives from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consists of direct or indirect investment in China or if its income mainly derives from China; whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature which is evidenced by their actual function and risk exposure; the duration of existence of the business model and organizational structure; the replicability of the transaction by direct transfer of PRC taxable assets; and the tax situation of such indirect transfer and applicable tax treaties or similar arrangements. In respect of an indirect offshore transfer of assets of a PRC establishment, the resulting gain is to be included with the enterprise income tax filing of the PRC establishment or place of business being transferred, and would consequently be subject to PRC enterprise income tax at a rate of 25%. Where the underlying transfer relates to the immovable properties located in China or to equity investments in a PRC resident enterprise, which is not related to a PRC establishment or place of business of a non-resident enterprise, a PRC enterprise income tax of 10% would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make the transfer payments has the withholding obligation. Where the payor fails to withhold any or sufficient tax, the transferor shall declare and pay such tax to the tax authority by itself within the statutory time limit. Late payment of applicable tax will subject the transferor to default interest. STA Bulletin 7 does not apply to transactions of sale of ordinary shares by investors through a public stock exchange where such ordinary shares were acquired from a transaction through a public stock exchange.

On October 17, 2017, the STA issued the *Announcement on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises*, or STA Circular 37. STA Circular 37 supersedes Circular 698 in its entirety, and amends certain provisions in STA Bulletin 7, but does not touch upon other provisions of STA Bulletin 7, which remain in full force. STA Circular 37 purports to clarify certain issues in the implementation of the above regime, by providing, among others, the definitions of equity transfer income and tax basis, the foreign exchange rate to be used in the calculation of withholding amounts and the date of occurrence of the withholding obligation. Specifically, STA Circular 37 provides that where the transfer income subject to withholding at its source is derived by a non-PRC resident enterprise by way of instalments, the instalments may first be treated as recovery of costs of previous investments; upon recovery of all costs, the tax amount to be withheld shall then be computed and withheld.

There is uncertainty as to the application of STA Bulletin 7 and STA Circular 37. STA Bulletin 7 and STA Circular 37 may be determined by the tax authorities to be applicable to our historical or future offshore restructuring transactions or sale of our ordinary shares or ADSs or those of our offshore subsidiaries, with non-resident enterprises being the transferors. We may be subject to filing obligations or taxed as the transferor, or subject to withholding obligations as the transferee, in such transactions. For transfers of our ordinary shares or ADSs by investors that are non-PRC resident enterprises, our mainland China subsidiaries may be requested to assist with filings under STA Bulletin 7 and STA Circular 37. For example, in the past, we acquired EDC Holding Limited, or EDC Holding, by issuing shares of GDS Holdings, to its shareholders in exchange for all of the outstanding shares of EDC Holding that were not held by us then. In addition, certain of our direct and indirect shareholders transferred some or all of their equity interest in us through indirect transfers conducted by their respective overseas holding companies which held ordinary shares in us. As a result, the transferors and transferees in these transactions, including us may be subject to the tax filing and withholding or tax payment obligation, while our mainland China subsidiaries may be requested to assist in the filing. Furthermore, we, our non-resident enterprises and mainland China subsidiaries may be required to spend valuable resources to comply with STA Bulletin 7 and STA Circular 37 or to establish that we and our non-resident enterprises should not be taxed under STA Bulletin 7 and STA Circular 37, for our previous and future restructuring or disposal of shares of our offshore subsidiaries, which may have a material adverse effect on our financial condition and results of operations.

Restrictions on currency exchange may limit our ability to utilize our net revenue effectively.

Substantially all of our net revenue is denominated in Renminbi. The Renminbi is currently convertible under the “current account,” which includes dividends, trade and service-related foreign exchange transactions, but not under the “capital account,” which includes foreign direct investment and loans, including loans we may secure from our onshore subsidiaries, VIEs or their subsidiaries. Currently, certain of our mainland China subsidiaries, may purchase foreign currency for settlement of “current account transactions,” including payment of dividends to us, without the approval of SAFE by complying with certain procedural requirements. However, the relevant PRC governmental authorities may limit or eliminate our ability to purchase foreign currencies in the future for current account transactions. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, SAFE and other relevant PRC governmental authorities. Since a significant amount of our future net revenue will be denominated in Renminbi, any existing and future restrictions on currency exchange may limit our ability to utilize net revenue generated in Renminbi to fund our business activities outside of the PRC or pay dividends in foreign currencies to our shareholders, including holders of our ADSs and/or ordinary shares, and may limit our ability to obtain foreign currency through debt or equity financing for our subsidiaries, VIEs or their subsidiaries.

The audit report included in this annual report is prepared by an auditor which the U.S. Public Company Accounting Oversight Board was unable to inspect and investigate completely before 2022 and, as such, our investors had been deprived of the benefits of such inspections in the past, and may be deprived of the benefits of such inspections in the future.

Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the U.S. and a firm registered with the PCAOB, is required by the laws of the U.S. to undergo regular inspections by the PCAOB to assess its compliance with the laws of the U.S. and professional standards. According to Article 177 of the PRC Securities Law which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC. Accordingly, without the consent of the competent PRC securities regulators and relevant authorities, no organization or individual may provide the documents and materials relating to securities business activities to overseas parties. In 2021, PCAOB made determinations that the positions taken by PRC authorities prevented the PCAOB from inspecting and investigating firms headquartered in mainland China and Hong Kong completely. On August 26, 2022, the PCAOB signed a Statement of Protocol with the CSRC and the Ministry of Finance of the PRC, taking the first step toward opening access for the PCAOB to inspect and investigate completely registered public accounting firms headquartered in mainland China and Hong Kong including our auditor. According to its announcement, the PCAOB sent staff to conduct on-site inspections and investigations in Hong Kong from September to November 2022 and conducted inspection field work and investigative testimony in a manner consistent with the PCAOB's methodology and approach to inspections and investigations in the U.S. and globally. The PCAOB inspections have identified numerous deficiencies in the audit firms in China, which are consistent with the types and number of findings the PCAOB has encountered in other first-time inspections around the world. If audit firms in China had been subject to such inspections in the past, such deficiencies may have been identified earlier and these audit firms, including our auditor, may have taken remedial measures to address any such deficiencies, and the historical inability of the PCAOB to inspect audit firms in China has deprived our investors of the benefits of such inspections. The inability of the PCAOB to conduct complete inspections of auditors in China before 2022 may have made it more difficult to evaluate the effectiveness of our auditor's audit procedures or quality control procedures as compared to auditors outside of China that are subject to PCAOB inspections, which could cause investors or potential investors in our ADSs to lose confidence in the quality of our consolidated financial statements.

In addition, while the PCAOB announced in December 2022 that it secured complete access to inspect and investigate registered public accounting firms headquartered in China, we cannot assure you that the PCAOB will continue to have such access in the future. If the PCAOB is not able to inspect and investigate completely auditors in China for any reason, such as any change in the position of the governmental authorities in China in the future, our investors may be deprived of the benefits of such inspections again.

The market prices of our ADSs and/or other securities could be adversely affected as a result of anticipated negative impacts of the HFCA Act upon, as well as negative investor sentiment towards, China-based companies listed in the United States, regardless of our actual operating performance. If our ADSs were not listed on a national stock exchange in the U.S., the Hong Kong Stock Exchange will regard us as having a primary listing in Hong Kong and we will no longer enjoy certain exemptions or waivers from strict compliance with the requirements under the Hong Kong Listing Rules, the Companies (WUMP) Ordinance, the Takeovers Codes and the SFO, which could result in our incurring incremental compliance costs. Notwithstanding the foregoing, in the event that the Hong Kong Stock Exchange deemed us as having a dual primary listing in Hong Kong, we will be permitted to retain our existing weighted voting rights structure and our variable interest entity structure. See “—Risks Related to Our ADSs and Class A Ordinary Shares—We adopt different practices as to certain matters as compared with many other companies listed on the Hong Kong Stock Exchange.”

If the PCAOB determines that it is unable to inspect or investigate completely our auditor at any point in the future, our ADSs may be prohibited from trading in the United States under the HFCA Act, as amended, and any such trading prohibition on our ADSs or threat thereof may materially and adversely affect the price of our ADSs and value of your investment.

The HFCA Act was signed into law on December 18, 2020 and amended pursuant to the Consolidated Appropriations Act, 2023 on December 29, 2022. Under the HFCA Act and the rules issued by the SEC and the PCAOB thereunder, if we have retained a registered public accounting firm to issue an audit report where the registered public accounting firm has a branch or office that is located in a foreign jurisdiction and the PCAOB has determined that it is unable to inspect or investigate completely because of a position taken by an authority in the foreign jurisdiction, the SEC will identify us as a “covered issuer”, or SEC-identified issuer, shortly after we file with the SEC a report required under the Securities Exchange Act of 1934, or the Exchange Act (such as our annual report on Form 20-F) that includes an audit report issued by such accounting firm; and if we were to be identified as an SEC-identified issuer for two consecutive years, the SEC would prohibit our securities (including our shares or ADSs) from being traded on a national securities exchange or in the over-the-counter trading market in the United States.

In December 2021, the PCAOB made its determinations, or the 2021 determinations, pursuant to the HFCA Act that it was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China or Hong Kong including our auditor. After we filed our annual report on Form 20-F for the fiscal year ended December 31, 2021 on April 28, 2022, the SEC conclusively identified us as an SEC-identified issuer on May 26, 2022. As such, we were required to satisfy an additional disclosure requirement for SEC-identified issuers that are also foreign issuers in our annual report on Form 20-F for the fiscal year ended December 31, 2022 (File No. 001-37925), initially filed with the SEC on April 4, 2023.

Following the Statement of Protocol signed between the PCAOB and the CSRC and the Ministry of Finance of the PRC in August 2022 and the on-site inspections and investigations conducted by the PCAOB staff in Hong Kong from September to November 2022, the PCAOB Board voted in December 2022 to vacate the previous 2021 determinations, and as a result, our auditor is no longer a registered public accounting firm that the PCAOB is unable to inspect or investigate completely as of the date of this annual report or at the time of issuance of the audit report included herein. As such, we were not identified as an SEC-identified issuer following the filing of our annual reports in 2023, 2024 and 2025 and we do not expect to be so identified following the filing of our annual report in 2026 either. However, the PCAOB may change its determinations under the HFCA Act at any point in the future. In particular, if the PCAOB finds its ability to completely inspect and investigate registered public accounting firms headquartered in mainland China or Hong Kong is obstructed by the PRC authorities in any way in the future, the PCAOB may act immediately to consider the need to issue new determinations consistent with the HFCA Act. We cannot assure you that the PCAOB will always have complete access to inspect and investigate our auditor, or that we will not be identified as an SEC-identified issuer again in the future.

If we are identified as an SEC-identified issuer again in the future, we cannot assure you that we will be able to change our auditor or take other remedial measures in a timely manner, and if we were to be identified as an SEC-identified issuer for two consecutive years, we would be delisted from the Nasdaq and our securities (including our shares and ADSs) will not be permitted for trading “over-the-counter” either. If our securities are prohibited from trading in the United States, or threatened with such a prohibition, the risk and uncertainty associated with delisting would have a negative impact on the price of our ADSs and ordinary shares. Also, such a prohibition or any threat thereof would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects. Moreover, the implementation of the HFCA Act and other efforts to increase the U.S. regulatory access to audit information could cause investor uncertainty as to China-based issuers’ ability to maintain their listings on the U.S. national securities exchanges and the market price of the securities of China-based issuers, including us, could be adversely affected.

If additional remedial measures are imposed on the “big four” PRC-based accounting firms, including our independent registered public accounting firm, in administrative proceedings brought by the SEC alleging such firms’ failure to meet specific criteria set by the SEC with respect to requests for the production of documents, we could be unable to timely file future financial statements in compliance with the requirements of the U.S. Exchange Act.

Starting in 2011 the Chinese affiliates of the “big four” accounting firms, including our independent registered public accounting firm, were affected by a conflict between U.S. and Chinese law. Specifically, for certain U.S. listed companies operating and audited in mainland China, the SEC and the PCAOB sought to obtain from the Chinese accounting firms access to their audit work papers and related documents. The firms were, however, advised and directed that under Chinese law they could not respond directly to the U.S. regulators on those requests, and that requests by foreign regulators for access to such papers in China had to be channeled through the CSRC.

In December 2012, this impasse led the SEC to commence administrative proceedings under Rule 102(e) of its Rules of Practice and also under the Sarbanes-Oxley Act against the Chinese affiliates of the “big four” accounting firms, including our independent registered public accounting firm. In January 2014, the administrative law judge reached an initial decision to impose penalties on the firms including a temporary suspension of their right to practice before the SEC. The accounting firms filed a petition for review of the initial decision. On February 6, 2015, before a review by the commissioners of the SEC had taken place, the firms reached a settlement with the SEC. Under the settlement, the SEC accepts that future requests by the SEC for the production of documents will normally be made to the CSRC. The firms will receive matching Section 106 requests and are required to abide by a detailed set of procedures with respect to such requests, which in substance require them to facilitate production via the CSRC. If they fail to meet the specified criteria, the SEC retains authority to impose a variety of additional remedial measures on the firms depending on the nature of the failure. Remedies for any future non-compliance could include, as appropriate, an automatic six-month bar on a single firm’s performance of certain audit work, commencement of a new proceeding against a firm, or in extreme cases the resumption of the current proceeding against all four firms. Under the terms of the settlement, the underlying proceeding against the four PRC-based accounting firms was deemed dismissed with prejudice four years after entry of the settlement. The four-year mark occurred on February 6, 2019. It is uncertain whether the SEC will further challenge the four PRC-based accounting firms’ compliance with U.S. laws in connection with U.S. regulatory requests for audit work papers or if the results of such challenge would result in the SEC imposing penalties such as suspensions. If additional remedial measures are imposed on the Chinese affiliates of the “big four” accounting firms, including our independent registered public accounting firm, we could be unable to timely file future financial statements in compliance with the requirements of the U.S. Exchange Act.

In the event that the SEC restarts the administrative proceedings, depending upon the final outcome, listed companies in the United States with major PRC operations may find it difficult or impossible to retain auditors in respect of their operations in the PRC, which could result in financial statements being determined to not be in compliance with the requirements of the U.S. Exchange Act, including possible delisting. Moreover, any negative news about any such future proceedings against these audit firms may cause investor uncertainty regarding China-based, United States-listed companies and the market price of our ADSs and/or ordinary shares may be adversely affected.

The perception among investors that the Company is at heightened risk of delisting from Nasdaq could negatively affect the market price of our securities and trading volume of our ADSs. If a delisting were to occur, we would face material adverse consequences.

The perception among investors, due to current and proposed rules and regulations relating to the ability of the PCAOB to inspect our auditors, political tensions between the United States and China, and other matters, that the Company is at heightened risk of delisting from Nasdaq, could negatively affect the market price of our securities and trading volume of our ADSs. There have been recent media reports on deliberations within the U.S. government regarding limiting or restricting China-based companies from accessing U.S. capital markets, and delisting China-based companies from U.S. national securities exchanges. On April 9, 2025, amid the escalating trade war between the U.S. and China, the U.S. Secretary of the State, Scott Bessent, indicated the possibility of delisting U.S. - listed China - based issuers. If any further such deliberations were to materialize, the resulting legislation may have a material and adverse impact on the stock performance of China-based issuers listed in the United States such as us, and there can be no assurance that we will always be able to maintain the listing of our ADSs on a national stock exchange in the U.S., such as the NYSE or the Nasdaq Stock Market, or that you will always be allowed to trade our shares or ADSs. See “—The audit report included in this annual report is prepared by an auditor which the U.S. Public Company Accounting Oversight Board was unable to inspect and investigate completely before 2022 and, as such, our investors had been deprived of the benefits of such inspections in the past, and may be deprived of the benefits of such inspections in the future.” If our ADSs were not listed on a national stock exchange in the U.S., the Hong Kong Stock Exchange will regard us as having a primary listing in Hong Kong and we will no longer enjoy certain exemptions or waivers from strict compliance with the requirements under the Hong Kong Listing Rules, the Companies (WUMP) Ordinance, the Takeovers Codes and the SFO, which could result in our incurring incremental compliance costs. Notwithstanding the foregoing, in the event that the Hong Kong Stock Exchange deemed us as having a dual primary listing in Hong Kong, we will be permitted to retain our existing weighted voting rights structure and our variable interest entity structure. See “—Risks Related to Our ADSs and Class A Ordinary Shares—We adopt different practices as to certain matters as compared with many other companies listed on the Hong Kong Stock Exchange.”

Additionally, any actual delisting determination could seriously decrease or eliminate the value of an investment in our ADSs. We could face substantial material adverse consequences, including, but not limited to, among other things: limited availability for market quotations for our ADSs; reduced liquidity with respect to our shares; a reduced number of investors willing to hold or acquire our shares, which could negatively impact our ability to raise equity financing; an impaired ability to provide equity incentives to our employees; and limited news and analyst coverage. Additionally, many of our loan agreements include a covenant that we maintain our shares listed on at least one of the following stock exchanges before the maturity date: (i) Nasdaq; or (ii) The Singapore Exchange Securities Trading Limited; or (iii) the Hong Kong Stock Exchange; or (iv) any other stock exchange acceptable to the lender. The breach of such covenant could result in a default with respect to the related indebtedness. If a default occurs, the relevant lenders could elect to declare the indebtedness, together with accrued interest and other fees, to be due and payable immediately. This, in turn, could cause our other debt, to become due and payable as a result of cross-default or acceleration provisions contained in the agreements governing such other debt. In the event that some or all of our debt is accelerated and becomes immediately due and payable, we may not have the funds to repay, or the ability to refinance, such debt.

Risks Related to Our ADSs and Class A Ordinary Shares

The trading prices of our ADSs and ordinary shares may be volatile, which could result in substantial losses to you.

The trading prices of our ADSs and ordinary shares have been, and are likely to continue to be, volatile and could fluctuate widely due to factors beyond our control. The trading price of our ordinary shares, likewise, can be volatile for similar or different reasons. This may happen because of broad market and industry factors, like the performance and fluctuation in the market prices or the underperformance or deteriorating financial results of other listed companies based in mainland China. The securities of some of these companies have experienced significant volatility since their initial public offerings, including, in some cases, substantial price declines in the trading prices of their securities. The trading performances of other Chinese companies' securities after their offerings, including internet and e-commerce companies, may affect the attitudes of investors toward Chinese companies listed in Hong Kong and/or the United States, which consequently may impact the trading performance of our ADSs and/or ordinary shares, regardless of our actual operating performance. In addition, any negative news or perceptions about inadequate corporate governance practices or fraudulent accounting, corporate structure or matters of other Chinese companies may also negatively affect the attitudes of investors towards Chinese companies in general, including us, regardless of whether we have conducted any inappropriate activities.

In addition to the above factors, the prices and trading volumes of our ADSs and/or ordinary shares may be highly volatile due to multiple factors, including the following:

- regulatory developments affecting us or our industry, customers or suppliers;
- announcements of studies and reports relating to the quality of our service offerings or those of our competitors;
- changes in the economic performance or market valuations of other data center services companies;
- actual or anticipated fluctuations in our quarterly results of operations and changes or revisions of our expected results;
- changes in financial estimates by securities research analysts;
- conditions in the market for data center services;
- announcements by us or our competitors of new product and service offerings, acquisitions, strategic relationships, joint ventures, capital raisings or capital commitments;
- additions to or departures of our senior management;
- any actual or alleged illegal acts of our senior management or other key employees;

- actual or expected changes in monetary and fiscal policies adopted by central banks and financial authorities, particularly any increases in the target range for the federal funds rate announced by the Federal Open Market Committee of the U.S. Federal Reserve System;
- actual or expected increases in prices for commodities, consumer prices, and inflation rates;
- fluctuations in exchange rates between the Renminbi, the Hong Kong dollar, the U.S. dollar, the Macanese pataca, the Singapore dollar, the Malaysian ringgit and the Indonesian rupiah;
- litigation, government investigation or other legal or regulatory proceeding;
- political or market instability or disruptions, and actual or perceived social unrest in the United States, Hong Kong, or other jurisdictions;
- release or expiry of lock-up or other transfer restrictions on our ADSs and/or ordinary shares;
- sales or perceived potential sales or other dispositions of existing or additional ADSs and/or ordinary shares or other equity or equity-linked securities; and
- attacks by short sellers, including the publication of negative opinions regarding us and our business prospects in order to create negative market momentum and generate profits for themselves after selling a stock short. See “—Techniques employed by short sellers may drive down the market price of our ADSs and/or ordinary shares.”

Any of these factors may result in large and sudden changes in the volume and trading prices of our ADSs and/or ordinary shares. In addition, securities markets may from time to time experience significant price and volume fluctuations that are not related to the operating performance of particular companies and industries, such as the large decline in share prices in the United States, China and other jurisdictions in late 2008, early 2009, the second half of 2011, in 2015, early 2020. Any additional volatility or further declines in securities markets, such as the Nasdaq, on which our ADSs are listed, and the Hong Kong Stock Exchange, on which our ordinary shares are listed, may have a material and adverse effect on the prices and trading volumes of our ADSs and/or ordinary shares. Furthermore, any fluctuations in the prices and/or trading volumes of our securities, regardless of the underlying cause of such fluctuations, may attract the attention or scrutiny of governmental or regulatory authorities, which could have further material and adverse effects on the prices and trading volumes of our ADSs and/or ordinary shares.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for our ADSs and/or ordinary shares and trading volume could decline.

The trading market for our ADSs and ordinary shares depends in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades our ADSs and/or ordinary shares or publishes inaccurate or unfavorable research about our business, the market price for our ADSs and ordinary shares would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our ADSs and ordinary shares to decline.

Techniques employed by short sellers may drive down the market price of our ADSs and/or ordinary shares.

Short selling is the practice of selling securities that the seller does not own but rather has borrowed from a third party with the intention of buying identical securities back at a later date to return to the lender. The short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is in the short seller's best interests for the price of the stock to decline, many short sellers publish, or arrange for the publication of, negative opinions regarding the relevant issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling a stock short. These short attacks have, in the past, led to selling of shares in the market.

Public companies that have substantially all of their operations in mainland China have been the subject of short selling. Much of the scrutiny and negative publicity has centered on allegations of a lack of effective internal control over financial reporting resulting in financial and accounting irregularities and mistakes, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud. As a result, many of these companies are now conducting internal and external investigations into the allegations and, in the interim, are subject to shareholder lawsuits and/or SEC enforcement actions.

We have in the past been, are currently, and may in the future be, the subject of unfavorable allegations made by a short seller. Any such allegations may be followed by periods of instability in the market price of our ADSs and ordinary shares and negative publicity. Regardless of whether such allegations are proven to be true or untrue, it is not clear what effect such negative publicity could have on us, and we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. While we would strongly defend against any such short seller attacks, we may be constrained in the manner in which it can proceed against the relevant short seller by principles of freedom of speech, applicable state law or issues of commercial confidentiality. Such a situation could be costly and time-consuming and could distract our management from growing our business. Even if such allegations are ultimately proven to be groundless, allegations against us could severely impact our business operations and shareholders' equity, and any investment in our ADSs or ordinary shares could be greatly reduced or rendered worthless.

Because we do not expect to pay dividends in the foreseeable future, you must rely on price appreciation of our ADSs and/or ordinary shares for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. See "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Policy and Distributions." Therefore, you should not rely on an investment in our ADSs and/or ordinary shares as a source for any future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our ADSs and/or ordinary shares will likely depend entirely upon any future price appreciation of our ADSs and/or ordinary shares. There is no guarantee that our ADSs and/or ordinary shares will appreciate in value or even maintain the price at which you purchased the ADSs and/or ordinary shares. You may not realize a return on your investment in our ADSs and/or ordinary shares and you may even lose your entire investment in our ADSs and/or ordinary shares.

The different characteristics of the capital markets in Hong Kong and the U.S. may negatively affect the trading prices of our ADSs and/or ordinary shares.

As a dual-listed company, we are subject to Hong Kong and Nasdaq listing and regulatory requirements concurrently. The Hong Kong Stock Exchange and Nasdaq have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of our ADSs and our ordinary shares may not be the same, even allowing for currency differences. Fluctuations in the price of our ADSs due to circumstances peculiar to the U.S. capital markets could materially and adversely affect the price of our ordinary shares, or vice versa. Certain events having significant negative impact specifically on the U.S. capital markets may result in a decline in the trading price of our ordinary shares notwithstanding that such event may not impact the trading prices of securities listed in Hong Kong generally or to the same extent, or vice versa.

Substantial future sales or perceived potential sales of our ADSs, ordinary shares, or other equity or equity-linked securities in the public market could cause the price of our ADSs and/or ordinary shares to decline significantly.

Sales of our ADSs, ordinary shares, or other equity or equity-linked securities in the public market, or the perception that these sales could occur, could cause the market price of our ADSs and/or ordinary shares to decline significantly. As of March 31, 2026, we had 1,603,020,903 ordinary shares outstanding, comprising 1,559,430,567 Class A ordinary shares (including 48,718,352 Class A ordinary shares issued and held by JPMorgan Chase Bank, N.A., as depositary, which are reserved for future delivery upon exercise or vesting of share awards granted under our share incentive plan) and 43,590,336 Class B ordinary shares but excluding 6,000,000 ADSs representing 48,000,000 ordinary shares issued upon closing of our delta placement of borrowed ADSs which we lent to an affiliate of the underwriter of such delta placement pursuant to an ADS lending agreement. All ADSs representing our Class A ordinary shares sold in our public offerings are freely transferable by persons other than our “affiliates” without restriction or additional registration under the U.S. Securities Act. All of the other Class A ordinary shares may be available for sale, subject to volume and other restrictions as applicable under Rules 144 and 701 under the U.S. Securities Act.

Divestiture in the future of our ADSs and/or ordinary shares by shareholders, the announcement of any plan to divest our ADS and/or ordinary shares, or hedging activity by third-party financial institutions in connection with similar derivative or other financing arrangements entered into by shareholders, could cause the price of our ADSs and/or ordinary shares to decline.

Certain major holders of our ordinary shares have the right to cause us to register under the U.S. Securities Act the sale of their shares. Registration of these shares under the U.S. Securities Act would result in ADSs representing these shares becoming freely tradable without restriction under the U.S. Securities Act immediately upon the effectiveness of the registration. Sales of these registered shares in the form of ADSs in the public market could cause the price of our ADSs and/or ordinary shares to decline significantly.

We have adopted a share incentive plan, under which we have the discretion to grant a broad range of equity-based awards to eligible participants. See “Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plan.” We intend to register all ordinary shares that we may issue under this share incentive plan. Once we register these ordinary shares, they can be freely sold in the public market, subject to volume limitations applicable to affiliates. If a large number of our ordinary shares or securities convertible into our ordinary shares are sold in the public market after they become eligible for sale, the sales could reduce the trading price of our ADSs and/or ordinary shares and impede our ability to raise future capital.

The ADSs and ordinary shares are equity and are subordinate to our existing and future indebtedness, the convertible preferred stock and any preferred stock we may issue in the future.

The ADSs and ordinary shares are our equity interests and do not constitute indebtedness. As such, ADSs and ordinary shares will rank junior to all indebtedness and other non-equity claims on us with respect to assets available to satisfy claims on us, including in a liquidation of us. Additionally, holders of our ADSs and/or ordinary shares may be subject to prior dividend and liquidation rights of any holders of our preferred stock or depositary shares representing such preferred stock then outstanding.

Our ADSs and ordinary shares will rank junior to our convertible preferred stock with respect to the payment of dividends and amounts payable in the event of our liquidation, dissolution or winding-up of our affairs. This means that, unless accumulated dividends have been paid on all our convertible preferred stock through the most recently completed dividend period, no dividends may be declared or paid on our ADSs and ordinary shares and we will not be permitted to repurchase any of our ADSs and ordinary shares, subject to limited exceptions. Likewise, in the event of our voluntary or involuntary liquidation, dissolution or winding-up of our affairs, no distribution of our assets may be made to holders of our ADSs and/or ordinary shares until we have paid to holders of our preferred stock a liquidation preference equal to the greater of (i) the stated value per convertible preferred share, plus an amount equal to any dividends accumulated but unpaid thereon (whether or not declared), and (ii) the payment such holders would have received had such holders, immediately prior to such liquidation, converted their convertible preferred shares into Class A ordinary shares (at the then applicable conversion rate).

Our board of directors is authorized to issue additional classes or series of preferred stock without any action on the part of the shareholders. The board of directors also has the power, without shareholder approval, to set the terms of any such classes or series of preferred stock that may be issued, including voting rights, dividend rights, and preferences over our ADSs and ordinary shares with respect to dividends or upon our dissolution, winding-up and liquidation and other terms. If we issue preferred stock in the future that has a preference over our ADSs and ordinary shares with respect to the payment of dividends or upon our liquidation, dissolution, or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our ADSs and ordinary shares, the rights of holders of our ADSs and/or ordinary shares or the market price of our ADSs and/or ordinary shares could be adversely affected.

Our dual-class voting structure and concentrated ownership limits your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our ADSs and/or ordinary shares may view as beneficial.

As discussed under “—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 ordinary shares and/or ADSs and materially reduce the value of your investment” above, Mr. Huang, our founder, chairman and chief executive officer and our other principal shareholders have considerable influence over matters requiring shareholder approval. To the extent that their interests differ from yours, you may be disadvantaged by any action that they may seek to pursue. This concentrated control could also discourage others from pursuing any potential merger, takeover or other change of control transactions, which could have the effect of depriving the holders of our ADSs and/or ordinary shares of the opportunity to sell their shares at a premium over the prevailing market price.

ADS holders may have fewer rights than holders of our ordinary shares and must act through the depositary to exercise those rights.

ADS holders do not have the same rights of our shareholders and may only exercise the voting rights with respect to the underlying Class A ordinary shares in accordance with the provisions of the deposit agreement. Under our Articles of Association, the minimum notice period required to convene a general meeting will be 14 calendar days. When a general meeting is convened, ADS holders may not receive sufficient notice of a shareholders’ meeting to permit them to withdraw their Class A ordinary shares to allow them to cast their vote with respect to any specific matter. In addition, the depositary and its agents may not be able to send voting instructions to them or carry out their voting instructions in a timely manner. We will make all reasonable efforts to cause the depositary to extend voting rights to them in a timely manner, but there can be no assurance that they will receive the voting materials in time to ensure that they can instruct the depositary to vote their ADSs. Furthermore, the depositary and its agents will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, ADS holders may not be able to exercise their right to vote and they may lack recourse if their ADSs are not voted as they requested. In addition, in their capacity as an ADS holder, they will not be able to call a shareholders’ meeting.

The right of ADS holders to participate in any future rights offerings may be limited, which may cause dilution to their holdings.

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to ADS holders in the United States unless we register both the rights and the securities to which the rights relate under the U.S. Securities Act or an exemption from the registration requirements is available. Under the deposit agreement, the depositary will not make rights available to ADS holders unless both the rights and the underlying securities to be distributed to ADS holders are either registered under the U.S. Securities Act or exempt from registration under the U.S. Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective and we may not be able to establish a necessary exemption from registration under the U.S. Securities Act. Accordingly, ADS holders may be unable to participate in our rights offerings and may experience dilution in their holdings.

ADS holders may not receive cash dividends if the depositary decides it is impractical to make them available to them.

The depositary will pay cash dividends on the ADSs only to the extent that we decide to distribute dividends on our ordinary shares or other deposited securities, and we do not have any present plan to pay any cash dividends in the foreseeable future. See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Policy and Distributions.” To the extent that there is a distribution, the depositary of our ADSs has agreed to pay to ADS holders the cash dividends or other distributions it or the custodian receives on our ordinary shares or other deposited securities after deducting its fees and expenses. ADS holders will receive these distributions in proportion to the number of Class A ordinary shares their ADSs represent. However, the depositary may, at its discretion, decide that it is inequitable or impractical to make a distribution available to any ADS holders. For example, the depositary may determine that it is not practicable to distribute certain property through the mail, or that the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may decide not to distribute such property to ADS holders.

ADS holders may be subject to limitations on transfer of their ADSs.

Our ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deems it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

Our ADSs and ordinary shares are equity securities of a Cayman Islands holding company rather than equity securities of our subsidiaries, the consolidated VIEs and their subsidiaries that have substantive business operations in China. As a result, certain judgments obtained against us by our shareholders may not be enforceable.

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands with no business operations. We conduct a substantial portion of our operations through our wholly-foreign owned enterprises, the consolidated VIEs and their subsidiaries in the PRC, and majority of our assets are located in the PRC. We do not and are not, and holders of our ADSs and ordinary shares do not and are not, legally permitted to have any, or more than the permitted percentage of, equity interest in the consolidated VIEs as current PRC laws and regulations restrict foreign ownership and investment in, among other areas, the business of providing VATS, including internet data center services. As a result, we provide the services that may be subject to such restrictions in the PRC through the VIEs and their subsidiaries, and we operate our businesses in the PRC through certain contractual arrangements with the consolidated VIEs. For a summary of such contractual arrangements, see “Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with Affiliated Consolidated Entities.” Our ADSs and ordinary shares are equity securities of a Cayman Islands holding company rather than equity securities of our subsidiaries and the consolidated VIEs. In addition, some of our directors and executive officers and the experts named in this document do not reside within the U.S. or Hong Kong, and most of their assets are not located in the U.S. or Hong Kong. As a result, it may be difficult or impossible for you to bring an action against us or against them in the United States or in Hong Kong in the event that you believe that your rights have been infringed under the U.S. federal securities laws, Hong Kong laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands or other relevant jurisdiction may render you unable to enforce a judgment against our assets or the assets of our directors and officers.

There is no statutory enforcement in the Cayman Islands of judgments obtained in the Hong Kong courts or federal or state courts of the United States (and the Cayman Islands are not a party to any treaties for the reciprocal enforcement or recognition of such judgments). The courts of the Cayman Islands would recognize as a valid judgment a final and conclusive judgment in personam obtained in such jurisdiction under which a sum of money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) or, in certain circumstances, an in personam judgment for non-monetary relief, and would give a judgment based thereon provided that: (a) such courts had proper jurisdiction over the parties subject to such judgment; (b) such courts did not contravene the rules of natural justice of the Cayman Islands; (c) such judgment was not obtained by fraud; (d) the enforcement of the judgment would not be contrary to the public policy of the Cayman Islands; (e) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of the Cayman Islands; and (f) there is due compliance with the correct procedures under the laws of the Cayman Islands. However, the Cayman Islands courts are unlikely to enforce a judgment obtained from the U.S. or Hong Kong courts under civil liability provisions of the U.S. federal securities law or Hong Kong law if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. Because such a determination has not yet been made by a court of the Cayman Islands, it is uncertain whether such civil liability judgments from U.S. or Hong Kong courts would be enforceable in the Cayman Islands.

The recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other forms of reciprocity with the United States that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, the PRC courts will not enforce a foreign judgment against us or our director and officers if they decide that the judgment violates the basic principles of PRC laws or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States.

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.

Under the laws of some jurisdictions in the United States, majority and controlling shareholders generally have certain fiduciary responsibilities to the minority shareholders. Shareholder action must be taken in good faith, and actions by controlling shareholders which are obviously unreasonable may be declared null and void. Cayman Islands law protecting the interests of minority shareholders may not be as protective in all circumstances as the law protecting minority shareholders in some U.S. jurisdictions. In addition, the circumstances in which a shareholder of a Cayman Islands company may sue the company derivatively, and the procedures and defenses that may be available to the company, may result in the rights of shareholders of a Cayman Islands company being more limited than those of shareholders of a company organized in the United States.

Furthermore, our directors have the power to take certain actions without shareholder approval which would require shareholder approval under Hong Kong law or the laws of most U.S. jurisdictions. Our ability to create and issue new classes or series of shares without shareholders' approval could have the effect of delaying, deterring or preventing a change in control without any further action by our shareholders, including a tender offer to purchase our ordinary shares at a premium over then current market prices.

Furthermore, 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 requirements that the appointment, removal and remuneration of auditors must be approved by a majority of our shareholders.

You may face difficulties in protecting your interests, and your ability to protect your rights through Hong Kong or U.S. courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our Memorandum and Articles of Association, the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States or the Hong Kong courts. In particular, the Cayman Islands has a less developed body of securities laws than the United States or Hong Kong. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States or Hong Kong courts.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our Memorandum and Articles of Association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder resolution or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or our Controlling Shareholder than they would as public shareholders of a company incorporated in the United States or Hong Kong.

Our Articles of Association contain anti-takeover provisions that could discourage a third party from acquiring us, which could limit our shareholders' opportunity to sell their ADSs and/or ordinary shares at a premium.

We have adopted Articles of Association that contain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares, in the form of ADS or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of our ADSs and/or ordinary shares may fall and the voting and other rights of the holders of our ADSs and/or ordinary shares may be materially and adversely affected. In addition, our Articles of Association contain other provisions that could limit the ability of third parties to acquire control of our company or cause us to engage in a transaction resulting in a change of control, as defined in our Articles of Association, including: a provision that entitles Class B ordinary shares to 50 votes per share at general meetings of our shareholders with respect to the election or removal of a simple majority of our directors; a provision that entitles Class B shareholders to nominate five of our directors; a provision that allows one of our principal shareholders 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; and a classified board with staggered terms for our directors, which will prevent the replacement of a majority of directors at one time.

These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction.

We are a foreign private issuer within the meaning of the rules under the U.S. Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.

Because we qualify as a foreign private issuer under the U.S. Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the U.S. Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the U.S. Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the U.S. Exchange Act;
- the sections of the U.S. Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation Fair Disclosure.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of Nasdaq. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, ADS holders may not be afforded the same protections or information that would be made available to them were they investing in a U.S. domestic issuer.

As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the Nasdaq corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the Nasdaq corporate governance listing standards.

As a Cayman Islands company listed on the Nasdaq, we are subject to the Nasdaq corporate governance listing standards. However, Nasdaq Stock Market Rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the Nasdaq corporate governance listing standards.

For instance, we are not required to:

- have a majority of the board be independent (although all of the members of the audit committee must be independent under the U.S. Exchange Act);
- have a compensation committee or a nominations or corporate governance committee consisting entirely of independent directors; or
- have regularly scheduled executive sessions with only independent directors each year.

We have relied on and intend to continue to rely on some of these exemptions. As a result, you may not be provided with the benefits of certain corporate governance requirements of Nasdaq.

We adopt different practices as to certain matters as compared with many other companies listed on the Hong Kong Stock Exchange.

We completed our public offering in Hong Kong in November 2020 and the trading of our ordinary shares on the Hong Kong Stock Exchange commenced on November 2, 2020 under the stock code “9698.” As a company listed on the Hong Kong Stock Exchange pursuant to Chapter 19C of the Hong Kong Listing Rules, we are not subject to certain provisions of the Hong Kong Listing Rules pursuant to Rule 19C.11, 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 of our ordinary shares on the Hong Kong Stock Exchange, we have been granted a number of waivers and/or exemptions from strict compliance with the Hong Kong Listing Rules, the Companies (WUMP) Ordinance, the Takeovers Codes and the SFO. As a result, we adopt different practices as to those matters, including with respect to the content and presentation of our annual reports and interim reports, as compared with other companies listed on the Hong Kong Stock Exchange that do not enjoy those exemptions or waivers.

Furthermore, if 55% or more of the total worldwide trading volume, by dollar value, of our ADSs and ordinary shares over our most recent fiscal year takes place on the Hong Kong Stock Exchange, the Hong Kong Stock Exchange will regard us as having a dual primary listing in Hong Kong. If our ADSs were not listed on a national stock exchange in the U.S., the Hong Kong Stock Exchange will regard us as having a primary listing in Hong Kong. See “—Risks Related to Doing Business in the People’s Republic of China—The audit report included in this annual report is prepared by an auditor which the U.S. Public Company Accounting Oversight Board was unable to inspect and investigate completely before 2022 and, as such, our investors had been deprived of the benefits of such inspections in the past, and may be deprived of the benefits of such inspections in the future” and “—Risks Related to Doing Business in the People’s Republic of China—The perception among investors that the Company is at heightened risk of delisting from Nasdaq could negatively affect the market price of our securities and trading volume of our ADSs. If a delisting were to occur, we would face material adverse consequences.” If the Hong Kong Stock Exchange were to regard us as having a dual primary listing or primary listing in Hong Kong, we will no longer enjoy certain exemptions or waivers from strict compliance with the requirements under the Hong Kong Listing Rules, the Companies (WUMP) Ordinance, the Takeovers Codes and the SFO, which could result in our incurring incremental compliance costs. Notwithstanding the foregoing, in the event that the Hong Kong Stock Exchange deemed us as having a dual primary listing in Hong Kong, we will be permitted to retain our existing weighted voting rights structure and our variable interest entity structure.

Exchange between our ordinary shares and our ADSs may adversely affect the liquidity and/or trading price of each other.

Our ADSs are currently traded on Nasdaq. Subject to compliance with U.S. securities law and the terms of the deposit agreement, holders of our Class A ordinary shares may deposit Class A ordinary shares with the depositary in exchange for the issuance of our ADSs. Any holder of ADSs may also withdraw the underlying Class A ordinary shares represented by the ADSs pursuant to the terms of the deposit agreement for trading on the Hong Kong Stock Exchange. In the event that a substantial number of Class A ordinary shares are deposited with the depositary in exchange for ADSs or vice versa, the liquidity and trading price of our Class A ordinary shares on the Hong Kong Stock Exchange and our ADSs on Nasdaq may be adversely affected.

The time required for the exchange between ADSs and ordinary shares might be longer than expected and investors might not be able to settle or effect any sale of their securities during this period, and the exchange of ADSs into Class A ordinary shares involves costs.

There is no direct trading or settlement between Nasdaq and the Hong Kong Stock Exchange on which our ADSs and our ordinary shares are respectively traded. In addition, the time differences between Hong Kong and New York and unforeseen market circumstances or other factors may delay the deposit of ordinary shares in exchange of ADSs or the withdrawal of ordinary shares underlying the ADSs. Investors will be prevented from settling or effecting the sale of their securities during such periods of delay. In addition, there is no assurance that any exchange of ordinary shares into ADSs (and vice versa) will be completed in accordance with the timelines investors may anticipate.

Furthermore, the depositary for the ADSs is entitled to charge holders fees for various services including for the issuance of ADSs upon deposit of ordinary shares, cancellation of ADSs, distributions of cash dividends or other cash distributions, distributions of ADSs pursuant to share dividends or other free share distributions, distributions of securities other than ADSs and annual service fees. As a result, shareholders who exchange ordinary shares into ADSs, and vice versa, may not achieve the level of economic return the shareholders may anticipate.

We may become a passive foreign investment company, which could result in adverse United States federal income tax consequences to United States investors.

Based on the past and projected composition of our income and assets and the valuation of our assets, we do not believe we were a passive foreign investment company, or PFIC, for our most recent taxable year and we do not expect to become one for our current taxable year or in the foreseeable future, although there can be no assurance in this regard. The determination of whether or not we are a PFIC is made on an annual basis and will depend on the composition of our income and assets from time to time. Specifically, for any taxable year, we will be classified as a PFIC for United States federal income tax purposes if either (i) 75% or more of our gross income in that taxable year is passive income or (ii) the average percentage of our assets (which includes cash) by value in that taxable year which produce, or are held for the production of, passive income is at least 50%. The calculation of the value of our assets will be based, in part, on the quarterly market value of our ADSs, which is subject to change. See “Item 10. Additional Information—E. Taxation—Material United States Federal Income Tax Considerations—Passive Foreign Investment Company.”

In addition, there is uncertainty as to the treatment of our corporate structure and ownership of the VIEs for United States federal income tax purposes. For United States federal income tax purposes, we consider ourselves to own the stock of the VIEs. If it is determined, contrary to our view, that we do not own the stock of the VIEs for United States federal income tax purposes (for instance, because the relevant PRC authorities do not respect these arrangements), we may be treated as a PFIC.

If we are a PFIC for any taxable year during which you hold our ADSs or Class A ordinary shares, our PFIC status could result in adverse United States federal income tax consequences to you if you are a United States Holder, as defined under “Item 10. Additional Information—E. Taxation—Material United States Federal Income Tax Considerations.” For example, if we are or become a PFIC, you may become subject to increased tax liabilities under United States federal income tax laws and regulations and will become subject to burdensome reporting requirements. See “Item 10. Additional Information—E. Taxation—Material United States Federal Income Tax Considerations—Passive Foreign Investment Company.” There can be no assurance that we will not be a PFIC for the current or any future taxable year.

We will continue to incur increased costs as a result of being a public company, particularly since we have ceased to qualify as an “emerging growth company.”

Since the completion of our initial public offering, we have incurred significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, as well as rules subsequently implemented by the SEC and Nasdaq, impose various requirements on the corporate governance practices of public companies. Since December 31, 2018, we have been deemed to be a “large accelerated filer” as the term is defined in Rule 12b-2 of the U.S. Exchange Act, and we thereby ceased to be an “emerging growth company” as the term is defined in the JOBS Act.

These rules and regulations have increased our legal and financial compliance costs and made some corporate activities more time-consuming and costly. Since we have ceased to be an “emerging growth company,” we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act and the other rules and regulations of the SEC. Operating as a public company has also made it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we have incurred additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers. We will also incur additional costs as a result of the listing of our ordinary shares on the Hong Kong Stock Exchange. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the amount of additional costs we may incur or the timing of such costs.

Shareholders of our company have in the past brought, and may in the future bring, securities class action lawsuits against our company following periods of instability in the market price of our ADSs and/or ordinary shares. Our company was named as a defendant in a putative class action lawsuit currently pending in the United States District Court for the Central District of California. See “Item 4. Information on the Company—B. Business Overview—Legal Proceedings.” Any further class action lawsuit could divert a significant amount of our management’s attention and other resources from our business and operations, which could harm our results of operations and require us to incur significant expenses to defend the suit. Any such class action lawsuit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future.

We are exposed to risks associated with the potential spin-off of one or more of our businesses.

We are exposed to risks associated with the potential spin-off listing of one or more of our businesses. As a secondary listed issuer on the Hong Kong Stock Exchange, we are exempted from strict compliance with certain requirements in Practice Note 15 to the Hong Kong Listing Rules regarding our ability to spin-off a subsidiary entity and list on the Hong Kong Stock Exchange or other stock exchanges. While we currently do not have any concrete or definitive plan with respect to any spin-off listing, we may consider a spin-off listing for one or more of our businesses in the future. For example, we have successfully issued and listed the ABS and the GDS C-REIT on the Shanghai Stock Exchange, and our ABS Scheme is specifically designed to facilitate an eventual injection of the ABS into a public REIT vehicle when qualified. Under the Hong Kong Listing Rules, any spin-off listing should not render our company incapable of fulfilling the eligibility requirements under Rules 8.05 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 of our ordinary shares on the Hong Kong Stock Exchange (calculated cumulatively if more than one entity is spun-off). In the event that we proceed with a spin-off, our interest in the entity to be spun-off will be reduced accordingly.

There is uncertainty as to whether Hong Kong stamp duty will apply to the trading or conversion of our ADSs.

In connection with the initial public offering of our Class A ordinary shares in Hong Kong in November 2020, or the Hong Kong IPO, we established a branch register of members in Hong Kong, or the Hong Kong share register. Our Class A ordinary shares that are traded on the Hong Kong Stock Exchange, including those issued in the Hong Kong IPO and those that may be converted from ADSs, are registered on the Hong Kong share register, and the trading of these Class A ordinary shares on the Hong Kong Stock Exchange are subject to Hong Kong stamp duty. To facilitate ADS-ordinary share conversion and trading between Nasdaq and the Hong Kong Stock Exchange, we have moved a portion of our issued Class A ordinary shares from our register of members maintained in the Cayman Islands to our Hong Kong share register.

Under the Hong Kong Stamp Duty Ordinance, any person who effects any sale or purchase of Hong Kong stock, defined as stock the transfer of which is required to be registered in Hong Kong, is required to pay Hong Kong stamp duty. The stamp duty is currently set at a total rate of 0.2% of the greater of the consideration for, or the value of, shares transferred, with 0.1% payable by each of the buyer and the seller.

To the best of our knowledge, Hong Kong stamp duty has not been levied in practice on the trading or conversion of ADSs of companies that are listed in both the United States and Hong Kong and that have maintained all or a portion of their ordinary shares, including ordinary shares underlying ADSs, in their Hong Kong share registers. However, it is unclear whether, as a matter of Hong Kong law, the trading or conversion of ADSs of these dual-listed companies constitutes a sale or purchase of the underlying Hong Kong-registered ordinary shares that is subject to Hong Kong stamp duty. We advise investors to consult their own tax advisors on this matter. If Hong Kong stamp duty is determined by the competent authority to apply to the trading or conversion of our ADSs, the trading price and the value of your investment in our ordinary shares and/or ADSs may be affected.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

We are an exempted company and were incorporated under the laws of the Cayman Islands on December 1, 2006. Our ADSs are listed on the Nasdaq under the symbol “GDS.” Our ordinary shares are listed on the Hong Kong Stock Exchange under the stock code “9698.”

We operate our business through our wholly-owned subsidiaries, joint ventures, the VIEs and their subsidiaries. We own 100% of the shares in EDC Holding, an exempted company also incorporated in the Cayman Islands, through which we indirectly hold 100% of the equity interests in holding companies in Hong Kong, many of which own our data centers through one or more data center companies. Through EDC Holding we also indirectly hold 100% of the equity interests in GDS Investment Company.

The following are our key business milestones:

In 2001, we started our business as an IT service provider. Our initial focus was on business continuity and disaster recovery solutions. Many of our early customers were financial service institutions with demanding IT compliance standards. To guarantee the reliability and availability of services to them, we leased data center capacity from third parties.

In 2009, after realizing that there was a shortage of qualified data center capacity in key markets, we began developing our own data centers, thereby entering the data center business. We established our presence in Shanghai and Chengdu in 2010 and 2011, by bringing three data centers into service in these markets. From 2013 to 2014, we expanded our footprint to Beijing and Shenzhen and completed the construction of three data centers in these markets. By 2014, we had developed a supply of capacity in all of mainland China's established markets.

In 2014, we received a major infusion of capital to fund data center development from STT GDC. We have since established a long-term strategic partnership with STT GDC, which has made several subsequent rounds of investment in us. STT GDC is an indirect subsidiary of Singapore Technologies Telemedia Pte Ltd. STT GDC is an experienced and strategic data center player which owns a portfolio of data centers in Singapore, UK, Thailand, India, Indonesia, South Korea, Japan and in China through GDS. We benefit from STT GDC's industry expertise, access to potential customer and supplier relationships, and solid corporate governance guidance. On May 29, 2024, STT GDC entered into an investor rights assignment agreement with STT Garnet and us, in connection with an internal portfolio rationalization by STT GDC, to transfer all of its beneficial interest in the Company to STT Garnet.

In 2016, we completed our initial public offering on NASDAQ under the symbol "GDS."

In 2020, we completed our secondary listing on the Hong Kong Stock Exchange under the stock code of "9698."

In May 2022, we established DigitalLand Holdings Limited, now known as DayOne, as the holding company for GDS's international data center assets and operations with headquarters in Singapore and its own dedicated management. In order to optimize performance, DayOne has transitioned to become independent of GDS and now operates on a standalone basis.

In March 2024 and May 2024, respectively, our then consolidated subsidiary, DayOne, that acted as the holding company for GDS's international data center assets and operations, entered into definitive agreements for certain institutional private equity investors to subscribe for a total of US\$672 million of Series A convertible preferred shares newly issued by DayOne. In October 2024 and December 2024, respectively, DayOne entered into definitive agreements for certain institutional private equity investors to subscribe for a total of US\$1.2 billion of Series B convertible preferred shares newly issued by DayOne. In order to optimize performance by enabling DayOne to become independent of GDS, we decided not to participate in DayOne's Series A and Series B equity financings. As a result, DayOne was able to establish a strong and diversified shareholder base consisting of leading global investors. Following the closings of DayOne's Series A and Series B equity financings, as of December 31, 2024, GDS's equity interest in DayOne was diluted to 35.6%; since then we ceased consolidating DayOne for accounting purposes and have accounted for the investment in DayOne using the equity method. The operations outside China conducted by DayOne are accounted for as discontinued operations before our deconsolidation of DayOne.

In March 2025, we completed the ABS transaction for which we sold a 100% equity interest in certain data center project companies to a special purpose vehicle, or an ABS, of which 70% was subscribed by top-tier institutional investors in China, led by China Life Insurance Company Limited ("China Life"), and GDS subscribed for the remaining 30%. GDS also entered into service agreements to provide operational services to the underlying data centers. The ABS were successfully issued and listed on the Shanghai Stock Exchange.

In July 2025, we completed the sale of 100% equity interest in a project company which holds two stabilized data center assets to the GDS C-REIT. The GDS C-REIT issued 800,000,000 units in the initial public offering ("IPO") at an offering price of RMB3.00 per unit, with GDS subscribing for 20% of the total units. The total gross proceeds received by the GDS C-REIT was RMB2,400 million. The implied EV / EBITDA at the offering price was 16.9 times, and the implied dividend yield per unit at the offering price was 5.2%. The GDS C-REIT was listed and began trading on the Shanghai Stock Exchange in August 2025 under the fund code 508060.

Following the closing of DayOne's Series B equity financing on December 31, 2024, we owned approximately 35.6% of the equity interest of DayOne in the form of ordinary shares on an as-converted basis; since then, we ceased consolidating DayOne for accounting purposes, and account for the investment in DayOne using the equity method. In December 2025, DayOne signed an initial tranche of its Series C equity financing, totaling over US\$2.0 billion, of which US\$1.3 billion closed on December 31, 2025, at which point our equity interest in DayOne was diluted to 30.1%; the remainder closed in January 2026. In January 2026, DayOne completed a US\$385 million repurchase of DayOne shares from us. In April 2026, following the closing of an upsizing of DayOne's Series C equity financing, the market value of our remaining equity interest in DayOne is over US\$2.2 billion (based on the assumed valuation of DayOne based on the Series C offering price). As of the date of this annual report, we owned an equity interest in DayOne of approximately 19.9%.

Principal Offices

Our principal executive offices are located at F4/F5, Building C, Sunland International, No. 999 Zhouhai Road, Pudong, Shanghai 200137, People's Republic of China. Our registered office in the Cayman Islands is located at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. Prior to September 30, 2018, our agent for service of process in the United States was Law Debenture Corporate Services Inc., located at 801 2nd Avenue, Suite 403, New York, New York 10017, U.S.A. We appointed Cogency Global Inc., located at 122 East 42nd Street, 18th Floor, New York, New York 10168, U.S.A., as our successor agent for service of process in the United States, effective as of and after October 1, 2018.

B. Business Overview

We are a leading developer and operator of high-performance data centers in China. In addition, we also hold a minority equity interest in DayOne, our equity investee, which is a Singapore-headquartered data center platform. Accordingly, we derive shareholder value from our consolidated business in China and from our minority equity investment in DayOne.

Our facilities in mainland China are strategically located across low-latency established markets and big clusters in new growth markets 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 telecommunications networks, as well as the largest PRC and global public clouds which we host in many of our facilities.

We have a 25-year track record of service delivery, successfully fulfilling the requirements of some of the largest and most demanding customers for outsourced data center services. As of December 31, 2025, we had an aggregate net floor area of 668,283 sqm in service, 93.0% of which was committed by customers, and an aggregate net floor area of 73,994 sqm under construction, 66.1% of which was pre-committed by customers.

We believe the market for high-performance data center services in mainland China continues to grow at a strong underlying rate. Demand is driven by rapid growth in the volume of data created, transmitted, processed and stored as a result of the accelerating trend of digital transformation and the rising adoption of new technologies such as cloud computing, 5G, artificial intelligence, big data, machine learning, blockchain, internet of things, augmented and virtual reality, e-payments and digital currency. This has been strongly endorsed and further encouraged by the PRC government policies which consistently and actively support technology-driven development and the growth of the digital economy. The PRC government has promoted the concept of “new infrastructure” which includes, among other things, large scale data centers, artificial intelligence and industrial internet. The PRC government has rolled out plan for overall layout of the country’s digital development. According to the plan, important progress will be made in the construction of a digital China, with effective interconnectivity in digital infrastructure, a significantly improved digital economy, and major breakthroughs achieved in digital technology innovation. A newly formed National Bureau of Data will be responsible for overall coordination and promoting the development of digital China.

Our platform of interconnected data centers and secured expansion capacity is strategically located to address this growing demand. We develop and operate our data centers predominantly in and around Shanghai, Beijing, Shenzhen, Guangzhou, and Chengdu/Chongqing, the primary financial, commercial, industrial and communications hubs in each region. We refer to the areas in and around these hubs as established markets. We are also expanding into new growth markets, such as Ningxia, Shaoguan and Inner Mongolia, where there is sufficient land and power for big cluster deployments. Our customers typically use our data centers in established markets to house their mission-critical, latency-sensitive data and applications, whereas they would use the data centers in new growth markets for large scale computing purposes which are normally not latency-sensitive. Our data center locations provide convenient access for our customers in terms of multi-carrier connectivity as well as the scalability if required

We started developing data centers mainly in key urban districts within each established market in accordance with customer preference. In order to keep pace with demand and overcome the challenge of creating new supply, we have been developing more data centers at strategic locations on the outer edge of these markets, including on campuses we can expand capacity in multiple phases. These outer edge developments, which we still consider as established markets, enable our hyperscale customers to fulfill their requirement for larger developments of IT capacity on a single site and to upscale over time, while remaining within acceptable parameters for network latency. We are also expanding into new growth markets, mainly Inner Mongolia, Ningxia and Shaoguan, all national hubs, where there is sufficient land and power with competitive power tariffs, to support big cluster deployments. These sites integrate well with our existing platform, enabling us to serve the varied needs of our diversified customer base. In addition to these self-selected and developed sites, to a much smaller scale, we also build, operate and transfer (“B-O-T”) data centers at other locations selected by our customers for their capacity needs as required.

From our inception, we have built up our own in-house data center design capability, which we believe is unparalleled in the industry. We were one of the first movers in developing high-performance data centers in mainland China, anticipating the trend for IT to become increasingly mission-critical, and then in combining high availability with larger net floor area and power capacity to meet the unprecedented requirements of hyperscale cloud service providers and large internet companies. Our data centers are large scale, highly reliable and highly efficient facilities that provide a flexible, modular and secure operating environment in which our customers can house, power and cool the computer systems and networking equipment that support their mission-critical IT. We install high power density (which refers to the ratio of power capacity to net floor area) and optimize power usage efficiency, which enables our customers to deploy their IT systems more efficiently and reduce their operating and capital costs. As a result of our advanced data center design, high technical specifications and robust operating procedures, we are able to make service level commitments related to service availability and other key metrics that meet our customers’ required standards. Within our data centers, we have also developed an innovative service platform to assist our enterprise customers to integrate and control every aspect of their hybrid cloud computing environment across their private servers and one or more public cloud service providers. As of December 31, 2025, we served 989 customers, including PRC and global hyperscale cloud service providers and large internet companies, a diverse community of financial institutions, telecommunications carriers and IT service providers and large domestic private sector and multinational corporations, many of which are leaders in their respective industries. We host the largest public cloud platforms operating in mainland China, some of which are present in multiple GDS data centers. Agreements with our hyperscale cloud service provider and large internet customers generally have terms of three to ten years, while agreements with our financial institution and enterprise customers typically have terms of one to five years.

As of December 31, 2025, we operated 90 self-developed data centers with an aggregate net floor area of 664,690 sqm in service. We also operated capacity at third-party data centers with an aggregate net floor area of 3,593 sqm in service, which we lease on a wholesale basis and use to provide colocation and managed services to our customers. As of the same date, we also had an aggregate net floor area of 73,994 sqm under construction. In total, we have 98 self-developed data centers in service and under construction, and we have a total capacity of 738,684 sqm. As of the same date, we had an estimated aggregate developable resources of approximately 3.7 gigawatts held for potential future development. Our net revenue and results of operations are largely determined by the degree to which our data center capacity is committed or pre-committed as well as its utilization. We had commitment rates for our area in service of 92.5%, 91.9% and 93.0% as of December 31, 2023, 2024 and 2025, respectively. We had utilization rates for our area in service of 73.9%, 73.8% and 75.5% as of December 31, 2023, 2024 and 2025, respectively. The difference between commitment rate and utilization rate is primarily attributable to customers who have entered into agreements but have not yet started to use revenue-generating services.

Our net revenue grew from RMB9,782.4 million in 2023 to RMB10,322.1 million in 2024, representing an increase of 5.5%, and increased to RMB11,432.3 million (US\$1,634.8 million) in 2025, representing an increase of 10.8%. Our net loss from continuing operations decreased from RMB3,926.0 million in 2023 to RMB770.9 million in 2024, representing a decrease of 80.4%, and we generated net income from continuing operations of RMB959.4 million (US\$137.2 million) in 2025. Our adjusted EBITDA increased from RMB4,733.0 million in 2023 to RMB4,876.4 million in 2024, and increased to RMB5,403.5 million (US\$772.7 million) in 2025. As of December 31, 2023, 2024 and 2025, our accumulated deficit was RMB9,469.8 million, RMB6,044.4 million and RMB5,094.7 million (US\$728.5 million), respectively.

We also hold a minority equity interest in DayOne, a Singapore-headquartered data center platform. As of December 31, 2025, following the initial closing of DayOne's Series C equity financing, we owned an equity interest in DayOne of 30.1%. As of the date of this annual report, following the closing of the upsizing of DayOne's series C equity financing and DayOne's repurchase of a portion of our shares in DayOne, we owned an equity interest in DayOne of approximately 19.9%. As of December 31, 2025, DayOne had total IT power committed of 1,250 MW and total IT power billable of 444 MW.

Our Business Model

Our core business operations entail the planning and sourcing of new data centers, developing such facilities, securing customer commitments, providing our colocation and managed services to customers, and maintaining high levels of service and customer satisfaction to develop and maintain long-term relationships with our customers. We focus on developing and operating what we refer to as high-performance data centers. These are data centers that feature large net floor area and power capacity, high power density and efficiency, and multiple redundancy across all critical systems.

Sourcing

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. Based on this insight, we aim to secure land and buildings with potential customer demand, together with the required power capacity and regulatory approvals, including energy quota under the energy conservation review opinion, for future development commensurate with anticipated demand for our services. Our in-house team begins sourcing potential sites a few years in advance of planned development. We source new data center capacity by: (i) acquiring or leasing property which we develop for use as data center facilities, whether through constructing on greenfield land, redeveloping brownfield sites, converting existing industrial buildings, or fitting out and equipping purpose-built building shells; (ii) leasing existing data center capacity from third-party wholesale providers; and (iii) acquiring high-performance data centers from other companies.

Regardless of the source of our data center capacity, we ensure that the facilities meet the high-performance standards required by our target customers.

Construction

After procuring greenfield or brownfield sites or existing industrial buildings or purpose-built building shells, we design and, through cooperation with developers, contractors, and suppliers, build out the facility to achieve our advanced design and high technical specifications.

We take a modular approach to developing, commissioning, equipping and fitting out of facilities, so that we can cater to a range of customer requirements with regard to redundancy, power density, cooling, rack configuration and other technical specifications. In addition, by taking a modular approach, we are able to phase our capital expenditures related to equipping and fitting out individual computer rooms in accordance with proven sales demand or contractual delivery commitments to customers.

Marketing

We usually commence marketing new data center facilities before we commence construction by seeking strong indications of interest from customers. We aim to convert such indications of interest into pre-commitment agreements for a substantial part of the capacity under development as early as possible in the construction cycle. Such pre-commitments typically come from anchor customers who require largescale capacity, such as hyperscale cloud service providers and large internet companies. Through securing such pre-commitments, we are able to reduce investment risk and optimize resource planning. Once construction is complete, and the data center enters service, we re-categorize area pre-committed as area committed. We aim to maintain high commitment rates for each of our data centers.

For certain sites, we deliberately do not seek pre-commitments, in order to reserve sufficient capacity for our financial institution and large enterprise customers who typically procure with a shorter lead time once data centers are in service. This also helps to ensure that we have sufficient capacity available to fulfill the anticipated expansion requirements of strategic customers who we are already serving in the same location. As a result of this sales approach, some of our data centers under construction and in service have lower pre-commitment and commitment rates, respectively.

Delivery

Once construction is complete, and the data center enters service, we re-categorize area under construction as area in service.

Anchor customers with large scale commitments typically move in over a period of 6 to 24 months, whereas financial institutions and large enterprise customers typically move in over a period of 3 to 12 months. The longer move-in period for anchor customers is due to the larger scale of their deployments and operational models, under which they increase utilization of committed data center capacity in multiple phases and in line with the increasing load on their IT systems. During such move-in periods, customers have the right to use part or all of the services for which they have committed. They are billed for the amount of services they actually use, subject to a minimum billable amount as stated in the sales agreements. Such minimum billable amount typically steps up over time. Customers are usually not allowed to terminate their sales agreements before the end of the move-in period. See “Business Overview—Our Customers—Sales Agreements.” The portion of area committed by customers which is revenue generating is referred to as area utilized. As a result of the flexibility granted to customers to use part or all of the services during the move-in period, some of our data centers have lower utilization rates.

Commitment and Utilization Rates

Our business model provides us with high levels of revenue visibility due to the long-term nature of our customer agreements and substantial backlog. Backlog is defined as area committed or pre-committed by customers but yet to be utilized (total area committed minus area utilized at the end of each period). As of December 31, 2023, 2024 and 2025, we had backlog of 213,640 sqm, 176,904 sqm and 165,263 sqm, respectively. We maintained a consistent level of backlog across these periods primarily due to higher levels of customer commitments and pre-commitments. We endeavor to provide high levels of customer service, support, and satisfaction to maintain long-term customer relationships and high rates of agreement renewals for our services. Our churn rate, which we define as area terminated or expired without renewal during the quarter divided by total area utilized at the end of the preceding quarter, averaged approximately 1.2% and 0.9% in 2024 and 2025, respectively.

For our in-service data centers, we aim to maintain high levels of long-term commitment and utilization rates. We had commitment rates for our area in service of 92.5%, 91.9% and 93.0% as of December 31, 2023, 2024 and 2025, respectively. We had utilization rates for our area in service of 73.9%, 73.8% and 75.5% as of December 31, 2023, 2024 and 2025, respectively. The difference between commitment rate and utilization rate is primarily attributable to customers who have not yet fully utilized all the revenue-generating services for which they have committed. Until the end of the move-in period, the area committed is not fully categorized as area utilized.

Due to the typical time lag for move-in, the continual expansion of our data center capacity, and the high proportion of anchor customers with largescale commitments, we expect that our utilization rate will continue to lag behind our commitment rate. For data centers that have been in operation for a longer period of time, the commitment rate and utilization rate will tend to converge, as customers have fully moved in.

Our Data Centers

Our data centers are largescale, highly reliable and highly efficient facilities that provide a flexible, modular and secure operating environment in which our customers can house, power and cool the computer systems and networking equipment that support their mission-critical IT infrastructure. We install large power capacity, together with engineering technologies to optimize PUE, enabling our customers to deploy their IT infrastructure more efficiently and reduce their operating and capital costs.

As of December 31, 2025, we had an aggregate net floor area in service of 668,283 sqm, with 93.0% committed and 75.5% utilized. As of December 31, 2025, we had an aggregate net floor area under construction of 73,994 sqm, with 66.1% pre-committed.

The following table presents certain information relating to our data center portfolio as of December 31, 2025:

(Sqm)	Area in service	Area under construction
Location		
North	364,677	34,100
East	196,768	24,831
South	86,450	10,873
West & Other	20,388	4,190
Total	668,283	73,994
Type		
Self-developed	608,967	73,994
B-O-T	55,722	—
Third party	3,593	—
Total	668,283	73,994

In addition, we had estimated aggregate developable resources of approximately 3.7 gigawatts held for potential future development, the majority of which are located in new growth markets.

As of December 31, 2025, our total area committed was 670,106 sqm, of which 621,188 sqm and 48,918 sqm related to data centers in service and data centers under construction, respectively.

Self-Developed Data Centers

As of December 31, 2025, we operated 90 self-developed data centers with an aggregate net floor area of 664,690 sqm in service. As of the same date, we also had an aggregate net floor area of 73,994 sqm under construction. In total, we have 98 self-developed data centers in service and under construction. In addition, we had an estimated aggregate developable resources of approximately 3.7 gigawatts held for potential future development.

High-Performance Features. Our self-developed data centers generally feature:

- *High Availability.* Approximately 90% of our self-developed data center capacity in service and under construction is equipped with 2N redundant and the remaining is equipped with distributed redundant N+1 delivery paths for power system. Either 2N or distributed N+1 redundancy entails significant additional up-front investment and decreases the yield of net floor area in a building of a given size. Combining 2N or distributed N+1 redundant power system, N+1 concurrent maintainable cooling system and other critical systems to operate our facilities to meet the highest standards, we are able to satisfy the requirements of the most demanding customers for housing their mission-critical IT infrastructure.

- *High Power Density.* Our self-developed data center capacity in service and under construction has an average power density of approximately 2.34 kW/sqm, in which the portion under construction has an average power density of approximately 2.97 kW/sqm. Meanwhile, our capacity held for future development has an average power density of approximately 3.05 kW/sqm. High power density must be incorporated into the data center design from inception and entails increased development cost per sqm of net floor area. By installing high power density, we enable our customers to deploy their IT infrastructure more efficiently and to optimize their IT infrastructure performance. This is of particular importance to hyperscale cloud service provider and large internet customers as it reduces their IT investment and operating costs.
- *High Power Efficiency.* Our self-developed data centers are designed to achieve high power efficiency, which is expressed conversely by a low PUE ratio. In 2025, our self-developed data centers, which commenced operations after 2020 and have an IT power utilization rate of 30% or higher, have achieved an average PUE of around 1.23. High power efficiency reduces operating costs, for the benefit of our customers and ourselves, and reduces our carbon footprint. A low PUE ratio is of particular importance to hyperscale cloud service provider and large internet customers who have the most demanding performance targets.

In addition to the high-performance features described above, our data centers provide flexible fit-out, sufficient floor load bearing strength and clear slab-to-slab height to support dense deployment of IT hardware, multiple layers of physical security, early fire detection monitoring and fire suppression systems, diverse connectivity, and other amenities.

We believe that this combination of high availability, high power density, high power efficiency and other features enables us to serve the most sophisticated and demanding users of data center services who seek cost efficient solutions for their requirements, without compromise on performance across multiple operating parameters.

Stage of Development.

We categorize our data centers, and the corresponding net floor area, according to the following stages of development:

- *In Service.* Data centers are categorized as in service once the construction of the building is complete, critical systems have been installed, the facility has passed rigorous integrated system testing, government approvals for operation are obtained, and one or more computer rooms have been fully equipped and fitted out ready for utilization by customers. Once this stage has been reached, we categorize the entire net floor area of the data center (or phase of a data center) as area in service, including the net floor area of computer rooms, if any, which may require additional capex for equipping and fitting out prior to utilization by customers.
- *Under Construction.* Data centers are categorized as under construction once we have secured control of the site, obtained the necessary construction and other permits, established the design, and building and engineering works are in progress. We also categorize data centers as under construction when the shell and core are being developed by the building landlord under certain circumstances. We usually construct our data centers in a single phase. However, in some cases, we construct data centers in several distinct phases for reasons such as optimal design, sales plan, and timing of activation of power supply. When we successfully secure pre-commitments from customers, we calculate pre-commitment rate based on the area under construction.
- *Held for Future Development.* Area held for future development consists of the estimated data center capacity that we have secured for potential future development by different means, including greenfield and brownfield land which power applications are in progress or which we have acquired or expect to acquire pursuant to binding framework agreements with local governments, building shells which we have purpose-built on land which we own, and existing buildings for which we have entered into agreements in connection with the acquisition or lease with the intention of converting or redeveloping into data centers, but which are not actively under construction. Our in-house team begins sourcing potential greenfield and brownfield land several years in advance of planned delivery. We begin construction of a facility from six months to over two years in advance of planned delivery, depending on the complexity of the project. The developable net floor area estimates are subject to a number of contingencies and uncertainties.

Data Center Tenure

We hold our self-developed data center buildings either through direct ownership or lease. In mainland China, land cannot be owned outright, but is secured through land use rights. For data center buildings which we own, we have the right to use the underlying land for up to 50 years, which is the longest permissible period, plus ownership of the buildings and other fixed assets comprising the data center. For data centers that we lease in mainland China, we enter into long-term leases with the owners of the building generally for periods of 15 to 20 years, which is the longest permitted lease period under PRC law. However, in the case of the build-operate-transfer projects which we have undertaken to date, where the owner of the building shell is our customer, the lease term is usually ten years.

Our owned facilities, and leased facilities which include B-O-T projects, represented approximately 47.6% and 52.4% respectively by aggregate net floor area of our self-developed data centers in service and under construction as of December 31, 2025.

As of December 31, 2025, 43.3% of our self-developed area in service was in data center buildings which we own and 56.7% was in data center buildings which we lease.

As of December 31, 2025, 86.9% of our self-developed area under construction was in data center buildings which we own and 13.1% was in data center buildings which we lease.

For self-developed data center buildings leased from third parties, we have entered into long-term leases with the owners of the buildings generally for periods of 15 to 20 years, which is the longest permitted lease period under PRC law.

B-O-T Data Centers (including B-O-T Joint Venture Data Centers)

As of December 31, 2025, we had 55,722 sqm net floor area relating to 12 B-O-T data centers in service, 100% of which were committed. Apart from two B-O-T joint venture data centers of which we currently own 51% and GIC owns 49%, we hold 100% of the equity interests in the project companies holding all the other B-O-T data centers as of December 31, 2025.

Third-Party Data Centers

In addition to operating and providing services in our self-developed data centers, we also provide data center services with respect to net floor area that we lease from third-party data center providers on a wholesale basis and use to provide colocation and managed services to our customers. For this kind of facility, we typically enter into leases for fixed terms of three to ten years. As of December 31, 2025, we operated capacity at third-party data centers with an aggregate net floor area of 3,593 sqm in service.

The third-party data centers where we lease capacity on a wholesale basis were not purpose-built or converted according to our design and technical specification. However, on a selective basis, we may carry out improvement work at third-party data centers in order to attain the performance levels required to serve our customers. In particular, one of our third-party data centers is a facility in which we leased increasing amounts of space over time, so that we now lease the entire data center. As we accumulated leased data center capacity in the data center over time, and we never conducted any comprehensive conversion or repurposing of the facility, we continue to categorize that data center as a third-party data center.

Lease Agreements Relating to Our Data Centers

We enter into leases in connection with our self-developed data centers. In addition, certain third-party data centers in which we lease capacity on a wholesale basis are subject to property lease agreements. Under relevant PRC laws and regulations, lease agreements are required to be registered or filed with the relevant housing authorities. Among the data centers that we lease, including those under construction, the majority of the lease agreements have not been filed with relevant authorities in accordance with the applicable PRC laws and regulations. The failure to register or file the lease will not affect the legal validity of the lease agreements but may subject us to fines. In order to address the situations where the relevant leases have not been registered by the lessors, we have communicated with the relevant lessors with regard to completing the registration of the relevant lease agreements to the extent practicable. However, there is no guarantee that the lessors will respond to our requests or take remedial action with regard to the lack of registration and filing, and we, or the third-party lessors, may be liable if timely rectifications are not made. A portion of any such losses will be recoverable from the lessors according to the terms of certain of the lease agreements. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—Our failure to comply with regulations applicable to our leased data center buildings may materially and adversely affect our ability to use such data centers.”

Our Equity Investment in DayOne

DayOne is a Singapore-headquartered data center platform. It is previously known as DigitalLand Holdings Limited, or GDS International, or GDSI, and was established in May 2022, to act as the holding company for GDS's international data center assets and operations. DayOne has transitioned within a short period of time to become independent of GDS and now operates on a standalone basis.

In March 2024 and May 2024, respectively, DayOne entered into definitive agreements for certain institutional private equity investors to subscribe for a total of US\$672 million of Series A convertible preferred shares newly issued by DayOne. In October 2024 and December 2024, respectively, DayOne entered into definitive agreements for certain institutional private equity investors to subscribe for a total of US\$1.2 billion of Series B convertible preferred shares newly issued by DayOne. Consistent with our objective of enabling DayOne to become independent of GDS, we decided not to participate in DayOne's Series A and Series B equity financings. As a result, DayOne was able to establish a strong and diversified shareholder base consisting of leading global investors.

Following the closing of DayOne's Series B equity financing on December 31, 2024, we owned approximately 35.6% of the equity interest of DayOne in the form of ordinary shares on an as-converted basis; since then, we ceased consolidating DayOne for accounting purposes, and account for the investment in DayOne using the equity method. In December 2025, DayOne signed an initial tranche of its Series C equity financing, totaling over US\$2.0 billion, of which US\$1.3 billion closed on December 31, 2025, at which point our equity interest in DayOne was diluted to 30.1%; the remainder closed in January 2026. In January 2026, DayOne completed a US\$385 million repurchase of DayOne shares from us. In April 2026, following the closing of an upsizing of DayOne's Series C equity financing, the market value of our remaining equity interest in DayOne is over US\$2.2 billion (based on the assumed valuation of DayOne based on the Series C offering price). As of the date of this annual report, we owned an equity interest in DayOne of approximately 19.9%.

As of December 31, 2025, DayOne had total IT power committed of 1,250 MW and total IT power billable of 444 MW.

Our Services

We offer a broad range of services including colocation services and managed services, which includes managed hosting services and managed cloud services. We also provide certain other services, including consulting services. We primarily provide colocation services to cloud service providers while we provide both colocation services and managed services to all other customers.

Colocation Services

We offer our customers a highly secure, reliable and fault-tolerant environment in which to house their servers and related IT equipment. Our core colocation services primarily comprise the provision of critical facilities space, customer-available power, racks and cooling. Our customers have several choices for hosting their servers, networking and storage equipment. They can place their equipment in a shared or private space that can be customized to their requirements. We offer a variety of power options to suit individual customer requirements, including high power density racks. In some instances, colocation customers will request that we provide IT equipment for their use in our data centers. In such cases, we will sell such IT equipment to the colocation customer.

Our data centers are high-performance, with high availability, high power density and high power efficiency, which combination is critical to satisfying the most demanding needs of hyperscale customers. Our IT infrastructure platform of interconnected data centers is located strategically in and around established markets, enabling high performance while lowering network latency and connectivity costs. Our ecosystem has attracted all leading public cloud service providers to our platform and thereby offers value to enterprises that have hybrid clouds or need to connect to cloud service providers.

We design and build our facilities using a modular approach, which involves an innovative construction method using pre-fabrication technology to shorten development time, improve quality control and achieve costs savings. This approach provides a flexible and efficient solution to meet the growing demands of modern cloud-based platforms and customers.

Managed Services

Managed Hosting Services. Our managed hosting services comprise a broad range of value-added services, covering each layer of the data center IT value chain. Our suite of managed hosting services includes business continuity and disaster recovery, or BCDR, solutions, network management services, data storage services, system security services, operating system services, database services and server middleware services. Our managed hosting services are tailored to meet the specific objectives of individual customers. We help our customers reduce their costs, re-engineer existing processes, improve the quality of service delivery and realize a better return on their investment.

Our network management services help our customers to design and maintain their private network systems. Our data storage services provide storage architecture design and customization for specific requirements. Our system security services include identity and access control, firewall management, intrusion protection and vulnerability protection services. Our operating system services provide pro-active administration, management, monitoring and reporting across a wide range of operating systems. Our database services provide database customization and performance tuning operation, administration and monitoring services across a range of database platforms. Our server middleware services provide customization and performance tuning services across a range of platforms. We also offer consulting services for customers who request additional know-how and guidance relating to disaster recovery and other aspects of our managed hosting services. Our managed hosting services are provided on a continuous basis over the term of the agreement.

Managed Cloud Services. The adoption of cloud computing continues to rise and has become a key element of IT strategy for enterprises globally. We believe that our data centers are well-suited for the hosting of cloud platforms. As a result, we have succeeded in attracting most of the largest cloud service providers in mainland China to collocate their public cloud platforms in our data centers.

The presence of major public cloud platforms in our data centers enables us to offer our enterprise customers direct private connection to high capacity cloud resources of their choosing across our network infrastructure. We are able to provide such services at minimal incremental cost, while enabling our customers to enjoy a number of critical operational benefits as a result, such as high reliability, high flexibility, and high efficiency. We also assist our enterprise customers to access cloud resources by providing and reselling public cloud services offered by major cloud service providers, including certain of our major customers. This has the added benefit of assisting our cloud service provider customers with their route to market.

Large enterprises are increasingly deploying a combination of multiple private, hosted, or public cloud services, a configuration known as hybrid cloud. While this configuration can provide enterprises with greater flexibility, scalability, security and cost efficiency, it also presents new challenges in integrating and operating multiple systems. Leveraging our long track record as a provider of IT managed services, we are developing an innovative service platform to assist our enterprise customers to integrate and control every aspect of their hybrid cloud computing environment across their private servers and one or more public cloud service providers. In addition, we offer consulting services for customers who request additional know-how and assistance concerning the implementation of cloud-based solutions, such as migration from physical to cloud-based hosting. As part of the offering, we also provide our customers with cloud resources.

Data Center Sourcing and Development

We believe that the size, location, and quality of our facilities are key to maintaining our competitiveness. We apply the same rigor to the process of sourcing, design and construction as we do to our operations. We have a substantial in-house team dedicated to sourcing, feasibility analysis, technical design, costing and project management. The process is comprised of the following steps:

- *Planning and Sourcing.* Our strong customer and industry relationships, combined with our data center presence in key markets in each region and direct sales force, afford us insight into the size, timing, and location of future demand. We incorporate this insight into a multi-year resource plan for our key markets. Our in-house team begins sourcing potential sites a few years in advance of planned delivery. We seek to secure sites both in close proximity to central business districts or to areas where there is a concentration of enterprise operations centers so as to satisfy the location preferences of our target customer segments. We consider both greenfield sites when available, and also existing industrial buildings suitable for conversion. We require security of tenure for a minimum of ten years. Our team works closely with local government authorities to obtain necessary permits and approvals, including energy quota under the energy conservation review opinion, and with telecommunications carriers to ensure multi-carrier connectivity to our data centers. We generally seek to secure sites that can support a net floor area of at least 5,000 sqm per data center building and sufficient power capacity to fulfill the requirements of the customer segments which we expect to serve in the facility.
- *Design and Construction.* We undertake the technical design, specification and costing in-house as we believe that these are important to ensuring the data center meets our strategic requirements. This also enables us to achieve a high level of design standardization. We continuously study new engineering and technologies to maintain an advanced design. Our in-house team also takes responsibility for construction project management, which includes scheduling, vendor selection, procurement, budget control and cost analysis, and quality supervision and assurance. We believe that these elements are important to ensure the project is completed on time, within budget and to the required quality standard. We begin construction of a facility from six months to over two years in advance of planned delivery, depending on the complexity of the project.
- *Commissioning and Fit Out.* After the shell and core of a building are completed, we work with our contractors and suppliers to make the data center ready for service. This involves: (i) obtaining necessary operating permits and approvals; (ii) equipping and fitting out the critical facilities area for utilization by customers; and, (iii) pre-operational testing, also referred to as commissioning, to ensure that the facility is fully functioning and capable of providing the required service levels. We have a team dedicated to testing and commissioning before operations commence.

Operations

We have separate teams for data center operations and service delivery. Our data center operations team is responsible for directing, coordinating and monitoring the daily operation of our data center facilities. Our service delivery team is responsible for delivery of the services which we provide to customers on a 24/7 basis. Our teams are deployed in regional operations centers, as well as on site, in order to provide two layers of management and support. We outsource part of the above operations and service delivery, primarily on-site security, cleaning and greening service, part of the 24/7 on duty operations and IT and customer service delivery to reputable third-party service providers.

We undertake in-house all technical functions which impact data center performance, including floor planning, equipment lifecycle management, optimizing data center efficiency, surveillance of the critical facilities environment and network performance, incident response management and rectification. We also undertake in-house substantially all activities which have a direct bearing on customers, including support for setting up customer IT equipment, remote hands services, outsourced IT operations, incident and compliance reporting, and response to customer requests.

We have developed a proprietary Data Center Operation Management Platform which provides real-time information on many aspects of data center operating performance and enables us to streamline our data center management processes. We have also developed robust operating procedures, protocols and standards which enable us to meet or exceed the performance and quality levels specified in our service level agreements, or SLAs, with the most sophisticated customers. We have been certified ISO9001, ISO20000 and ISO27001 for more than ten years, and received certification for ISO 22301 in September 2016. We also received certification for ISO 14001, ISO 45001, ISO 50001 in November 2020 and ISO 27701 (Privacy Information Management System) in September 2022. As of December 31, 2025, we had 29 data centers awarded with Management and Operations, or M&O, Approved Site awards by the Uptime Institute, an unbiased advisory organization focused on improving the performance, efficiency, and reliability of business-critical infrastructure.

Our Customers

We had two customers that generated 28.3% and 17.1% of our total net revenue, respectively, in 2023. We had two customers that generated 29.0% and 14.4% of our total net revenue, respectively, in 2024. We had two customers that generated 29.0% and 12.0% of our total net revenue, respectively, in 2025. No other customer accounted for 10% or more of our total net revenue during those periods.

We consider our customers to be the end users of our services because: (i) we are selected as vendor by our end users; (ii) we negotiate and agree all aspects of the sales agreements with our end users, including scope of work, pricing and other commercial terms, design, specification, and customization of the parts of the facility which they will use, delivery schedule, and extensive service level parameters; (iii) we work directly with our end users on the delivery, installation, cabling, testing, operation, and monitoring of their IT systems; and (iv) we generally reconcile with our end users the amount of services (including net floor area and power) which they have used and the financial amount billable for each billing period. We may enter into sales agreements directly with our customers or, at the customer's request, provide services to our customers through agreements with intermediate contracting parties, such as the major PRC telecommunications carriers. We understand our customers may request us to provide services to them through the major PRC telecommunications carriers for commercial reasons. When a PRC telecommunications carrier acts as an intermediate contracting party, we bill them and collect cash payment from them. We have long-standing relationships with all the major PRC telecommunications carriers who are both intermediate contracting parties for the sale of our services to our customers, as well as partners providing network services to our customers and, to a significantly lesser extent, end users of our services.

As of December 31, 2025, we served 989 customers, including hyperscale cloud service providers and large internet companies, a diverse community of PRC and foreign financial institutions as well as telecommunications carriers and IT service providers and large domestic private sector and multinational corporations, many of which are leaders in their respective industry verticals. We host the largest PRC and global public cloud platforms operating in mainland China, some of which are present in multiple GDS data centers.

Our cloud service provider, large internet, financial institution and enterprise customers accounted for 56.0%, 33.3% and 10.7% of our total area committed as of December 31, 2025, respectively. Our two largest customers accounted for 37.9% and 11.8%, respectively, of our total area committed as of December 31, 2025. No other customer accounted for 10% or more of our total area committed as of that date.

The following table presents the total area committed of our top five customers, all of which are cloud service providers or large internet companies, as of December 31, 2025:

End User Customer	Total area committed (sqm) ⁽¹⁾	Total area committed (%)
Customer 1	253,826	37.9 %
Customer 2	78,982	11.8 %
Customer 3	59,238	8.8 %
Customer 4	50,485	7.5 %
Customer 5	29,164	4.4 %

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

We endeavor to establish strategic relationships with key customers, particularly hyperscale cloud service providers and large internet companies who have large data center capacity requirements and who can help enhance the value of our data center ecosystem.

Sales Agreements

Contract Term

A substantial majority of our sales agreements are for multi-year service periods. Agreements with our cloud service provider and large internet customers typically have service periods of three to ten years, while agreements with our financial institution and enterprise customers typically have service periods of one to five years. The service period starts either on a date specified in the sales agreement, or within a specific time period when the data center is ready for the customer's use and the customer has accepted delivery in accordance with the provisions of the sales agreements.

Pricing Structure

We have two main pricing structures depending on the preferences of individual customers. Most of our sales agreements with our cloud service provider and large internet customers have unbundled pricing. Under such pricing structure, we charge our customers for the right to use a specific amount of net floor area, power capacity and other services. In addition to which, we also charge our customers based on the actual amount of power which they consume. Unbundled pricing is often expressed as a price per square meter or a price per kilowatt for the right of use of our services and a price per kilowatt/hour for power consumed. Most of our sales agreements with our financial institution and large enterprise customers have bundled pricing. Under such pricing structure, we charge our customers for the right to use a specific amount of net floor area, power capacity and other services, without any additional charge for power consumed as long as their actual power usage does not exceed a stated limit. Bundled pricing is often expressed as a price per rack or cabinet. Under both unbundled and bundled structures, the unit price which we charge per square meter, per kilowatt, per rack or cabinet is generally fixed over the term of the sales agreement, except for permitted adjustments when input power tariffs change. We do not usually charge any fee for reserving or committing capacity prior to the commencement of the service period.

Move-in Period

Commencing at the start of the service period our sales agreements typically provide for a flexible move-in period. During such period, customers have the right to use part or all of the services for which they have committed. They are billed for the amount of services they actually use, subject to a minimum billable amount as stated in such sales agreements. Such minimum billable amount typically steps up over time. Our sales agreements with anchor customers with largescale commitments typically allow for a move-in period of 6 to 24 months, whereas our sales agreements with financial institutions and large enterprise customers typically allow for a move-in period of 3 to 12 months.

Contract Renewal and Termination

Most of our sales agreements provide for automatic renewal at the end of the service period, subject to mutual agreement of renewal terms.

Many of our sales agreements give customers the option of early termination after the end of the move-in period, subject to a notice period of one to six months and payment by the customer of specified costs and penalties. In certain cases, we are entitled to a substantial amount of early termination damages equivalent to up to 12 months' service fee, in addition to payment for our services already provided before such early termination. Customers may also terminate the sales agreements if we fail to perform the contracted services. In this circumstance, customers are generally required to notify us of their intention to terminate and to allow us a period of time to rectify any service failure.

Our churn rate, which we define as area terminated or expired without renewal during the quarter divided by total area utilized at the end of the preceding quarter, averaged approximately 1.2% and 0.9% in 2024 and 2025, respectively.

Billing

We generally bill customers on a monthly or quarterly basis in arrears. On a monthly basis, we recognize revenue as service is rendered in the period. As we are billing in arrears, this results in unbilled receivables between the time when we have the unconditional right to the consideration for the services we provided to our customers (i.e. billable revenue) and the time when we actually bill our customers. Once we issue the bill at the end of the monthly or quarterly billing period, it becomes a billed receivable and then we collect cash payment. This is a recurring cycle and it is common in businesses which provide services on a long-term contract basis, recognizing revenue as services are rendered and billing in arrears. We have a very low incidence of doubtful accounts and write-offs. See “Risk Factors—Risks Relating to Our Business and Industry—If we fail to manage effectively or collect our accounts receivable, our results of operations, financial condition and liquidity may be adversely affected.” We recorded RMB18.3 million, reversed RMB13.2 million and recorded RMB18.8 million (US\$2.7 million) of allowance for credit losses for accounts receivable and other current assets in the years ended December 31, 2023, 2024 and 2025, respectively.

Customer Satisfaction

We endeavor to provide high levels of customer service, support, and satisfaction. We interact regularly with our customers to receive their feedback and continuously improve. In 2025, we engaged a third-party research firm to conduct a client satisfaction survey. The survey used quota sampling, computer assisted telephone interviews, online survey and in-depth face to face interviews. It covered our company’s business users in an array of industries. The survey collected feedback from 319 business users. The average client satisfaction score was 9.76 out of 10. The net promoter score was increased to 92.5% in 2025 from 91% in 2024.

Our Suppliers

Our five largest suppliers accounted for less than 70% of our purchases in our operating expenditures for each of the years ended December 31, 2023, 2024 and accounted for over 70% but less than 80% of our purchases in our operating expenditures in the year ended December 31, 2025; one of them accounted for more than 40% but less than 50% of our annual purchase for the year ended December 31, 2023, more than 50% but less than 60% of our annual purchase for the year ended December 31, 2024 and more than 60% but less than 70% of our annual purchase for the year ended December 31, 2025, respectively.

Sales and Marketing

Sales. Our sales activities are mainly conducted through our direct sales force. We organize our direct sales force into four geographic regions, Northern China, Southern China, Eastern China and South-western China. We incentivize our sales force to meet their annual targets through performance-based bonuses. For new customers, our sales cycle typically begins with creating a sales plan for a particular region or industry and then identifying new customers in these regions or industries. We also receive referrals from our vendors and other relationships, and often our reputation attracts customers to our services without any directed sales efforts. For our existing customers, our sales team focuses on identifying upsell opportunities.

Many of our customer agreements are won through a competitive bidding process. For new customers, the bidding process begins with evaluation of the potential customer’s requirements. We formulate a service proposal based on these requirements. Our team representing multiple departments prepares a proposal to meet the required service scope and level. We negotiate the agreement and service details.

Marketing. To support our sales effort and to actively promote our brand, we conduct wide-ranging marketing programs. Our marketing strategies include active public relations and ongoing customer communications programs. We participate in a variety of IT industry and financial services industry conferences and workshops to raise awareness about the value of data center services. We also build our brand recognition by participating in industry and government workshops and industry standard-setting bodies, such as the China National Institute of Standardization Committee on Disaster Recovery for Information Systems.

Innovation, Technology and Intellectual Property

We employ a modular approach to developing, commissioning, equipping and fitting out our data center facilities. This approach allows us to cater to a range of customer requirements with regard to redundancy, power density, cooling, rack configuration and other technical specifications. The modular approach is an innovative construction technique designed to shorten the development timeline and lower costs, as advocated by leading industry participants. Additionally, we are adopting innovative pre-fabrication technology to further shorten the development period in order to meet the requirements for increasingly larger scale data centers. We were able to develop these innovative approaches as a result of having established and grown our own in-house data center design and construction project management capability, the experience gained through executing a hyperscale development program over multiple years, and by leveraging the know-how of certain of our international strategic partners.

We operate our data center facilities using a proprietary Data Center Operation Management Platform that was almost entirely developed in-house. It provides real-time monitoring of key operational metrics, allowing for greater efficiency of data center management processes. In addition, we have self-developed additional operational enhancement tools and technologies including robots, AI and smart buildings. This system was developed based on our proprietary know-how in customer service and the operation of data centers.

As of December 31, 2025, we had 246 registered computer software copyrights and 219 trademark registrations in mainland China, 86 trademark registrations outside mainland China and 27 pending trademark applications in mainland China, 16 pending trademark applications outside mainland China, including registered trademarks for “万国数据” “GDS”  and , our figure trademark. As of December 31, 2025, we had 164 patents granted and 149 patent applications in mainland China, had 4 patents granted and 3 patent applications outside mainland China and had registered 17 domain names, including *gds-services.com*.

We rely on a combination of copyright, trademark, trade secrets and other intellectual property laws, nondisclosure agreements and other measures to protect our intellectual property, such as our proprietary storage and management system, for which we have registered a copyright. We also promote protection through contractual prohibitions, such as requiring our employees to enter into confidentiality and non-compete agreements which are applicable to selected employees. We derive most our revenues in mainland China and use , our figure trademark, in a majority of our services. We have registered the figure trademark in mainland China in several categories that cover our service areas and we plan to register the figure trademark in mainland China in certain additional categories. We have also registered the pure text of “GDS”, “万国数据” as a trademark in several categories that cover our services areas, however, a third party has also registered the pure text of “GDS”, “万国数据” as a trademark in certain IT-related services. It is our belief, based on our industrial experience, that our business is different from the services for which the third party registered its trademark. Nevertheless, since the services for which the third party’s trademark is registered are also IT-related and could be deemed as similar to ours to some extent, we cannot assure you that a government authority or court will hold the same view with us that such similarity will not cause confusion in the market. In such a case, if we are to use the pure text of GDS as our trademark, we may be required to explore the possibility of acquiring this trademark, or entering into an exclusive licensing agreement with the third party, which will cause us to incur additional cost. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—We may be subject to third-party claims of intellectual property infringement.”

Seasonality

Our business is not materially affected by seasonality.

Insurance

We maintain various insurance policies to safeguard against risks and unexpected events. We have in place insurance coverage up to a level which we consider to be reasonable and which covers the type of risks usually insured by companies on the same or similar types of business as ours in mainland China. Our insurance broadly falls under the following categories: construction and installation, business interruption for lost profits, property and casualty, public liability, cybersecurity liability, directors and officers liability, employer liability and commercial employee insurance.

Competition

We offer a broad range of data center services and, as a result, we may compete with a wide range of data center service providers for some or all of the services we offer.

We compete on the basis of our data center quality, operating track record and differentiated managed service capabilities.

We primarily compete with other carrier-neutral data center service providers, including:

- *Domestic carrier-neutral data center service providers.* We compete with domestic carrier-neutral data center service providers with a presence in some of our markets. We believe that we are well-positioned in terms of our operational track record and our ability to: deliver high-performance data center services in all key markets; maintain consistently high facility and service quality; continue capacity expansion in all key markets to accommodate growing demand; and provide differentiated managed service offerings with a unique value proposition.
- *International carrier-neutral data center service providers.* We compete to a lesser extent with foreign carrier-neutral data center service providers. We believe that we distinguish ourselves by our larger capacity and more extensive market presence across the key economics hubs in mainland China, deep operating knowledge and long track record in the China market, and long-term relationships with the telecommunications carriers.

We also face competition from the state-owned telecommunications carriers, namely China Telecom, China Unicom and China Mobile. One of the main purposes for which these carriers develop data centers is in order to facilitate the sale of related telecommunications network services. In locations outside of the key economic hubs, these three carriers may sometimes be the only available provider of data center services. We distinguish ourselves from these carriers because we are carrier-neutral, enabling our customers to connect within our facilities with all three carriers based on their cost and/or network and application requirements. Although we compete with carriers for colocation customers, our customers also rely on the connectivity that carriers provide. We believe that we also have a mutually beneficial relationship with these carriers since our data center services often help carriers attract more customers for their telecommunications services.

Risk Management and Internal Control

Our risk management and internal control system consists of policies and procedures that we consider to appropriate for our business operations. Our internal control system is built according to the latest version of the COSO Internal Control — Integrated Framework (COSO framework) released by the U.S. COSO Committee. The COSO framework is the most widely recognized model by U.S. regulatory authorities and used broadly by listed companies in the U.S. to measure the effectiveness of an organization's internal controls. At the same time, we comply with the Enterprise Internal Control Basic Norms and Enterprise Internal Control Evaluation Guidelines issued by China's Ministry of Finance and Hong Kong Stock Exchange listing rules Appendix C3 – Code on Corporate Governance. We continuously optimize the internal control system to ensure full compliance with all regulatory and compliance requirements, while further improving our corporate governance practices and enhancing transparency. Our risk management provides an important structure for the steady operation of enterprises. Based on the COSO framework, we have established and implemented a three-tiered enterprise risk management system, including control environment, risk assessment and control activities.

Environmental and Operational Sustainability Initiatives

We published our fifth annual ESG report in July 2025, wherein we explain our progress in 2024 toward fulfilling our ESG commitments. For more information, please refer to our 2024 ESG report, which is accessible via hyperlink in our press release, Exhibit 99.1 to our Form 6-K (File No. 001-37925), furnished to the SEC on July 29, 2025.

We plan to publish our 2025 ESG report later this year, which will describe our 2025 ESG performance and initiatives. Below is a summary of 2025 ESG highlights:

Environmental. In 2025, around 60% of our operation related electricity consumption was from renewable energy sources. The renewable energy we used includes renewable energy purchased directly from grid and renewable energy certificates. Our self-developed data centers that began operations after 2020 and have an IT power utilization rate of 30% or higher, have achieved an average PUE (Power Usage Effectiveness) of around 1.23. Through various carbon emission reduction measures, carbon emissions in 2025 were reduced by over 1.5 million metric tons. As of December 31, 2025, 43 of our self-developed data centers have been recognized and awarded sustainability-related certifications by leading domestic and global organizations.

Social. In 2025, 28.57% of our mid to senior level management staff, 34.48% of senior level management staff and 18% of our board of directors were women. Average training hours per employee per year was 32.7. The annual employee turnover rate was 12.3%.

Governance. In 2025, 100% of our employees received compliance and anticorruption training. 100% of our employees received cybersecurity training.

Employees

We aim to provide our employees with a fair and transparent career development platform, with training opportunities available to all employees. We adopt “growth mindset” and use 3E (Experience, Exposure and Education) as our main development methodology to provide a wide range of orientations for new hires, on-job training, internal and external knowledge sharing, formal professional training, job related certification and others. We had approximately 2,345, 2,276 and 2,434 employees as of December 31, 2023, 2024 and 2025, respectively. The following table sets forth the number of our employees by function as of December 31, 2025:

	Number of Employees	% of Total
Colocation services	1,900	78.1 %
Managed services	121	5.0 %
Sales and marketing	112	4.6 %
Management, finance and administration	301	12.3 %
Total	2,434	100.0 %

To maintain the highest level of service, employee training and certification is essential to ensure that our employees meet and exceed industry requirements. Many of our engineering employees have received training and certifications from globally recognized IT service organizations, such as IBM AS/400 certifications, CCIE Safety Certified qualifications, VMware VCP and CISP Certificates.

We pay most of our employees a base salary and performance-based bonuses and provide welfare and other benefits required by law. In addition, we provide some of our employees with share-based compensation to align their interests more closely with our shareholders. We believe that our compensation and benefits packages are competitive within our industry. We have not had any labor disputes that materially interfered with our operations and we believe that our employee relations are good.

We also outsource certain operations, primarily on-site security, cleaning and greening service, part of the 24/7 on duty operations and IT and customer service delivery to reputable third-party service providers.

Facilities

Our headquarters are located at F4/F5, Building C, Sunland International, No. 999 Zhouhai Road, Pudong, Shanghai 200137, People’s Republic of China. We also have regional offices in Suzhou, Beijing, Chengdu, Shenzhen, Guangzhou and Hong Kong.

As of December 31, 2025, our offices were located on leased premises totaling approximately 8,696 sqm across China, including Hong Kong. We lease our office premises from third parties.

There was no single property interest of our Group that formed part of non-property activities had a carrying amount of 15% or more of our Group’s total assets as of December 31, 2025. Pursuant to section 6(2) of the Hong Kong Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirement of section 342(1)(b) of the Companies (WUMP) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (WUMP) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

Legal Proceedings

We may become subject to legal proceedings, investigations and claims incidental to the conduct of our business from time to time.

Our company was named as a defendant in a putative class action lawsuit filed in the United States District Court for the Central District of California. The lawsuit alleged violation by us and certain of our directors and officers of Section 10(b) and 20(a) of the Securities Exchange Act of 1934. The lawsuit alleged that a number of SEC filings submitted by our company included false and misleading statements regarding certain financing transactions entered into by Mr. William Huang. An amended complaint was filed on December 18, 2023. On February 5, 2024, we filed a motion to dismiss the amended complaint. Plaintiffs filed an opposition to our motion to dismiss on March 4, 2024, and we filed a reply in support of the motion to dismiss on March 18, 2024. We and plaintiffs agreed to participate in a private mediation on April 19, 2024, which resulted in settlement and dismissal of the lawsuit. On June 17, 2024, plaintiffs filed a motion for preliminary approval of class action settlement. The settlement agreement was preliminarily approved on October 9, 2024. On February 10, 2025, the court heard the motion for final approval of the settlement, and tentatively granted approval, pending receipt of further information regarding administrative fees, and the court finally approved the settlement on June 13, 2025.

Other than as described above, we are not currently a party to, nor are we aware of, any legal proceeding, investigation or claim which, in the opinion of our management, could have a material adverse effect on our business, financial condition or results of operation.

Regulatory Matters Related to Our Business

People's Republic of China Regulations

The following is a summary of the material laws and regulations or requirements that affect our business activities in China or the rights of our shareholders to receive dividends and other distributions from us.

Our internet data center businesses are classified as VATS by the PRC government. Current PRC laws, rules and regulations restrict foreign ownership of companies that engage in telecommunications-related businesses, including the provision of VATS. As a result, we operate our internet data center businesses through the VIEs and their subsidiaries, each of which is ultimately owned by PRC citizens and certain of which hold the licenses associated with these businesses. As the development of the internet and telecommunications industry in China is still evolving, new laws and regulations may be adopted from time to time that will require us to obtain additional licenses and permits in addition to those that we currently have, and to address new issues that arise from time to time. As a result, uncertainties exist regarding the interpretation and implementation of current and future Chinese laws and regulations applicable to the data center services industry. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in the People’s Republic of China.”

Regulations Relating to Foreign Investment and Wholly Foreign Owned Enterprises

The establishment, operation and management of corporate entities in the PRC are governed by the *PRC Company Law*, which was promulgated by the SCNPC on December 29, 1993, became effective on July 1, 1994 and was subsequently amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The PRC Company Law generally governs two types of companies, namely limited liability companies and joint stock limited companies, each a limited liability company or a joint stock limited company being an enterprise legal person and liable for its debts with all its assets. The PRC Company Law shall also apply to foreign-invested companies in the form of limited liability companies or joint stock limited companies, except otherwise set out in any other regulations. On March 15, 2019, the National People’s Congress adopted the 2019 PRC Foreign Investment Law, which became effective on January 1, 2020 and replaced three existing laws regulating foreign investment in China, namely, the Wholly Foreign-Invested Enterprise Law of the PRC, the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC and the Sino-Foreign Equity Joint Venture Enterprise Law of the PRC, together with their implementation rules and ancillary regulations. On December 26, 2019, the State Council issued the Regulations on Implementing the 2019 PRC Foreign Investment Law, which became effective on January 1, 2020, and replaced the Regulations on Implementing the Sino-Foreign Equity Joint Venture Enterprise Law of the PRC, Provisional Regulations on the Duration of Sino-Foreign Equity Joint Venture Enterprise Law, the Regulations on Implementing the Wholly Foreign-Invested Enterprise Law of the PRC, and the Regulations on Implementing the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC. The 2019 PRC Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments.

Pursuant to the 2019 PRC Foreign Investment Law, foreign investment means the investment activities within the PRC directly or indirectly conducted by foreign natural persons, enterprises, and other organizations, or the foreign investor, including the following circumstances: a foreign investor acquires any shares, equities, portion of property, or other similar interest in an enterprise within the PRC. The PRC applies the administrative system of pre-establishment national treatment plus negative list to foreign investment. Where a foreign investor invests in a field prohibited from investment by the Negative List (2024), the competent department shall order cessation of investment activity, disposition of shares and assets or adoption of other necessary measures during a specified period, and restoration to the state before investment; and its illegal income, if any, shall be confiscated. Where the investment activity of a foreign investor violates any special administrative measure for restrictive access as set out in the Negative List (2024), the competent department shall order the investor to take corrective action during a specified period and adopt necessary measures to meet the requirements of the special administrative measure. Where the investment activity of a foreign investor violates the Negative List (2024), it shall be otherwise subject to corresponding legal liabilities under the applicable law.

According to *Measures for Reporting of Information on Foreign Investment*, promulgated by the MOFCOM and the SAMR on December 30, 2019 and became effective on January 1, 2020, foreign investors or foreign-invested enterprises shall submit their investment information to the competent commerce authorities through the enterprise registration system and the National Enterprise Credit Information Publicity System. Market regulators shall post the aforesaid investment information submitted by foreign investors and foreign-invested enterprises to competent commerce authorities in a timely manner. When submitting the initial report, a foreign investor shall submit the information including but not limited to basic enterprise information, the information on the investor and the actual controller thereof, and investment transaction information. Where any information in the initial report changes, a foreign-invested enterprise shall submit the report of changes through the enterprise registration system. Where a foreign investor or a foreign-invested enterprise fails to submit the investment information as required, and fails to resubmit or correct such information after being notified by the competent commerce authority, the competent commerce authority shall order it to make corrections within 20 business days; in case that it fails to make corrections within the specified period, the competent commerce authority shall impose a fine of not less than RMB100,000 but not more than RMB300,000, or a fine of RMB300,000 to RMB500,000 if other severe violations exist simultaneously.

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the *Measures on the Security Review of Foreign Investment*, effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. The Office of the Working Mechanism of the Security Review of Foreign Investment, or the Office of the Working Mechanism, will be established under the NDRC, which will lead the task together with the MOFCOM. Foreign investor or relevant parties in China must declare the security review to the Office of the Working Mechanism prior to (i) the investments in the military industry, military industrial supporting and other fields relating to the security of national defense, and investments in areas surrounding military facilities and military industry facilities; and (ii) investments in important agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, important transport services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies and other important fields relating to national security, and obtain control in the target enterprise. Control exists when the foreign investor (i) holds over 50% equity interests in the target, (ii) has voting rights that can materially impact on the resolutions of the board of directors or shareholders meeting of the target even when it holds less than 50% equity interests in the target, or (iii) has material impact on target's business decisions, human resources, accounting and technology.

Regulations on Foreign Investment Restrictions

Investment activities in the PRC by foreign investors are principally governed by the *Industry Catalog Relating to Foreign Investment*, or the Catalog, which was promulgated and is amended from time to time by the MOFCOM and the NDRC. The Catalog divides industries into three categories: encouraged, restricted and prohibited. Industries not listed in the Catalog are generally deemed as constituting a fourth "permitted" category and open to foreign investment unless specifically restricted by other PRC regulations. Industries such as VATS, including internet data center services, are restricted to foreign investment.

On September 6, 2024, the MOFCOM and the NDRC promulgated the *Special Management Measures (Negative List) for the Access of Foreign Investment*, or the Negative List (2024), which became effective on November 1, 2024. The Negative List (2024) expands the scope of industries in which foreign investment is permitted by reducing the number of industries that fall within the Negative List (2021). Foreign investment in value-added telecommunications services (other than e-commerce, domestic multi-party communications, store-and-forward and call center), including internet data center services, still falls within the Negative List (2024).

According to the *Administrative Regulations on Foreign-Invested Telecommunications Enterprises* issued by the State Council on December 11, 2001 and amended on September 10, 2008, February 6, 2016 and March 29, 2022 respectively, foreign-invested value-added telecommunications enterprises must be in the form of a Sino-foreign equity joint venture. The regulations restrict the ultimate capital contribution percentage held by foreign investor(s) in a foreign-invested value-added telecommunications enterprise to 50% or less, except as otherwise provided by the state.

According to the Mainland China and Hong Kong Closer Economic Partnership Arrangement entered into by the MOFCOM and the Financial Department of Hong Kong on June 29, 2003 and the Mainland and Macau Closer Economic Partnership Arrangement entered into by the MOFCOM and the Department of Economy and Finance of Macau on October 17, 2003 together with their supplemental agreements, services providers from Hong Kong and Macau are permitted to set up foreign-invested enterprises in the form of a Sino-foreign equity joint venture in mainland to provide five types of specific VATS, including internet data center services, and the ultimate capital contribution percentage held by the services provider from Hong Kong and Macau is restricted to 50% or less.

On July 13, 2006, the MIIT issued the *Circular of the Ministry of Information Industry on Strengthening the Administration of Foreign Investment in Value-added Telecommunications Business*, or the MIIT Circular, according to which, a foreign investor in the telecommunications service industry in China must establish a foreign invested enterprise and apply for a telecommunications businesses operation license. The MIIT Circular further requires that: (i) PRC domestic telecommunications business enterprises must not, through any form, lease, transfer or sell a telecommunications businesses operation license to a foreign investor, or provide resources, offices and working places, facilities or other assistance to support the illegal telecommunications services operations of a foreign investor; (ii) value-added telecommunications business enterprises or their shareholders must directly own the domain names and trademarks used by such enterprises in their daily operations; (iii) each value-added telecommunications business enterprise must have the necessary facilities for its approved business operations and to maintain such facilities in the regions covered by its license; and (iv) all VATS providers are required to maintain network and internet security in accordance with the standards set forth in relevant PRC regulations. If a license holder fails to comply with the requirements in the MIIT Circular and cure such non-compliance, the MIIT or its local counterparts have the discretion to take measures against such license holder, including revoking its value-added telecommunications business operation license.

On June 29, 2021, the MIIT promulgated the *Circular on Deepening the Reform of the "Separation of Certificates and Licenses"* according to which the prior examination and approval of foreign investment in value-added telecommunications services is cancelled nationwide, and the corresponding examination of foreign investment will be included during the process of the issuance of VATS licenses.

In light of the above restrictions and requirements, we conduct our value-added telecommunications businesses through the VIEs and their subsidiaries.

Although China adopts a rather stringent management upon foreign investments towards value-added telecommunication services, on 10 April 2024, the MIIT released the VAT Circular, announcing that China will remove foreign ownership restrictions on certain VATS (Newly Opened-up VAT) provided within Beijing's national comprehensive demonstration zone for expanding opening-up in the service sector, Lingang new area of the China (Shanghai) Pilot Free Trade Zone and the pioneer area for socialist modernization in Shanghai, Hainan Free Trade Port and Shenzhen pilot demonstration area of socialism with Chinese characteristics (Pilot Areas). The Newly Opened-up VAT include IDC, content delivery networks, internet service providers, online data processing and transaction processing, information publishing platforms and information delivery services (excluding services related to internet news information, online publishing, internet radio and television, and internet culture management), and information protection and processing services. The VAT Circular states that the provincial government of the Pilot Areas proposed for implementation shall submit a pilot implementation plan to MIIT in accordance with their own circumstances. The MIIT will, in turn, organize relevant departments to conduct expert evaluation and verification, research and inspection of the safety supervision and security assurance system, among others. Upon meeting the necessary requirements, the MIIT will issue an approval to the eligible areas to proceed. Pursuant to the VAT Circular, the Beijing Communications Administration, Shanghai Communications Administration, Shenzhen Communications Administration and Industry and Information Technology Bureau, and Hainan Communications Administration successively released the relevant application guidelines for foreign investments to value-added telecommunication services within the Pilot Areas, namely the Policy Interpretation on the Pilot Program for Expanding the Opening-up of Value-added Telecommunications Services in Beijing on November 26, 2024, the Pilot Service Guidelines for Expanding the Opening-up of Value-added Telecommunications Services on November 25, 2024, the Notice on the Commencement of the Application Process for Foreign-invested Enterprises in the Pilot Program for Expanding the Opening-up of Value-added Telecommunications Services on November 26, 2024 and the Online Application Guidelines for the Pilot Program for Expanding the Opening-up of Value-added Telecommunications Services in the Hainan Free Trade Port on November 28, 2024. Pursuant to such guidelines, enterprises registered in the Pilot Areas which meet the specified requirements may submit applications for value-added telecommunications license. Such requirements mainly include, in addition to those same as the requirements for domestic enterprises to apply for a value-added telecommunications license, certain requirements provided under the VAT Circular: (i) operating entities which intend to provide the services under the Newly Opened-Up VAT shall be incorporated in and servicing facilities (including leasing, purchasing, and other facilities) must be placed in the same Pilot Areas; (ii) operating entities shall not purchase or rent facilities such as content delivery networks outside the Pilot Areas to carry out acceleration services; and (iii) scope of value-added telecommunications can be provided nationwide except whereby the service scope of internet service providers is limited to the Pilot Areas only, and internet service providers shall provide users with internet access services through the internet access equipment of basic telecommunications enterprises.

Regulations Related to Value-Added Telecommunications Business

Among all of the applicable laws and regulations, the *Telecommunications Regulations of the People's Republic of China*, or the Telecom Regulations, promulgated by the State Council on September 25, 2000 and amended on July 29, 2014 and February 6, 2016 respectively, is the primary governing law, and sets out the general framework for the provision of telecommunications services by domestic PRC companies. Under the Telecom Regulations, telecommunications service providers are required to procure operating licenses prior to their commencement of operations. The Telecom Regulations distinguish basic telecommunications services from VATS.

The Telecom Catalogue was issued as an attachment to the Telecom Regulations to categorize telecommunications services as either basic or value-added. The Telecom Catalogue amended on December 28, 2015 (which took effect from March 1, 2016 and was further amended on June 6, 2019), or the 2015 Telecom Catalogue, categorizes internet data centers, online data and transaction processing, on-demand voice and image communications, domestic internet virtual private networks, message storage and forwarding (including voice mailbox, e-mail and online fax services), call centers, internet access and online information and data search, among others, as VATS. The “internet data center” business is defined under the 2015 Telecom Catalogue as a business that (i) uses relevant infrastructure facilities in order to render outsourcing services for housing, maintenance, system configuration and management services for clients’ internet or other network related equipment such as servers, (ii) provides the leasing of equipment, such as database systems or servers, and the storage space housing the equipment and (iii) provides lease agency services of connectivity lines and bandwidth of infrastructure facilities and other application services. Also, internet resources collaboration services business is incorporated into the definition of internet data center business under the 2015 Telecom Catalogue, and defined as “the data storage, internet application development environment, internet application deployment and running management and other services provided for users through internet or other networks in the manners of access at any time and on demand, expansion at any time and coordination and sharing, by using the equipment and resources built on database centers.” Under the 2015 Telecom Catalogue, “fixed network domestic data transmission services” is categorized as a basic telecommunications business and defined as “a domestic end-to-end data transfer business by wired mode under fixed-net, except for the internet data transfer business,” and the “domestic internet virtual private networks service” is categorized as a value-added telecommunications business and defined as “a customization business of internet closed user group network for domestic users by self-owned or leased internet network resources of the operators and adopting TCP/IP agreement.”

On March 1, 2009, the MIIT promulgated the *Administrative Measures for Telecommunications Business Operating License*, or the original Telecom License Measures, which took effect on April 10, 2009. The original Telecom License Measures set forth the types of licenses required to provide telecommunications services in China and the procedures and requirements for obtaining such licenses. With respect to licenses for value-added telecommunications businesses, the original Telecom License Measures distinguish between licenses for business conducted in a single province, which are issued by the provincial-level counterparts of the MIIT and licenses for cross-regional businesses, which are issued by the MIIT. The licenses for foreign invested telecommunications business operators need to be applied with MIIT. An approved telecommunications services operator must conduct its business in accordance with the specifications stated on its telecommunications business operating license. Pursuant to the original Telecom License Measures, cross-regional VATS licenses shall be approved and issued by the MIIT with five-year terms. On July 3, 2017, the MIIT issued the Telecom License Measures, which took effect on September 1, 2017 and replaced the original Telecom License Measures. The changes mainly include among others, (i) the establishment of a telecommunications business integrated management online platform; (ii) provisions allowing the holder of a telecommunications business license (including the IDC license) to authorize a company, of which such license holder holds at least 51% of the equity interests indirectly, to engage in the relevant telecommunications business; and (iii) the cancellation of the requirement of an annual inspection of telecommunications business licenses, instead, requiring license holders to complete an annual report.

On November 30, 2012, the MIIT issued the *Circular of the Ministry of Industry and Information Technology of the People’s Republic of China on Further Standardizing the Market Access-related Work for Businesses Concerning Internet Data Centers and Internet Service Providers* which clarifies the application requirements and verification procedures for the licensing of IDC and internet service provider, or ISP, businesses and states that entities intending to engage in the IDC or ISP business could apply for a license since December 1, 2012.

On May 6, 2013, the Q&A was published on the website of China Academy of Information and Communications Technology. The Q&A, although not an official law or regulation, is deemed by the market as a guideline in practice which reflected the attitude of MIIT as to the application for VATS licenses, especially as to IDC services.

To comply with the above restrictions and requirements, among others, GDS Beijing has obtained a cross-regional value-added telecommunications license which permits it to provide data center services, including internet resources collaboration services, across 16 cities in China: Beijing, Chengdu, Shanghai, Shenzhen, Suzhou, Guangzhou, Zhangjiakou, Langfang, Tianjin, Huizhou, Wulanchabu, Nantong, Wuhan, Chongqing, Shaoguan and Ganzi. GDS Shanghai has obtained a cross-regional value-added telecommunications license which permits it to provide data center services across five cities in China: Beijing, Chengdu, Shanghai, Shenzhen and Suzhou, and GDS Suzhou has obtained a cross-regional value-added telecommunications license which permits it to provide data center services across 45 cities in China which can be divided into three categories: (i) data center services (including internet resources collaboration services), including Beijing, Tianjin, Zhangjiakou, Langfang, Dalian, Mudanjiang, Shanghai, Suzhou, Jiaxing, Yichang, Guangzhou, Shenzhen, Haikou, Chongqing, Chengdu, Lanzhou, Wulanchabu and Shaoguan; (ii) data center services without internet resources collaboration services, including Changzhou, Nantong, Yancheng, Jinhua, Taizhou, Xiaogan, Wuhan, Zhuhai, Zhaoqing, Huizhou and Heyuan; and (iii) data center services limited to internet resources collaboration services, including Taiyuan, Changchun, Hefei, Fuzhou, Nanchang, Jinan, Zhengzhou, Changsha, Nanning, Guiyang, Kunming, Lhasa, Xian, Xining, Yinchuan and Urumqi.

We received approvals from the MIIT to expand the scope of GDS Beijing's IDC license and enable GDS Suzhou's IDC license to cover internet resources collaboration services, fixed network domestic data transmission services and domestic internet virtual private networks service which, among other things, enable us to provide connectivity services over our own network to cloud and enterprise customers colocated in all of our data centers.

Regulations Related to Information Technology Outsourcing Services Provided to Banking Financial Institutions

On June 4, 2010, the CBIRC issued the *Guidelines on the Management of Outsourcing Risks of Banking Financial Institutions*, or the Guidelines, which requires that the banking financial institutions should manage risks in relation to outsourcing services, and thus, outsourcing services providers should meet the relevant standards and requirements with respect to their technical strength, service capacity, emergency response capacity, familiarity to the banking industry and etc., to pass the due diligence investigations conducted by the banking financial institutions pursuant to the Guidelines, and should also make commitments as to fulfilling reporting, cooperating, or other obligations as may be required by the banking financial institutions under the Guidelines.

On December 30, 2021, the CBIRC issued *Notice of the General Office of the China Banking and Insurance Regulatory Commission on Issuing the Measures for the Regulation of Risks in the Information Technology Outsourcing by Banking and Insurance Institutions*, or Circular 141. Circular 141 puts forward comprehensive requirements for IT outsourcing of banking and insurance institutions, including the requirements on IT outsourcing governance, access, monitoring and evaluation, risk management. According to such measures, IT outsourcing refers to the activities that banking and insurance institutions entrust the information technology activities originally handled by themselves to service providers for processing. According to Circular 141, the CBIRC is responsible for supervising banking and insurance institutions in their access management of information technology outsourcing service providers conducting risk assessment and rating of such service providers and establishing a risk monitoring and verification mechanism. For the outsourcing services providers, including those that are engaged in providing outsourcing services of operation and maintenance, such as outsourcing of operation and maintenance of the physical environment data centers (machine room), and etc., a banking and insurance institution shall submit a report to the CBIRC or the local CBIRC office 20 business days before entering into an outsourcing contract, and the CBIRC or the local CBIRC office may take measures, such as risk alert, interview, regulatory inquiry or requiring the banking and insurance institution to suspend or stop relevant outsourcing activities, for outsourcing risks of the banking and insurance institution if the outsourcing services are with high risks. Outsourcing service providers may not subcontract material services to others. The CBIRC requires the contracts between the outsourcing services providers and the banking and insurance institutions specify, among other things, that outsourcing services providers should comply with the laws and regulations and other internal management requirements for banking and insurance institutions and accept the supervision and review as conducted by the CBIRC.

Regulations Related to Land Use Rights and Construction

On June 11, 2003, the Ministry of Land and Resources, or the MLR, promulgated the *Regulation on Grant of State-owned Land Use Rights by Agreement*, which became effective on August 1, 2003. According to such regulation, the land use rights (excluding land use rights of properties to be used for business purposes, such as commercial, tourism, entertainment and commodity residential properties, which land use rights must be granted by way of tender, auction or listing-for-sale according to relevant laws and regulations) may be granted by way of agreement. The local land bureau and the intended user will negotiate the land fees which shall not be lower than the minimum price approved by the relevant government and enter into the grant contract. Upon signing of the contract for the grant of land use rights, the grantee is required to pay the land fees pursuant to the terms of the contract and the contract is then submitted to the relevant local land bureau for the issue of the land use right certificate.

If two or more entities are interested in the land use rights proposed to be granted, such land use rights shall be granted by way of tender, auction or listing-for-sale. Furthermore, according to the *Provisions on the Grant of State-owned Construction Land Use Right by Way of Tender, Auction and Listing-for-Sale*, which is effective from November 1, 2007, land use rights for properties for commercial use, tourism, entertainment and commodity residential purposes can only be granted through tender, auction and listing-for-sale.

According to the *Interim Regulations of the People's Republic of China Concerning the Assignment and Transfer of the Right to the Use of the State-Owned Land in the Urban Areas*, which is effective from May 19, 1990 and amended on November 29, 2020, after land use rights relating to a particular area of land have been granted by the State, unless any restriction is imposed, the party to whom such land use rights are granted may transfer (for a term not exceeding the term which has been granted by the State), lease or mortgage such land use rights on the conditions provided by laws and regulations. Upon a transfer of land use rights, all rights and obligations contained in the contract pursuant to which the land use rights were originally granted by the State are assigned from the transferor to the transferee. Upon expiration of the term of grant, the grantee may apply for renewal of the term. Upon approval by the relevant local land bureau, a new contract shall be entered into to renew the grant, and a grant fee shall be paid.

According to the *Land Registration Regulations* promulgated by the State Land Administration Bureau, the predecessor of the MLR, on December 28, 1995 and implemented on February 1, 1996, all land use rights which are duly registered are protected by the law, and the land registration is achieved by the issue of a land use right certificate by the relevant authority to the land user.

Under the *Administration Law of Urban Real Property of the People's Republic of China*, which was promulgated by the SCNPC on July 5, 1994 and amended on August 30, 2007, August 27, 2009 and August 26, 2019, the land must be developed in line with the purposes of the land and the deadline for commencement of construction as stipulated in the grant contract. Where construction does not commence within one year of commencement of construction as stipulated in the grant contract, an idle land fee may be charged at a rate of not more than 20% of the fee for the grant of land use rights. Where construction does not commence within two years, land use rights may be forfeited without compensation, except where the commencement of construction is delayed due to force majeure, an act of the government or relevant government departments, or preliminary work necessary for the commencement of construction.

Regulations Related to Fire Control

Pursuant to the *Fire Safety Law*, which was promulgated by the SCNPC on April 29, 1998, amended on October 28, 2008, April 23, 2019 and April 29, 2021, and the *Interim Provisions on Administration of Fire Control Design Review and Acceptance of Construction Project* promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and amended on August 21, 2023, the construction entity of a largescale crowded venue (including the construction of a manufacturing plant whose size is over 2,500 square meters) and other special construction projects must apply for fire prevention design review with fire control authorities, and complete fire assessment inspection and acceptance procedures after the construction project is completed. The construction entity of other construction projects must complete the fire safety completion inspection and acceptance procedures within five business days after passing the construction completion inspection and acceptance. If the construction entity fails to pass the fire safety inspection before such venue is put into use or fails to conform to the fire safety requirements after such inspection but still put it into use, it will be subject to (i) orders to suspend the construction of projects, use of such projects, or operation of relevant business, and (ii) a fine between RMB30,000 and RMB300,000.

Regulations Related to Filing and Energy Conservation of Fixed-Asset Investment

On November 30, 2016, the State Council promulgated the Administrative Regulations on the Approval and Filing of Enterprises' Investment Projects, which became effective on February 1, 2017. On March 8, 2017, the NDRC promulgated the Measures for the Administration of the Approval and Filing of Enterprises' Investment Projects which became effective on April 8, 2017 and was amended on March 23, 2023. Under such regulation, except those concerning national security or involving the allocation of major productive forces nationwide, strategic resource development or vital public interests, among others, investment projects shall be subject to filing administration. The projects subject to filing administration shall undergo the filing formalities under the territorial principle, except as otherwise provided by the State Council. After a project has completed the filing formalities, if the legal person of the project changes, there is any material change in the construction site, scale or content of the project, or the construction of the project is given up, the construction entity shall inform the project filing authority in a timely manner through the online platform, and modify the relevant information. Provinces in China have formulated the administrative measures for the project filing administration measures within their respective administrative regions, and specified the filing authorities and their power.

On July 17, 2025, the NDRC issued the *Measures for the Energy Conservation Review and Carbon Emission Assessment of Fixed-Asset Investment Projects*, which took effect on September 1, 2025 and replaced the *Measures for the Energy Conservation Review of Fixed-Asset Investment Projects*, which had been effective since June 1, 2023. Under these Measures, for an enterprise investment project, the construction entity shall, before commencing construction, obtain the energy conservation review opinion issued by the energy conservation review authority. The construction entity shall not commence the construction of a project which fails to undergo energy conservation review in accordance with the provisions of these Measures or fails to pass energy conservation review, and if the project has been completed, it shall not be put into production and use. In addition, energy conservation acceptance shall be conducted before a project is put into operation. With respect to projects which are divided and constructed into several phases, the corresponding energy conservation acceptance shall be conducted in phases. In the case of any major change in the construction content and energy efficiency level of a fixed-asset investment project passing energy conservation review, the construction entity shall file an amendment application with the energy conservation review authority. Furthermore, these Measures stipulate that the results of the carbon emission assessment shall be incorporated into the energy conservation review opinion and the project energy conservation report shall include, among others, the project's carbon emissions profile and the proposed energy-saving and carbon-reduction measures. Following these Measures, Shanghai, Beijing, Guangdong, Sichuan, Chongqing, Jiangsu, Inner Mongolia and other provinces and cities have formulated detailed regulations on the review of energy conservation of fixed-asset investment within their jurisdictions, and reinforced interim and post-filing supervision.

New regulations, policies and rules have been issued with respect to the construction or development of new data centers, and rebuilding or expansion of existing data centers. For example,

- The NDRC, the Office of the Central Cyberspace Affairs Commission, the MIIT and National Energy Administration jointly published the *Guiding Opinion on Accelerating the Construction of National Integrated Big Data Center Collaborative Innovation System* on December 23, 2020, pursuant to which, the PUE of large and extra-large data centers shall be at or below 1.3 in the year 2025.
- The NDRC, the Office of the Central Cyberspace Affairs Commission, the MIIT and National Energy Administration jointly published the *Implementation Plan for Carrying Out Target Requirements on Carbon Neutrality and Promoting the Green and High-quality Development of New Infrastructure such as Data Centers and 5G Networks* on November 30, 2021, pursuant to which authorities aim to reach: 1) the average PUE of newly constructed large and extra-large data centers shall be at or below 1.3 and the average PUE of such data centers in national hubs shall further be at or below 1.25 in the year 2025; 2) data centers of which the PUE is above 1.5 shall be upgraded; and 3) the overall utilization rate of data centers shall be significantly improved and the utilization rate of data centers in western areas shall be increased from 30% to over 50%.
- On February 28, 2022, the Chongqing Commission of Economy and Informatization, or the Chongqing CEI, the Chongqing Development and Reform Commission, or the Chongqing DRC, the Chongqing Municipal Bureau of Ecology and Environment, the Chongqing Administration for Industry and Commerce, or the Chongqing AIC, and the Energy Bureau of Chongqing jointly published the *Implementation Plan of Chongqing's Strict Energy Efficiency Constraints Promoting Energy Conservation and Carbon Reduction in Key Areas*, pursuant to which the PUE of large and extra-large data centers which are newly constructed shall be at or below 1.3, and the PUE of the existing data centers aim to be at or below 1.5 in the year 2025.

- On May 7, 2022, the Beijing EIT and the Beijing DRC jointly published the *Comprehensive Governance Work Plan of Data Centers with Low Energy Efficiency*, according to which the issuance of energy conservation review opinion may be withheld for areas where energy intensity or carbon intensity does not decrease but increases, or for areas or individual projects where the overall utilization rate of data centers which have been put into operation for one year with an annual energy consumption of 2,000 tons or more of standard coal is less than 50%.
- On June 24, 2022, the Shanghai CEI and the Shanghai DRC jointly issued the *Implementation Opinions on Promoting the Healthy and Orderly Development of Data Centers in Shanghai*, according to which construction entity shall operate data centers within two years after obtaining the energy consumption quota, otherwise, the energy consumption quota may be withdrawn by the competent governmental authority if appropriate. The *Implementation Opinions on Promoting the Healthy and Orderly Development of Data Centers in Shanghai* also provides that commitment made by the construction entity such as the equity structure, the construction plan and the energy conservation measures shall not be arbitrarily changed within the specified period of time after data centers are put into operation, and if the construction entity, after making rectification, still fails to meet the commitment resulting in serious inconsistency, the construction entity may be unable to apply for new projects in Shanghai in the future.
- On August 22, 2022, the NDRC, the MIIT, the Ministry of Finance of the People's Republic of China, the Ministry of Ecology and Environment of the People's Republic of China, the Ministry of Housing and Urban-Rural Development of the People's Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council and the National Energy Administration jointly published the *Action Plan for Green and Low Carbon Development in the Information and Communication Industry (2022-2025)*, according to which the PUE of large and extra-large data centers which are newly constructed shall be at or below 1.3 in the year 2025.
- On September 30, 2022, the Chongqing CEI, the Chongqing DRC, the Chongqing Municipal Bureau of Ecology and Environment, the Chongqing AIC, the Chongqing Finance Bureau and the Chongqing State-owned Assets Supervision and Administration Commission jointly published the *Chongqing Industrial Energy Efficiency Improvement Action Plan*, according to which the PUE of large and extra-large data centers which are newly constructed shall be at or below 1.25 in the year 2025.
- On December 2, 2022, the Guangdong DRC and the Guangdong IIT jointly issued the *Opinions on Strengthening the Layout and Construction of Data Centers*, according to which: 1) the average PUE of data centers which are newly constructed (other than the data centers located in data center clusters of national hubs) in Guangdong province shall be at or below 1.3; 2) the average PUE of data centers which are newly constructed and located in data center clusters of national hubs shall be at or below 1.25; 3) the PUE of the existing data centers should aim to be at or below 1.5 after technical upgrade; and 4) the average utilization rate of data centers in Guangdong Province should aim to reach 80%.
- On July 3, 2023, the Beijing DRC published the *Several Provisions on Further Strengthening the Energy Conservation Review of Data Center Projects*, which provides, among other things, that: 1) renewable energy usage plan shall be included in the energy conservation report, and renewable energy usage ratio of newly constructed data centers shall be increased gradually, which could be realized by means of renewable power trading and renewable energy certificates trading. The renewable energy usage level of data centers for the previous year shall be verified based on their energy conservation review opinions and energy conservation reports, and in accordance with the Technical Guidelines for Verification and Evaluation of Annual Renewable Energy Utilization Levels in Data Centers (Trial) published by the Beijing DRC on March 3, 2023; 2) for new construction or expansion of data centers, the PUE of such data centers shall be at or below 1.3, 1.25, 1.2 and 1.15 correspondingly if the annual energy consumption is less than 10,000 tons of standard coal, less than 20,000 tons of standard coal but not less than 10,000 tons of standard coal, less than 30,000 tons of standard coal but not less than 20,000 tons of standard coal, and not less than 30,000 tons of standard coal (energy equivalent value); 3) change formalities shall be conducted if the utilization rate of data centers is less than 80% within two years after the issuance of the energy conservation review opinion; and 4) differential power price shall be applicable to data centers of which the PUE is more than 1.4.
- On September 12, 2023, the Shenzhen Municipal People's Government published a *Notice on Issuing the Implementation Plan for Carbon Peaking in Shenzhen*, according to which energy conservation and carbon reduction shall be strengthened in new infrastructure. Data centers of which the PUE is above 1.4 shall be upgraded and replaced, and the PUE of data centers which are newly constructed shall be at or below 1.25.

- On April 23, 2024, the Shanghai Municipal People's Government published a *Notice on Issuing the Action Plan for Promoting Renewal of Large-scale Equipment and Trade-ins of Consumer Goods (2024-2027) in Shanghai*, according to which, the green and low-carbon transformation of data centers shall be promoted. The energy efficiency entry threshold for projects shall be raised, and the PUE of newly constructed data centers shall be at or below 1.25. The upgrading and transformation of existing data centers shall be accelerated, and small, inefficient, high-energy-consuming and "outdated, small and scattered" data centers shall be included into the catalog of restricted and phased-out industries. The promotion and application of efficient cooling technologies and new energy sources shall be increased, and to strive to achieve a PUE of no more than 1.4 after transformation, realizing an annual energy saving of more than 50,000 tons of standard coal.
- On April 24, 2024, the Beijing EIT and the Beijing Communications Administration jointly published a *Notice on Issuing the Implementation Plan of the Construction of Computing Power Infrastructure (2024-2027) in Beijing*, according to which, the PUE of all existing data centers shall be at or below 1.35 by the end of 2027. Existing data centers are encouraged to be upgraded and transformed into intelligent computing centers without increasing the total energy consumption, or to adopt efficient system designs such as liquid cooling, modular power supplies, and modular data rooms to reduce PUE and CUE indicators and those that cannot complete energy-saving renovations and fail to transform into intelligent computing centers shall be guided to be relocated, shut down, or exit.
- On May 31, 2024, the Shanghai CEI, the Shanghai DRC, Shanghai Municipal Finance Bureau, the Shanghai Branch of PBOC, the Shanghai Municipal Tax Service of STA, Shanghai Municipal Administration for Market Regulation and Shanghai Office of the National Financial Regulatory Administration jointly published a *Notice on Issuing the Special Campaign for Promoting Large-scale Equipment Renewals in Industrial Fields and Expanding the Application of Innovation Products in Shanghai*, according to which, the PUE of newly constructed data centers shall be at or below 1.25. "Outdated, small and scattered" data centers shall be included in the catalog of restricted and phased-out industries, and the PUE of such data centers shall aim to be at or below 1.4 after upgrade.
- On July 3, 2024, the NDRC, the MIIT, the National Energy Administration and the National Bureau of Data jointly published a *Notice on Issuing the Special Action Plan for the Green and Low-Carbon Development of Data Centers*, pursuant to which, by the end of 2025, the national data center layout will be more rational, with an overall utilization rate of no less than 60%. The average PUE will drop to below 1.5, the renewable energy utilization rate will increase by an average of 10% annually, and the average energy and carbon efficiency per unit of computing power will be significantly improved; in the city areas where existing data centers have been built and in operation for over one year with an overall utilization rate of less than 50%, in principle no new data center clusters or large and extra-large data center projects will be planned and constructed; by the end of 2025, the PUE of newly built and rebuilt large and super-large data centers will be reduced to below 1.25, and the PUE of national hub data center projects shall not be higher than 1.2.
- On July 11, 2024, the Shenzhen Municipal People's Government published a *Notice on Issuing the Implementation Plan for National Peak Carbon Dioxide Emissions Pilot in Shenzhen*, according to which, data centers with a PUE higher than 1.4 will be gradually transformed or eliminated and the PUE of newly constructed data centers shall be at or below 1.25.
- On January 9, 2025, the Shanghai CEI issued the *Guidelines for the Construction of Intelligent Computing Centers in Shanghai (2025 Edition)*, which stipulates that the construction of new intelligent computing centers is prohibited in areas within the Central Ring Road, and strictly restricted in areas between the Central Ring Road and the Outer Ring Road. For newly built intelligent computing centers, the baseline PUE shall be strictly controlled within 1.25, while the access value and advanced value for comprehensive PUE shall not exceed 1.22 and 1.18, respectively.
- On April 11, 2025, the People's Government of Jiangsu Province issued the *Three-Year Action Plan for the High-Quality Development of the Digital Economy in Jiangsu Province (2025-2027)*. Pursuant to this plan, efforts will be made to strengthen smart energy management in data centers and conduct energy consumption monitoring, analysis, and load forecasting. The integration of computing power and green electricity will be promoted, supporting the adoption of new power system models. Approval standards for new data centers will also be optimized.

The MIIT published the *Supervision Measures for Industrial Energy Conservation* on December 22, 2022, which became effective on February 1, 2023. According to such regulation, the industrial energy conservation supervision department supervises and inspects the implementation of the laws and regulations regarding the energy conservation related matters in data centers and penalties may be imposed in case of any failure to comply with these laws and regulations. Local authorities have also imposed various requirements as to the supervision of energy conservation. For example, the Beijing DRC, the Beijing EIT, together with other authorities, jointly issued a *Notice on Issuing the Implementation Plan for Further Strengthening Energy Conservation in Beijing (2024 Edition)* on January 29, 2024, according to which the online monitoring of energy conservation in large data centers should be strengthened.

New regulations, policies and rules have been issued with respect to the consumption and settlement of renewable energy. For example,

- On August 15, 2022, the NDRC, the National Bureau of Statistics and the National Energy Administration promulgated the *Circular of Further Effectively Conducting the Work Concerning Non-inclusion of Newly Added Renewable Energy Consumption in the Total Energy Consumption Control*, or the Circular 1258, according to which, the statistical accounting of data on cross-provincial and provincial transaction, consumption and settlement of renewable energy shall be strengthened, and renewable energy certificates, as certificates for the consumption of power generated from renewable energy, may be traded on the renewable energy certificates trading platform, the establishment of which is vigorously promoted.
- On January 27, 2024, the NDRC, the National Bureau of Statistics and the National Energy Administration further promulgated the *Notice on Strengthening the Connection between Renewable Energy Certificates and Energy Conservation and Carbon Emission Reduction Policy to Vigorously Promote Non-fossil Energy Consumption*, according to which, the consumption of non-fossil energy is promoted for the realization of the Dual-Control of energy consumption intensity and total volume, the electricity from renewable energy certificates trading will be taken into calculation of the energy conservation evaluation and assessment index and the scope of renewable energy certificates trading will be further enlarged.
- On July 3, 2024, the NDRC, the MIIT, the National Energy Administration and the National Bureau of Statistics promulgated the *Notice on Issuing the Special Action Plan for the Green and Low-Carbon Development of Data Centers*, which provides that, by the end of 2025, a two-way coordination mechanism for computing power and electricity will be initially formed, and the proportion of renewable energy power in newly built data centers in national hubs will exceed 80%.
- On October 18, 2024, the NDRC, the MIIT, the Ministry of Housing and Urban-Rural Development, the Ministry of Transport, the National Energy Administration and the National Data Bureau promulgated the *Guiding Opinions of the National Development and Reform Commission and Other Departments for Implementing the Renewable Energy Substitution Action*, which provides that the steady increase in the proportion of renewable energy used in newly built data centers will be promoted year by year.
- On March 6, 2025, the NDRC, the MIIT, the MOFCOM, the National Data Bureau and the National Energy Administration promulgated the *Opinion of the National Development and Reform Commission and Other Departments on Promoting the High-quality Development of the Renewable Energy Certificate Market*, according to which, the increase of the proportion of renewable energy power consumption in industries including data centers, etc., will be speeded up with a target of reaching a level of no lower than the average level of the total national renewable energy power consumption responsibility weight by 2030, and the proportion of renewable energy power consumption in newly built data centers in national hub areas will be further increased on the basis of 80%.

- On November 28, 2025, the National Energy Administration promulgated the *Detailed Rules for the Administration of Renewable Energy Green Electricity Certificates (Trial)*, which provide specific provisions for the issuance, transfer, cancellation, and related management of green electricity certificates corresponding to the electricity generated by renewable energy projects within China.

Regulations Related to Feed-in Electricity Price for Coal-Fired Power Generation and Renewable Energy Power Generation

On October 21, 2019, the NDRC promulgated the *Guiding Opinions on Deepening the Reform of the Formation Mechanism on Feed-in Electricity Price for Coal-Fired Power Generation*, which stipulates that the feed-in electricity price for coal-fired power generation will be liberalized in an orderly manner, and a market-based feed-in electricity price mechanism will be established accordingly.

On October 11, 2021, the NDRC further promulgated the *Notice on Further Deepening the Market-Oriented Reform of Feed-in Electricity Price for Coal-Fired Power Generation*, or the Notice, which restates the goal of “liberating the two ends”, i.e. the liberalization of the feed-in electricity price for coal-fired power generation and the liberalization of the user-side sales. On the power generation side, according to the Notice, all coal-fired power generation will enter the electricity market in principle, and a market-based electricity price mechanism will be established. It expands the fluctuation range of coal-fired power generation market transaction prices from the current float of no more than 10% increase, and in principle no more than 15% decrease to a fluctuation of no more than 20% in principle, and the market transaction price of high energy-consuming enterprises is not subject to a rise of 20% limit. On the electricity consumption side, the Notice encourages all industrial and commercial users to enter the electricity market and purchase electricity at market prices. At the same time, the Notice clarifies that for industrial and commercial users who have not directly purchased electricity from the electricity market, the power grid companies will purchase electricity as agents, and the agent power purchase price will be established through market-oriented methods.

On December 23, 2022, the NDRC issued a *Notice on Further Improving Power Purchase Agency for Power Grid Enterprises*. Pursuant to such regulation, the scope of power grid enterprises as power purchase agents should be narrowed down and industrial and commercial users are encouraged to enter the electricity market directly. Local authorities have also promulgated various requirements. For example, on December 12, 2024, the Beijing Municipal Commission of Urban Management issued a Notice on the Issuance of Electricity Market Trading Scheme and Green Electricity Trading Scheme in Beijing in 2025, which became effective on January 1, 2025 and according to which, in principle, all electricity users which are subject to industrial and commercial electricity prices should directly participate in market transactions.

On May 23, 2024, the State Council promulgated the *2024-2025 Energy Conservation and Carbon Reduction Action Plan*, which states the goal to improve the pricing policy, to implement the coal-fired power capacity price, to deepen the reform of market-oriented reform of new energy feed-in electricity tariffs and to study to improve the energy storage pricing mechanism. It also provides that high energy-consuming industries are strictly forbidden from being granted with electricity tariffs discount and the tiered electricity tariff system applicable to high energy-consuming industries should be improved in comprehensive consideration of energy consumption and environmental performance levels.

On January 6, 2025, the National Energy Administration issued the *Key Points of Energy Regulatory Work in 2025*, which states that the optimization of coal-fired power capacity pricing mechanism will be further promoted and in the areas where power spot markets have been developed, users are encouraged to actively participate in system adjustment and to participate in the market by quoting volume and price and in the areas where power spot markets have not been developed, time-segmented trading will be carried out to effectively guide users to reduce peak demand and fill valley demand.

On January 27, 2025, the NDRC and the National Energy Administration promulgated the *Notice of the National Development and Reform Commission and the National Energy Administration on Deepening the Market-oriented Reform of Price of Feed-in Electricity Generated with New Energy to Promote High-quality Development of New Energy*, according to which, all feed-in electricity generated by new energy projects including wind power generation and solar power generation shall in principle enter the power market with the feed-in electricity price to be formed through market transactions and it is encouraged for new energy power generation enterprises to enter into multi-year power purchase agreements with electricity users to manage market risks in advance and form a stable supply and demand relationship.

On September 9, 2025, the NDRC and the National Energy Administration promulgated the *Notice on Improving the Pricing Mechanism to Promote the Local Consumption of New Energy Generation*. According to this Notice, projects shall pay transmission and distribution fees based on capacity (or demand). The proportion of annual self-generated and self-consumed new energy power to total available generation shall not be lower than 60%; the proportion to total electricity consumption shall not be lower than 30%, and for new projects commencing from 2030, this threshold shall be no less than 35%.

Regulations Related to Information Security and Confidentiality of User Information

Internet activities in China are regulated and restricted by the PRC government and are subject to penalties under the *Decision Regarding the Protection of Internet Security*, promulgated by the SCNPC on December 28, 2000 and amended on August 27, 2009.

The Ministry of Public Security, or the MPS, has promulgated measures that prohibit use of the internet in ways that, among other things, divulge government secrets or disseminate socially destabilizing content. The MPS and its local counterparts have authority to supervise and inspect domestic websites to implement its measures. Internet information service providers that violate these measures may have their licenses revoked and their websites shut down.

On June 22, 2007, the MPS, the State Secrecy Administration and other relevant authorities jointly issued the *Administrative Measures for the Hierarchical Protection of Information Security*, which divides information systems into five categories and requires the operators of information systems ranking above Grade II to file an application with the local Bureau of Public Security within 30 days of the date of its security protection grade determination or since its operation.

The PRC government regulates the security and confidentiality of internet users' information. The *Administrative Measures on Internet Information Service* promulgated by the State Council on September 25, 2000 and respectively amended on January 8, 2011 and December 6, 2024, the *Regulations on Technical Measures of Internet Security Protection* promulgated by the MPS on December 13, 2005 and the *Provisions on Protecting Personal Information of Telecommunication and Internet Users* promulgated by the MIIT on July 16, 2013 set forth strict requirements to protect personal information of internet users and require internet information service providers to maintain adequate systems to protect the security of such information. Personal information collected must be used only in connection with the services provided by the internet information service provider. Moreover, the *Rules for Regulating the Order in the Market for Internet Information Service* which was promulgated by the MIIT on December 29, 2011 and came into effect on March 15, 2012 also protect internet users' personal information by (i) prohibiting internet information service providers from unauthorized collection, disclosure or use of their users' personal information and (ii) requiring internet information service providers to take measures to safeguard their users' personal information.

Pursuant to the *PRC Civil Code*, the personal information of a natural person shall be protected by the law. Any organization or individual shall legally obtain such personal information of others when necessary and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or make public personal information of others.

The *Personal Information Protection Law*, or the PIPL, which was promulgated by the SCNPC on August 20, 2021 and took effect on November 1, 2021, provides detailed rules for processing personal information and further improves the personal information protection system. It aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly and free flow of personal information in accordance with the law and promoting the reasonable use of personal information. The PIPL requires, among others, that (i) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose and should be conducted in a method that has the minimum impact on personal rights and interests, and (ii) the collection of personal information should be limited to the minimum scope as necessary to achieve the processing purpose and avoid the excessive collection of personal information. The PIPL also specifies the rules for handling "sensitive personal information," which means personal information that, once leaked or illegally used, may easily cause harm to the dignity of natural persons or grave harm to personal or property security, including information on biometric characteristics, financial accounts, individual location tracking.

The *Cybersecurity Law of the People's Republic of China*, or the Cybersecurity Law, which was approved by the SCNPC on November 7, 2016, revised on October 28, 2025 and came into effect on January 1, 2026, provides certain rules and requirements applicable to network service providers in China. The Cybersecurity Law requires network operators to perform certain functions related to cybersecurity protection and strengthen network information management by taking technical and other necessary measures as required by laws and regulations to safeguard the operation of networks, effectively addressing network security, preventing illegal and criminal activities, and maintaining the integrity, confidentiality and usability of network data. In addition, the Cybersecurity Law imposes certain requirements on network operators of critical information infrastructure, including that such network operators with operations in the PRC shall store personal information and important data collected and produced within the territory of PRC, and shall perform certain security obligations as required under the Cybersecurity Law.

On December 28, 2021, the Cyberspace Administration of China, or the CAC, the NDRC, the MIIT, the MPS, the Ministry of State Security, the Ministry of Finance, the MOFCOM, the PBOC, the SAMR, the National Radio and Television Administration, or the NRTA, the CSRC, the State Secrecy Administration and the State Cryptography Administration jointly promulgated the *Cybersecurity Review Measures*, which came into effect on February 15, 2022. The Cybersecurity Review Measures provides that, among others, a critical information infrastructure operator which engages in data processing activities or an online platform operator conducts data processing, either of which affects or may affect national security shall be subject to the cybersecurity review. In addition to the abovementioned circumstance under which the relevant operators are mandatorily imposed with the obligation to apply for cybersecurity reviews, the Cybersecurity Review Measures also provides that if the members of the cybersecurity review working mechanism consider that certain network products and services and data processing activities affect or may affect national security, the Cybersecurity Review Office shall report to the CAC for approval and initiate a cybersecurity review even if the operators do not have an obligation to report for a cybersecurity review under such circumstances. The Cybersecurity Review Measures also elaborated the factors to be considered when assessing the national security risks of the relevant activities, including among others, risks of core data, important data or a large amount of personal information being stolen, leaked, destroyed, and illegally used or exited the country and risks of critical information infrastructure, core data, important data or a large amount of personal information data being affected, controlled and maliciously used by foreign governments after a foreign listing. Many of the legislations are relatively new and certain concepts thereunder remain subject to interpretation by the regulators. For example, the Cybersecurity Review Measures provides that operators engaging in data processing who hold more than one million users' individual information and seek listing abroad shall file for cybersecurity review with the Cybersecurity Review Office under the CAC and the concepts of "listing abroad" and "hold" are still unclear. On July 30, 2021, the State Council promulgated the *Regulations on Protection of Critical Information Infrastructure*, which became effective on September 1, 2021 and defined "critical information infrastructure" as the important network facilities or information systems of key industries or fields, such as public communication and information service, energy, transportation, water conservation, finance, public services, e-government affairs and national defense science, and important network facilities or information systems which may endanger national security, people's livelihood and public interest once there occur damage, malfunctioning or data leakage to them. The Regulations on Protection of Critical Information Infrastructure provided that no individual or organization may carry out any illegal activity of intruding into, interfering with, or sabotaging any critical information infrastructures, or endanger the security of any critical information infrastructures. The Regulations on Protection of Critical Information Infrastructure also mandated that each critical information infrastructure operator shall establish a cybersecurity protection system and accountability system, and the principal person in-charge of a critical information infrastructure operator shall take full responsibility for the security protection of the critical information infrastructures operated by it. In addition, relevant administration departments of each important industry and sector, or the Protection Departments, shall be responsible for formulating the rule of critical information infrastructure determination applicable to their respective industry or sector, and determine the critical information infrastructure operators in their industry or sector. The result of the determination of critical information infrastructure operator shall be informed to the relevant operator by the Protection Departments, and notified to the public security department of the State Council as well.

On July 7, 2022, the CAC promulgated the *Measures for the Security Assessment of Data Cross-border Transfer*, and it became effective on September 1, 2022, which requires data processors apply to the national cyberspace administration through the local cyberspace administration at the provincial level under any of the following circumstances: (i) the data processor provides important data abroad, (ii) the critical information infrastructure operator or the data processor that has processed the personal information of over one million people provides personal information abroad, (iii) the data processor that has provided the personal information of over 100,000 people or the sensitive personal information of over 10,000 people cumulatively since January 1 of the previous year provides personal information abroad, or (iv) any circumstance where an application for the security assessment of outbound data transfer is required by the national cyberspace administration. PRC government authorities may have wide discretion in the interpretation and enforcement of the Security Assessment Measures, including whether we have exported “important data” as defined thereunder, and thus there is uncertainty as to whether we may be subject to security assessment. As there are still uncertainties regarding the further enactment of new laws and regulations as well as the revision, interpretation and implementation of those existing laws and regulations, we cannot assure that whether these provisions will be applicable to us.

On September 24, 2024, the State Council promulgated the *Cyber Data Security Regulations*, which became effective on January 1, 2025, and it specifies that cyber data processors refer to individuals or organizations that autonomously determine the purpose and the manner of processing cyber data. According to the *Cyber Data Security Regulations*, cyber data processors shall, in accordance with the provisions of laws and administrative regulations and the mandatory requirements of national standards, and on the basis of classified protection of cyber security, strengthen the protection of cyber data security, establish and perfect the system of cyber data security management, and take technical measures such as encryption, backup, access control and security authentication as well as other necessary measures to protect cyber data from being falsified, destroyed, divulged or illegally acquired or used, dispose of cyber data security incidents, prevent illegal and criminal activities aiming at and using cyber data, and assume primary responsibility for the security of the cyber data processed by them. Furthermore, cyber data processors that provides services for state agencies or critical information infrastructure operators, or participates in the construction, operation and maintenance of other public infrastructure or public service systems, shall perform its obligation of cyber data security protection and provide secure, stable and continuous services in accordance with the provisions of laws and regulations and contractual stipulations.

On January 13, 2025, the General Office of the MIIT issued the *Notice on Strengthening the Customer Data Security Protection in Internet Data Centers*, which provides that “IDCs” as new-generation information infrastructure, shall specify interface of security responsibilities (including to specify protection responsibilities and obligations of all the signing parties based on the cooperation mode and content under the customer contracts, third-party service provider contracts, etc.), strengthen organizational building and organizational safeguard, enhance customer management, reinforce the safeguard of the security of customer data, properly handle emergency incidents, provide capability of security protection services, safeguard the security of computer room facilities, properly manage the supply chain of equipment, secure data storage and computing, ensure data transmission security, and strengthen safety management of key services, etc. Along with this notice, the Implementation Guidelines for Customer Data Protection in Internet Data Centers are issued to provide guidance for IDCs to promote their customer data protection.

Regulations Related to Artificial Intelligence

The emergence of generative artificial intelligence is driving an explosion in demand for digital infrastructure which provides scalable storage mechanisms, such as cloud storage, and accommodates the big data needs integral to artificial intelligence technologies. Following such trend, regulations, policies and rules have been issued in order to meet the demand for data and computing power propelled by the rapid evolution of artificial intelligence technologies. For example,

- On July 29, 2022, the Ministry of Science & Technology, the Ministry of Education, the MIIT, the Ministry of Transport, the Ministry of Agriculture and Rural Affairs and the National Health Commission jointly issued the *Guiding Opinions on Accelerating Scenario Innovation and Promoting High-quality Economic Development with High-level Application of Artificial Intelligence*, according to which, efforts should be made to encourage the opening and sharing of computing power platforms, common technology platforms, industry training data sets, simulation training platforms and other artificial intelligence infrastructure resources, so as to provide computing power and algorithm resources for artificial intelligence enterprises to innovate scenarios.

- On October 8, 2023, the MIIT, the Office of the Central Cyberspace Affairs Commission, the Ministry of Education, the National Health Commission, the PBOC, the State-owned Assets Supervision and Administration Commission of the State Council jointly issued the *Action Plan for the High-quality Development of Computing Power Infrastructure*, according to which, in order to suit the development of the artificial intelligence industry and business needs, focus should be put on intensively developing intelligent computing centers in computing power hubs in western China and regions with a good foundation for artificial intelligence development, and the proportion of intelligent computing power should be reasonably increased.
- On December 25, 2023, the NDRC, the National Bureau of Data, the Office of the Central Cyberspace Affairs Commission, the MIIT and the National Energy Administration promulgated the *Implementation Opinions of the National Development and Reform Commission and Other Ministries and Commissions on In-depth Implementation of the East-to-West Computing Resource Transfer Project to Accelerate the Construction of a National Integrated Computing Power Network.*, according to which, the utilization rate of general computing power resources shall be significantly improved, the adaptation level of intelligent computing power in artificial intelligence and other fields shall be improved, and the computing power support ability of compute-intensive and data-intensive business shall be enhanced.
- On June 5, 2024, the MIIT, the Office of the Central Cyberspace Affairs Commission, the NDRC, the National Standardization Administration of PRC jointly issued a *Notice on Issuing the Guidelines for the Establishment of the National Comprehensive Standardization System for the Artificial Intelligence Industry (2024 Version)*, according to which, the standards for computing power centers regulate the technical requirements and assessment methods for infrastructure such as large-scale computing clusters for artificial intelligence, new data centers, intelligent computing centers, basic network communications, computing power networks and data storage.
- On July 3, 2024, the NDRC, the MIIT, National Energy Administration and the National Bureau of Data jointly published a *Notice on Issuing the Special Action Plan for the Green and Low-Carbon Development of Data Centers*, according to which, the layout of major productive forces based on artificial intelligence shall be strengthened, and the new energy and water and the capability to guarantee resources demanded by data centers shall be taken into account in guiding the standard construction of intelligent computing centers and promoting the production of agglomeration effects.
- On August 21, 2025, the State Council issued the *Opinions of the State Council on Deepening the Implementation of the “Artificial Intelligence+” Action*, which proposed accelerating technological breakthroughs and engineering implementation of ultra-large-scale intelligent computing clusters; optimizing the national layout of intelligent computing resources; improving the national integrated computing network; fully leveraging the role of the national “East Data West Computing” hubs; and enhancing coordination among computing power, data, electricity, and network resources.
- On September 4, 2025, the NDRC and the National Energy Administration jointly issued the *Implementation Opinions on Promoting High-Quality Development of “Artificial Intelligence+” Energy*, which, in response to the energy consumption challenges posed by artificial intelligence computing, called for accelerating breakthroughs in green and low-carbon technologies for AI, and encouraged the application of efficient integrated energy utilization technologies such as liquid cooling technology for data centers, waste heat recovery, and centralized backup power solutions.

Meanwhile, with the development of artificial intelligence technology, the PRC government authorities specially promulgated certain laws to regulate the algorithmic recommendation and deep synthesis technology which are closely related to the generative AI technology since the end of 2021. For example, on December 31, 2021, the CAC, the MIIT, the Ministry of Public Security and the SAMR jointly issued the *Administration Provisions on Algorithmic Recommendation of Internet Information Services*, pursuant to which algorithmic recommendation service providers must fulfill certain obligations, including fulfilling their responsibilities for algorithm security in order to regulate internet information service algorithm recommendation activities and safeguard national security and social public interests.

On November 25, 2022, the CAC, the MIIT and the MPS jointly issued the *Administrative Provisions on Deep Synthesis of Internet Information Services*, which took effect on January 10, 2023. These provisions not only emphasize that the providers of deep synthesis services, as the primary entities responsible for the information security, should not use deep synthesis services to engage in activities prohibited by laws and regulations, but also provide that technical supporter of deep synthesis services should, among others, strengthen the management of training data and take necessary measures to ensure the security of training data, and regularly review, evaluate, and verify the mechanism for generating synthesis algorithms.

On July 10, 2023, the CAC, the NDRC, the Ministry of Education, the Ministry of Science and Technology, the MIIT, the MPS, the State Administration of Radio and Television jointly promulgated the *Interim Measures for the Management of Generative Artificial Intelligence Service*, which became effective on August 15, 2023. Apart from regulating that generative artificial intelligence service providers shall carry out pre-training, optimization training, and other training data processing activities in accordance with applicable laws and regulations, the regulation provides that efforts should be made to drive the development of generative artificial intelligence infrastructure and public training data resource platforms to promote the collaboration and sharing of algorithm resources and improve the efficiency of the use of algorithm resources.

On March 7, 2025, the CAC, the MIIT, the MPS and the State Administration of Radio and Television jointly issued the *Notice on Promulgation of the Measures for Labeling AI-Generated or Composed Content*, which will become effective on September 1, 2025, pursuant to which, internet information service providers have the obligations to add explicit or implicit labels to the AI-generated or composed content in certain circumstances.

Regulations Related to Leases

According to the PRC Civil Code, the lease agreement shall be in writing if its term is over six months, and the term of any lease agreement shall not exceed twenty years. During the lease term, any change of ownership to the leased property does not affect the validity of the lease contract. The tenant may sub-let the leased property if it is agreed by the landlord and the lease agreement between the landlord and the tenant is still valid and binding. When the landlord is to sell a leased housing under a lease agreement, it shall give the tenant a reasonable advance notice before the sale, and the tenant has the priority to buy such leased housing on equal conditions. The tenant must pay rent on time in accordance with the lease contract. In the event of default of rental payment without reasonable cause, the landlord may ask the tenant to pay within a reasonable period of time, failing which the landlord may terminate the lease. The landlord has the right to terminate the lease agreement if the tenant sub-lets the property without consent from the landlord, or causes loss to the leased properties resulting from its using the property not in compliance with the usage as stipulated in the lease agreement, or defaults in rental payment after the reasonable period as required by the landlord, or other circumstances occurs allowing the landlord terminate the lease agreement under relevant PRC laws and regulations, or otherwise, if the landlord wishes to terminate the lease before its expiry date, prior consent shall be obtained from the tenants.

On December 1, 2010, Ministry of Housing and Urban-Rural Development promulgated the *Administrative Measures for Leasing of Commodity Housing*, which became effective on February 1, 2011. According to such measures, the landlords and tenants are required to enter into lease contracts which should generally contain specified provisions, and the lease contract should be registered with the relevant construction or property authorities at municipal or county level within 30 days after its conclusion. If the lease contract is extended or terminated or if there is any change to the registered items, the landlord and the tenant are required to effect alteration registration, extension of registration or deregistration with the relevant construction or property authorities within 30 days after the occurrence of the extension, termination or alteration.

Regulations Related to Intellectual Property Rights

The State Council and the National Copyright Administration, or the NCAC, have promulgated various rules and regulations relating to the protection of software in China. Under these rules and regulations, software owners, licensees and transferees may register their rights in software with the NCAC or its local branches and obtain software copyright registration certificates. Although such registration is not mandatory under PRC law, software owners, licensees and transferees are encouraged to go through the registration process to enjoy the better protections afforded to registered software rights.

The *PRC Trademark Law*, issued in 1982 and amended in 1993, 2001, 2013 and 2019, respectively, with its implementation rules issued in 2002 and amended in 2014, protects registered trademarks. According to the *PRC Trademark Law*, the *PRC Trademark Office of the State Administration for Industry and Commerce*, the predecessor of the *Trademark Office of China National Intellectual Property Administration*, handles trademark registrations and grants a protection term of ten years to registered trademarks.

On August 24, 2017, the MIIT replaced the *Administrative Measures on China Internet Domain Names* promulgated on November 5, 2004 with the *Administration Measures of Internet Domain Names*, which took effect on November 1, 2017. According to these measures, the MIIT is in charge of the overall administration of domain names in China. The registration of domain names in PRC is on a “first-apply-first-registration” basis. A domain name applicant will become the domain name holder upon the completion of the application procedure.

On March 12, 1984, the SCNPC promulgated the *Patent Law*, which was amended in 1992, 2000, 2008 and 2020, respectively. On June 15, 2001, the State Council promulgated the *Implementation Regulation for the Patent Law*, which was amended on December 28, 2002, January 9, 2010 and December 11, 2023, respectively. According to these laws and regulations, the State Intellectual Property Office is responsible for administering patents in the PRC. The Chinese patent system is premised upon the “first to file” principle, which means that where more than one person files a patent application for the same invention, a patent will be granted to the person who filed the application first. To be patentable, invention or utility models must meet three conditions: novelty, inventiveness and practical applicability. A patent is valid for 20 years in the case of an invention, for ten years in the case of utility models, and for 15 years in the case of designs. A third-party user must obtain consent or a proper license from the patent owner in order to use the patent.

Regulations Related to Employment

On June 29, 2007, the SCNPC adopted the *Labor Contract Law*, or the LCL, which became effective as of January 1, 2008 and was amended on December 28, 2012 (effective from July 1, 2013). The LCL requires employers to enter into written contracts with their employees, restricts the use of temporary workers and aims to give employees long-term job security.

Pursuant to the LCL, employment contracts lawfully concluded prior to the implementation of the LCL and continuing as of the date of its implementation will continue to be performed. Where an employment relationship was established prior to the implementation of the LCL but no written employment contract was concluded, a contract must be concluded within one month after the LCL’s implementation.

According to the *Social Insurance Law* promulgated by SCNPC which became effective from July 1, 2011 and was amended on December 29, 2018, the *Regulation of Insurance for Work-Related Injury* promulgated by the State Council on April 27, 2003 and amended on December 20, 2010, the *Provisional Measures on Insurance for Maternity of Employees* promulgated by the Ministry of Labor on December 14, 1994, the *Regulation of Unemployment Insurance* promulgated by the State Council on January 22, 1999, the *Decision of the State Council on Setting Up Basic Medical Insurance System for Staff Members and Workers in Cities and Towns* promulgated by the State Council on December 14, 1998, and the *Interim Regulation on the Collection and Payment of Social Insurance Premiums* promulgated by the State Council on January 22, 1999 and amended on March 24, 2019, an employer is required to contribute the social insurance for its employees in the PRC, including the basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and injury insurance.

Under the *Regulations on the Administration of Housing Funds*, promulgated by the State Council on April 3, 1999 and as amended on March 24, 2002 and March 24, 2019, respectively, an employer is required to make contributions to a housing fund for its employees. Where an enterprise fails to deposit the housing provident funds within the time limit or underpays the funds for its employees which is in violation of the aforesaid regulations, the competent administration authority shall order it to deposit the funds within a time limit, failing in which the competent administration authority may apply to the people’s court for enforcement.

Regulations Related to Foreign Currency Exchange and Dividend Distribution

Foreign Currency Exchange

The principal regulations governing foreign currency exchange in China are the *Foreign Exchange Administration Regulations*, promulgated by the State Council on January 29, 1996 (effective from April 1, 1996) as amended on January 14, 1997 and August 1, 2008 (which became effective on August 5, 2008), respectively. Under this regulation, the State does not restrict the international payment and transfer for current account items, including the goods and service-related foreign exchange transactions and other current exchange transactions, but not for capital account items, such as direct investments, loans, capital transfer and investments in securities, unless the prior approval of the SAFE is obtained and prior registration with the SAFE is made.

Pursuant to the *Administration Rules of the Settlement, Sale and Payment of Foreign Exchange* promulgated on June 20, 1996 by the PBOC, foreign-invested enterprises in China may purchase or remit foreign currency for settlement of current account transactions without the approval of the SAFE. Foreign currency transactions under the capital account are still subject to limitations and require approvals from, or registration with, the SAFE and other relevant PRC governmental authorities.

In addition, the *Notice of the General Affairs Department of SAFE on The Relevant Operation Issues Concerning the Improvement of the Administration of Payment and Settlement of Foreign Currency Capital of Foreign-invested Enterprises*, or Circular 142, which was promulgated on August 29, 2008 by SAFE, regulates the conversion by foreign-invested enterprises of foreign currency into Renminbi by restricting how the converted Renminbi may be used. Circular 142 requires that Renminbi converted from the foreign currency-denominated capital of a foreign-invested enterprise may only be used for purposes within the business scope approved by the relevant government authority and may not be used to make equity investments in PRC, unless specifically provided otherwise. The SAFE further strengthened its oversight over the flow and use of Renminbi funds converted from the foreign currency-denominated capital of a foreign-invested enterprise. The use of such Renminbi may not be changed without approval from the SAFE, and may not be used to repay Renminbi loans if the proceeds of such loans have not yet been used. Any violation of Circular 142 may result in severe penalties, including substantial fines.

On November 19, 2012, SAFE promulgated the *Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment*, which substantially amends and simplifies the current foreign exchange procedure and became partially invalid according to the *Circular on Repealing and Invalidating Five Normative Documents Concerning Administration of Foreign Exchange and some Articles of Seven Normative Documents Concerning Administration of Foreign Exchange* promulgated by the SAFE on December 30, 2019, or Circular on Repealing and Invalidating. Pursuant to this circular, the opening of various special purpose foreign exchange accounts, such as pre-establishment expenses accounts, foreign exchange capital accounts and guarantee accounts, the reinvestment of Renminbi proceeds by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE, and multiple capital accounts for the same entity may be opened in different provinces, which was not possible previously. In addition, SAFE promulgated the *Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents* in May 2013, or Circular 21, which specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration and banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches. Circular 21 was partially invalid according to Circular on Repealing and Invalidating.

In July 2014, SAFE decided to further reform the foreign exchange administration system in order to satisfy and facilitate the business and capital operations of foreign invested enterprises, and issued the *Circular on the Relevant Issues Concerning the Launch of Reforming Trial of the Administration Model of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises in Certain Areas*, or Circular 36, on July 4, 2014 (which became effective on August 4, 2014). This circular suspends the application of Circular 142 in certain areas and allows a foreign-invested enterprise registered in such areas to use the Renminbi capital converted from foreign currency registered capital for equity investments within the PRC.

On March 30, 2015, SAFE released the *Notice on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises*, or Circular 19, which made certain adjustments to some regulatory requirements on the settlement of foreign exchange capital of foreign-invested enterprises, lifted some foreign exchange restrictions under Circular 142, and annulled Circular 142 and Circular 36. However, Circular 19 continues to, prohibit foreign-invested enterprises from, among other things, using Renminbi fund converted from its foreign exchange capitals for expenditure beyond its business scope, providing entrusted loans or repaying loans between non-financial enterprises. Circular 19 was partially invalid according to Circular on Repealing and Invalidating.

On June 9, 2016, SAFE issued the *Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts*, or Circular 16, which took effect on the same day and was partially amended by the *Notice on Further Deepening the Reform to Facilitate Cross - border Trade and Investment* by the SAFE on December 4, 2023. Compared to Circular 19, Circular 16 not only provides that, in addition to foreign exchange capital, foreign debt funds and proceeds remitted from foreign listings should also be subject to the discretionary foreign exchange settlement, but also lifted the restriction, that foreign exchange capital under the capital accounts and the corresponding Renminbi capital obtained from foreign exchange settlement should not be used for repaying the inter-enterprise borrowings (including advances by the third party) or repaying the bank loans in Renminbi that have been sub-lent to the third party.

On January 26, 2017, SAFE promulgated the *Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification*, or Circular 3, which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transactions, banks shall check board resolutions regarding profit distribution, original copies of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting any profits. Moreover, pursuant to Circular 3, domestic entities shall make detailed explanations of their sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with any outbound investments.

On October 23, 2019, the SAFE promulgated the *Notice for Further Advancing the Facilitation of Cross-border Trade and Investment*, or Circular 28, which was partially amended by the *Notice on Further Deepening the Reform to Facilitate Cross - border Trade and Investment* by the SAFE on December 4, 2023. Circular 28 in principle, among other things, allows all foreign-invested companies to use Renminbi converted from foreign currency-denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the Negative List (2024) on foreign investment.

On April 10, 2020, SAFE promulgated the *Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business*, or Circular 8. According to Circular 8, eligible enterprises are allowed to make domestic payments by using their registered capitals, foreign debts and financings from overseas listing, with no need to provide evidentiary materials concerning authenticity of each of such funds for banks in advance, provided that their funds usage shall be authentic and in line with the currently effective administrative regulations on the use of funds under capital accounts. The concerned banks may conduct random examination in accordance with the relevant requirements, in which case certain evidentiary materials concerning authenticity of such funds may be required to be provided.

SAFE Circular 37

SAFE Circular 37 replaced the former circular commonly known as Circular 75 promulgated by SAFE on October 21, 2005. SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the mainland China subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its mainland China subsidiary. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

On February 13, 2015, SAFE released the *Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment*, or Circular 13 (effective from June 1, 2015), which has amended SAFE Circular 37 by requiring PRC residents or entities to register with qualified banks rather than SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. Circular 13 was partially invalid according to Circular on Repealing and Invalidating.

Share Option Rules

Under the *Administration Measures on Individual Foreign Exchange Control* issued by the PBOC on December 25, 2006 (effective from February 1, 2007), all foreign exchange matters involved in employee share ownership plans and share option plans in which PRC citizens participate require approval from SAFE or its authorized branch. Pursuant to SAFE Circular 37, PRC residents who participate in share incentive plans in overseas non-publicly-listed companies may submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose companies. In addition, under the *Notices on Issues concerning the Foreign Exchange Administration for Domestic Individuals Participating in Share Incentive Plans of Overseas Publicly-Listed Companies* issued by SAFE on February 15, 2012, or the Share Option Rules, PRC residents who are granted shares or share options by companies listed on overseas stock exchanges under share incentive plans are required to (i) register with SAFE or its local branches, (ii) retain a qualified PRC agent, which may be a mainland China subsidiary of the overseas listed company or another qualified institution selected by the mainland China subsidiary, to conduct the SAFE registration and other procedures with respect to the share incentive plans on behalf of the participants, and (iii) retain an overseas institution to handle matters in connection with their exercise of share options, purchase and sale of shares or interests and funds transfers.

Dividend Distribution

The principal regulations governing the distribution of dividends paid by wholly foreign-owned enterprises include the PRC Company Law, the 2019 PRC Foreign Investment Law and *Regulations on Implementing the 2019 PRC Foreign Investment Law*. Under these regulations, wholly foreign-owned enterprises in China may pay dividends only out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise in China is required to set aside at least 10% of its after-tax profit based on PRC accounting standards each year to its general reserves until its cumulative total reserve funds reach 50% of its registered capital. These reserve funds, however, may not be distributed as cash dividends.

Foreign Debts

On January 5, 2023, NDRC issued the *Administrative Measures for Examination and Registration of Medium and Long-term Foreign Debts of Enterprises*, which became effective on February 10, 2023, provides that enterprises borrowing foreign debts must complete formalities for examination and registration of foreign debts and report and disclose the relevant information. Enterprises must complete examination and registration and obtain the Certificate of Examination and Registration from NDRC before they could legally borrow foreign debts. In addition, enterprises must submit information of utilization of foreign debts, repayment, planned arrangements and major business indicators to NDRC at the end of each January and July. Since this regulation is relatively new, uncertainties exist in relation to its interpretation and implementation.

Regulations Related to Taxation

Enterprise Income Tax

Prior to January 1, 2008, according to the Provisional Regulations of the People's Republic of China on Enterprises Income Tax promulgated by the State Council on December 13, 1993 and the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises promulgated by the National People's Congress on April 9, 1991, entities established in the PRC were generally subject to a 30% national and 3% local enterprise income tax rate. Various preferential tax treatments promulgated by PRC tax authorities were available to foreign-invested enterprises.

In March 2007, the National People's Congress enacted the *Enterprise Income Tax Law*, which was amended in February 2017 and December 2018, respectively, and in December 2007 the State Council promulgated the *Implementing Rules of the Enterprise Income Tax Law*, or the Implementing Rules, which were amended in April 2019 and December 2024, respectively, both of which became effective on January 1, 2008. The Enterprise Income Tax Law (i) reduces the top rate of enterprise income tax from 33% to a uniform 25% rate applicable to both foreign-invested enterprises and domestic enterprises and eliminates many of the preferential tax policies afforded to foreign investors, (ii) permits companies to continue to enjoy their existing tax incentives, subject to certain transitional phase-out rules and (iii) introduces new tax incentives, subject to various qualification criteria.

The Enterprise Income Tax Law also provides that enterprises organized under the laws of jurisdictions outside China with their “de facto management bodies” located within China may be considered PRC resident enterprises and therefore be subject to PRC enterprise income tax at the rate of 25% on their worldwide income. The Implementing Rules further define the term “de facto management body” as the management body that exercises substantial and overall management and control over the production and operations, personnel, accounts and properties of an enterprise. If an enterprise organized under the laws of jurisdiction outside China is considered a PRC resident enterprise for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. First, it would be subject to the PRC enterprise income tax at the rate of 25% on its worldwide income. Second, a 10% withholding tax would be imposed on dividends it pays to its non-PRC enterprise shareholders and with respect to gains derived by its non-PRC enterprise shareholders from transfer of its shares.

Prior to January 1, 2008, according to the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises promulgated by the National People's Congress on April 9, 1991 dividends payable to foreign investors derived by foreign enterprises from business operations in China were exempted from PRC enterprise income tax. However, such exemption was revoked by the Enterprise Income Tax Law and dividends generated after January 1, 2008 and payable by a foreign-invested enterprise in China to its foreign enterprise investors are subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for a preferential withholding arrangement. Pursuant to the *Notice of the State Administration of Taxation on Negotiated Reduction of Dividends and Interest Rates*, which was issued by the STA on January 29, 2008, supplemented and revised on February 29, 2008 and annulled on May 26, 2023, and the *Arrangement between Mainland China and the Hong Kong for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income*, which became effective on December 8, 2006 and applies to income derived in any year of assessment commencing on or after April 1, 2007 in Hong Kong and in any year commencing on or after January 1, 2007 in the PRC, such withholding tax rate may be lowered to 5% if a Hong Kong enterprise is deemed the beneficial owner of any dividend paid by a mainland China subsidiary by PRC tax authorities and holds at least 25% of the equity interest in that particular mainland China subsidiary at all times within the 12-month period immediately before distribution of the dividends. Furthermore, according to the *Circular on Several Questions regarding the “beneficial owner” in Tax Treaties*, which was issued by the STA on February 3, 2018 and became effective on April 1, 2018, when determining an applicant's status as a “beneficial owner” regarding tax treatments in connection with dividends, interest or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of his or her income in twelve months to residents in other countries or regions, whether the business operated by the applicant constitutes actual business activities, and whether the country or region which is a counterparty to the tax treaty does not levy any tax, grants tax exemption on relevant income, or levies tax at an extremely low rate, will be taken into account. Such factors will be analyzed according to the actual circumstances of each specific case. This circular further provides that applicants who intend to prove his or her status as a “beneficial owner” shall submit relevant documents to the relevant tax bureau according to the *Announcement on Issuing the Measures for the Administration of Non-Resident Taxpayers' Enjoyment of the Treatment under Agreements* issued by the STA on October 14, 2019.

Value-Added Tax and Business Tax

Pursuant to Provisional Regulations of the People's Republic of China on Business Tax promulgated by the State Council on December 13, 1993 and annulled on November 19, 2017, any entity or individual conducting business in the service industry is generally required to pay a business tax at the rate of 5% on the revenues generated from providing such services. However, if the services provided are related to technology development and transfer, such business tax may be exempted subject to approval by the relevant tax authorities.

In November 2011, the MOF and the STA promulgated the *Pilot Plan for Imposition of Value-Added Tax to Replace Business Tax*. In March 2016, the MOF and the STA further promulgated the *Notice on Fully Promoting the Pilot Plan for Replacing Business Tax by Value-Added Tax*, which became effective on May 1, 2016. Pursuant to the pilot plan and relevant notices, the pilot project of replacing business tax with value-added tax, or the VAT, has been fully rolled out nationwide. Unlike business tax, a taxpayer is allowed to offset the qualified input VAT paid on taxable purchases against the output VAT chargeable on the modern services provided.

The *Value-Added Tax Law* of the PRC, or the VAT Law, promulgated by the SCNPC on December 25, 2024, and the *Implementing Regulations of the VAT Law* promulgated by the State Council on December 25, 2025, came into effect on January 1, 2026. According to the VAT Law and its implementing regulations, unless otherwise specified by relevant laws and regulations, any entity or individual engaged in sales of goods, services, intangible assets, or immovable property within the territory of the PRC, or that imports goods, is generally required to pay VAT in accordance with the provisions of the VAT Law.

According to the *Announcement issued by the MOF and the STA on Matters Concerning the Specific Scope of VAT Levy*, which came into effect on January 1, 2026, among telecommunications services, the provision of basic telecommunications services such as internet broadband access services is subject to a VAT rate of 9%, whereas value-added telecommunications services shall be subject to a VAT rate of 6%. Furthermore, in accordance with the *Announcement of the MOF and the STA on VAT and Consumption Tax Policies for Export Transactions*, telecommunication services provided to overseas entities that are fully consumed outside of the PRC are considered cross-border sales of services eligible for VAT exemption policies, and thus may qualify for an export VAT exemption under the relevant provisions.

Regulations Related to M&A and Overseas Listings

The M&A Rules, among other things, require that (i) PRC entities or individuals obtain MOFCOM approval before they establish or control a special purpose vehicle, or SPV, overseas, provided that they intend to use the SPV to acquire their equity interests in a PRC company at the consideration of newly issued share of the SPV, or Share Swap, and list their equity interests in the PRC company overseas by listing the SPV in an overseas market; (ii) the SPV obtains MOFCOM's approval before it acquires the equity interests held by the PRC entities or PRC individual in the PRC company by Share Swap; and (iii) the SPV obtains CSRC approval before it lists overseas.

In addition, the *Measures for the Security Review of Foreign Investment*, or the NSR Measures, was jointly issued by the NDRC and MOFCOM on December 19, 2020, and effective from January 18, 2021. The NSR Measures specify, among other things, provisions concerning the national security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures. According to the NSR Measures, the national security review working mechanism, or the NSR Authority, is empowered to be responsible for overseeing, coordinating and guiding the national security review procedures, and all foreign investment in the defense-related sectors and the investment resulting in foreign investors' acquisition of the control of the PRC target in certain other important sectors (including important infrastructure and important information technology and internet products and services) are subject to national security review, while there is no further guidance on the exact coverage of such important sectors nor a clear definition of the "control", and the NSR Authority has a very broad discretion to interpret and determine in practice. In order to regulate overseas securities offering and listing activities by domestic companies in direct or indirect form, on February 17, 2023, the CSRC released the *New Regulations on Filing*. Under New Regulations on Filing, a filing-based regulatory system will be applied to "indirect overseas offering and listing" of PRC domestic companies, which refers to such securities offering and listing in an overseas market made in the name of an offshore entity, but based on the underlying equity, assets, earnings or other similar rights of a domestic company which operates its main business domestically. According to the New Regulations on Filing, if the issuer meets the following conditions at the same time, its offering and listing will be deemed as an "indirect overseas offering and listing by a domestic company": (i) the revenues, total profits, total assets or net assets of the Chinese operating entities in the most recent financial year accounts and any index accounts for more than 50% of the corresponding data in the issuer's audited consolidated financial statements for the same period; (ii) the main parts of business activities are conducted in PRC or its principal place of business is located in PRC, or the majority of senior management in charge of business operation are Chinese citizens or have domicile in PRC. In case of an overseas initial public offering or listing, it shall file with the CSRC within three working days after submitting the application documents for issuance and listing abroad. However, listed companies are not required to apply for the filing immediately until they involved in matters required filings, such as follow-on financing activities. Pursuant to the newly promulgated New Regulations on Filing, as for companies seeking offering and listing with contractual arrangements, the CSRC will solicit opinions from relevant regulatory authorities and approve the filing of the offering and listing of such companies if they duly meet the compliance requirements. In addition, new PRC laws, rules and regulations may be introduced to impose additional requirements that may impose additional challenges to our corporate structure and VIE agreements. If we fail to timely complete the relevant filing procedures for our further offering, we may face sanctions by the CSRC or other PRC regulatory agencies, which may include fines and penalties on our operations in China, limitations on our operating privileges in China, restrictions on or prohibition of the payments or remittance of dividends by our mainland China subsidiary in China, delay of or restriction on the repatriation of the proceeds from this offering into China, or other actions that could have a material and adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs. The CSRC or other PRC regulatory authorities also may take actions requiring us, or circumstances may become advisable for us, to halt our offerings before settlement and delivery of the shares offered.

Regulations Related to C-REITs

The regulatory framework for infrastructure REITs in the PRC has evolved from a pilot program into a more normalized market regime with a progressively expanding asset scope. In April 2020, the CSRC and the NDRC jointly issued the Notice on Promoting the Pilot Work Relating to Infrastructure REITs (CSRC [2020] No. 40), which launched the pilot program and established the “public fund + asset-backed securities” structure for publicly offered infrastructure REITs in China. IDC was included in the scope of eligible assets for REITs issuance in the pilot program. Following the launch of the pilot, the PRC authorities gradually broadened the range of eligible underlying assets through subsequent rules and policy guidance. For example, the NDRC’s Notice on Further Improving the Pilot Work for Infrastructure REITs (NDRC Investment [2021] No. 958) expanded the pilot to cover additional sectors including affordable rental housing and water conservancy facilities with clean energy.

In July 2024, the NDRC further issued the Notice on Comprehensively Promoting the Regularized Issuance of Infrastructure REIT Projects (NDRC Investment [2024] No. 1014), which standardized and streamlined the project application and recommendation process and marked the transition of the C-REITs market into a stage of regularized issuance.

Building on this institutional normalization, the NDRC released the REIT Project Industry Scope List (2025 Edition) in December 2025, further broadening the eligible asset universe to include, among others, certain commercial properties, consumption infrastructure, elderly care facilities and urban renewal projects, while also expanding the circumstances in which hotel-related assets may be included.

The injection of data centers as underlying assets into a C-REIT involves a rigorous two-stage regulatory review process. Initially, the project originator not classified as a central state-owned enterprise must obtain a “No Objection Letter” from both the provincial-level development and reform commissions and the NDRC. This review primarily assesses the completeness of project materials, asset’s compliance with national macro policies, adherence of investment management, appropriateness of the use of recovered proceeds, and other relevant requirements. For IDC projects, the NDRC and its local counterparts enforce strict guideline on minimum operating history, occupancy requirements and PUE thresholds to ensure alignment with national IDC development policies. Following the NDRC’s recommendation, the REIT fund manager must complete a registration process of the infrastructure fund with the CSRC and the relevant Stock Exchange, which involves a comprehensive review of the legal structure, commercial arrangement, asset valuation, asset management and operation, fund management, and disclosure adequacy. For the injection of expansion assets (follow-on offerings), C-REITs must typically have been listed for at least 6 months before submitting an application for the acquisition of new underlying assets for expansion, and the target assets must undergo a similar NDRC and CSRC review process to ensure they meet the standardized criteria for quality and operational stability required for public listing.

Hong Kong Regulations

While there is no specific regulatory approval required for companies, including foreign entities, to develop and operate data centers in Hong Kong, our business operations are subject to various regulations and rules promulgated by the Hong Kong government. The following is a brief summary of the Hong Kong laws and regulations that currently and materially affect our business.

This section does not purport to be a comprehensive summary of all present and proposed regulations and legislation relating to the industries in which we operate.

Laws and Regulations related to Town Planning and Land Use Rights of Data Centers

Generally, companies do not face restrictions on the purchase and ownership of land and buildings. Under Hong Kong’s Town Planning Ordinance (Chapter 131 of the Laws of Hong Kong), or the TPO, land in Hong Kong is zoned for different purposes under the Outline Zoning Plans, or the OZPs. Data centers may only be operated in certain areas under the OZPs including areas zoned as “Commercial”, “Industrial” and more. Permission may also be given from the Town Planning Board for certain other areas, including areas zoned as “Comprehensive Development Area” to be used as data centers.

In addition to the town planning restrictions under the TPO, the use of any specific land lot in Hong Kong is also subject to the land lease governing the lot on which the property stands and containing restrictions on the land use and other requirements maintained by, among others, the Lands Department, or LandsD.

Companies developing and operating data centers in Hong Kong may source potential land supply by either directly acquiring land from the Hong Kong government or to convert existing lands and properties by way of applying for either a lease modification or waiver on lease restrictions as part of the Hong Kong government's initiative to provide concessionary measures to facilitate data center development.

The Practice Notes No. 3/2012, No. 3/2012A and No. 3/2012B published by LandsD in 2016, or the PNs, introduced measures to incentivize the relevant land owners to apply for a lease modification or a land exchange for development of an industrial lot for high-tier data center use. According to the PNs, relevant owners or developers may submit an application for development of an industrial land lot for a high-tier data center use up to or less than the maximum permissible development intensity permitted under the relevant statutory town plan or, where the statutory town plan does not specify the maximum permissible development intensity, the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong), or the BO. LandsD would assess the land premium payable by the owner, which will be an amount "equivalent to the difference between the value of the land under the current lease conditions and its value under the proposed modified lease conditions." Furthermore, an administrative fee is also payable for LandsD to process the application.

Further, the PNs permit owners of industrial buildings located in certain areas under the OZPs apply for a waiver, at zero waiver fee, for changing the use of such part(s) of the industrial building as a data center if, as at the date of the submission of such application, the age of the industrial building is not less than 15 years. The granting of this type of waiver is subject to, among others, a number of salient terms (such as compliance with the BO).

Laws and Regulations related to the Building Design and Use

The Buildings Energy Efficiency Ordinance (Chapter 610 of the Laws of Hong Kong) under the purview of the Electrical and Mechanical Services Department governs the efficiency of the mechanical and electrical installations used in data centers, including the cooling equipment and standby generators.

The Building (Planning) Regulations (Chapter 123F of the Laws of Hong Kong) stipulates the requirements and control on the development intensity of buildings, including buildings used as data centers and the Buildings Department has issued various practice notes promulgating guidelines for sustainable building design, the policies on the calculations of gross floor area of buildings and energy efficiency of buildings with respect to, among others, data centers.

Laws and Regulations relating to Inland Revenue

Companies carrying out business in Hong Kong are subject to the profits tax regime under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), or the IRO. The IRO is an ordinance for the purposes of imposing taxes on property, earnings and profits in Hong Kong. The IRO provides, among others, that persons, which include corporations, partnerships, trustees and bodies of person, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business.

As at December 31, 2025, the standard profits tax rate for corporations was at 8.25% on assessable profits up to HK\$2,000,000; and 16.5% on any part of assessable profits over HK\$2,000,000. The IRO also contains provisions relating to, among others, permissible deductions for outgoings and expenses, set-offs for losses and allowances for depreciation.

Laws and Regulations relating to Protection of Personal Data

The Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), or the PDPO, imposes a statutory duty on data users to comply with the requirements of the six data protection principles, or the Data Protection Principles, contained in Schedule 1 to the PDPO. The PDPO provides that a data user shall not do an act, or engage in a practice, that contravenes a Data Protection Principle unless the act or practice, as the case may be, is required or permitted under the PDPO.

The six Data Protection Principles are:

- Principle 1 – purpose and manner of collection of personal data;
- Principle 2 – accuracy and duration of retention of personal data;

- Principle 3 – use of personal data;
- Principle 4 – security of personal data;
- Principle 5 – information to be generally available; and
- Principle 6 – access to personal data.

Non-compliance with a Data Protection Principle may lead to a complaint to the Privacy Commissioner for Personal Data, or the Privacy Commissioner. The Privacy Commissioner may serve an enforcement notice to direct the data user to remedy the contravention and/or instigate prosecution actions. A data user who contravenes an enforcement notice commits an offense which may lead to a fine and imprisonment.

The PDPO also gives data subjects certain rights, inter alia:

- the right to be informed by a data user whether the data user holds personal data of which the individual is the data subject;
- if the data user holds such data, to be supplied with a copy of such data; and
- the right to request correction of any data they consider to be inaccurate.

The PDPO criminalizes, including but not limited to, the misuse or inappropriate use of personal data in direct marketing activities, non-compliance with a data access request and the unauthorized disclosure of personal data obtained without the relevant data user's consent. An individual who suffers damage, including injured feelings, by reason of a contravention of the PDPO in relation to his or her personal data may seek compensation from the data user concerned.

With respect to cross-border data transfer, the PDPO does not restrict the transfer of personal data outside of Hong Kong as at December 31, 2022 (while section 33 of the PDPO lists out certain restrictions on cross border personal data transfer, the section has, however, not been in force). In 2014, the Privacy Commissioner published its guidance on cross-border data transfer, with recommended good practices in cross-border data transfer. This was a guide for voluntary compliance.

Laws and Regulations relating to Employment

The relevant legislations that govern employment matters in Hong Kong include: (i) the Employment Ordinance (Chapter 57 of the Laws of Hong Kong); (ii) Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong); (iii) Occupational Retirement Schemes Ordinance (Chapter 426 of the Laws of Hong Kong); (iv) Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong); (v) Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong); and (vi) Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong).

According to the legislations above, although there is no specific requirement that employment contracts must be in written form, an employer is required to provide particulars of the terms of employment to the employee upon request. Wages should not be lower than the statutory minimum wage and shall be paid to the employees within seven days from the end of the relevant wage period. Employers also required to take out sufficient employees compensation insurance in respect of their liability to compensate employees for any injury or accident arising out of and in the course of employment. In addition, all employers are required to provide a safe and healthy work environment to all employees and put in place appropriate measures in the workplace. Violations of the relevant legislation may result in the imposition of fines or imprisonments and also claims from the employees.

Macau Laws and Regulations

Laws and regulations in relation to data centers

Lease regime

Under the Macau law, the act of letting out the physical space of the data center shall be categorized as “Leasing of Immovable Property” as governed by article 969 et seq of the Macau Civil Code, as approved by Decree Law no 39/99/M dated August 3, 1999.

The main obligations of the lessor are to (i) deliver the leased object to the lessee and (ii) ensure the enjoyment of the leased object by the lessee under its original purpose, without prejudice to the special provisions as agreed by the parties in the lease agreement which are not contrary against the compulsory provisions under the Macau law.

The agreement of the lease of immovable property in Macau must be made in written form and subject to signature notarization. The lack of the said compulsory form shall trigger the nullity of the agreement unless any party intentionally infringes such regulation for the purpose of taking it as an advantage in bad faith.

Moreover, even if a definite term is set forth, the expiration of a lease agreement in relation to immovable property is still subject to a termination notice serving to the other party in advance in a certain period before its expiry. If no termination notice in advance is served on time, the lease will be automatically renewed under the same terms and conditions but a term of one year will be extended if the original term is more than one year.

Furthermore, the lessor is not entitled to serve the termination notice to the lessee to terminate the lease upon its expiry if the lease has not lasted for three years (even if the term of the lease is less than three years).

The business of letting out physical space of the data center is not subject to any governmental license, permit or authorization in Macau.

Laws and Regulations in relation to Environment Protection and Pollution

The fundamentals of the legal regime of environmental protection law of Macau, which is applicable to every individual and corporate entity, are the Basic Law of Macau, Law no. 2/91/M dated March 11, 1991, or Law no. 2/91/M, which is also known as the environmental law, and series of international conventions in related fields applicable to Macau.

Article 119 of the Basic Law of Macau states that “The Macau Special Administrative Region shall carry out the protection of environment in accordance with law.” To implement this article together with the Law no. 2/91/M and other applicable international conventions, numbers of environmental legislations in form of law, decree law and administrative regulations have been enacted in various fields such as natural heritage protection, air, sea and sound pollution, hygiene of environment, chemical goods, etc.

As a general rule prescribed in the Law no. 2/91/M, any violation of the environmental legislations shall be subject to civil liability, administrative fine or criminal punishment depending on different violations and also administrative injunction is possible to be granted to cease environmental infringement.

According to article 8 paragraph 1 of the Law no. 2/91/M, everyone is entitled to air quality suiting basic health and well-being, whether in public spaces, residential areas, workplace and others. Moreover, the paragraph 3 of the said article of the Law no. 2/91/M stipulates that any installation, machine or means of transportation whose activity may affect the air quality must be equipped with a device or other means that can ensure compliance with legal emission limits under the penalty of being banned.

In what respects water quality, it is forbidden under article 23 paragraph 1 of the Law no. 2/91/M to discharge in marine jurisdictions any substances, liquid or solid residues that may, somehow, pollute the water, beaches, shoreline, as well as flora and fauna, such as oil products or oil containing mixtures, or other chemical substances set in applicable international agreements or conventions.

Furthermore, in Macau, there is a general rule prescribed in General Regulation of Public Place, as approved by Administrative Regulation no. 28/2004 dated August 16, 2004, that every work involved solid waste shall be arranged and conducted in order to avoid and reduce to the most extent the risk to public health and environmental damage. Under the said General Regulation of Public Place, drain water or any contaminated fluid or gas must not be released to public place.

Regarding noise pollution, it is restricted by the provisions as set out in Law no. 8/2014 dated August 25, 2014, or Law no. 8/2014, which is also known as the law for “Prevention and Control of Environmental Noise”, and its subordinate rule Chief Executive Dispatch no. 96/2020 dated April 14, 2020, or Chief Executive Dispatch no. 96/2020, which sets out the applicable acoustic standard in this aspect in order to replace the Chief Executive Dispatch no. 248/2014 dated September 1, 2014. Under the Law no. 8/2014, as supplemented by its subordinate rule Chief Executive Dispatch no. 96/2020, the installation and operation of new industrial, commercial or service units is not permitted, nor the expansion of existing units, when they may produce disturbing noise.

The regulatory authority in charge of environmental protection matters is the Macau Environmental Protection Bureau which has promulgated certain environmental protection guidelines in relation to different kind pollution in connection to construction site, such as renovation, demolition and noise. However, police authorities are also legally entitled to monitor the compliance of regulation.

Laws and Regulations in relation to Labor

The labor legal framework of Macau is regulated by Law no. 7/2008 dated August 18, 2008, or Law no. 7/2008, and the regime of hiring non-resident workers is governed by Law no. 21/2009 dated October 27, 2009, or Law no. 21/2009.

Pursuant to article 17 of Law no. 7/2008, employment of a local adult is not subject to written form and can be made by verbal contract. However, under the Macau labor laws, a fixed-term employment is an exceptional regime based on the temporary necessity of the enterprise subject to written contract in which the rationale of temporary necessity must be specified.

Furthermore, the remuneration of employees must be paid by the legal tender of Macau, i.e. the Macau Patacas.

In accordance with Law no. 21/2009, for the purpose to work in Macau, non-residents must obtain a valid work permit issued by the Macau Labor Bureau and register themselves as non-resident employees with the Immigration Department of the Macau Public Security Police Force.

The granting of work permit shall be filed to the Macau Labor Bureau by the employer with the reasons to hire foreign workers, instead of local resident, along with provision of supporting documents (e.g. vacancy registration with Macau Labor Bureau, contracts to prove the lack of manpower for the massive works).

Should the work permit be granted, the Macau Labor Bureau will set out the valid period of the work permit (the term of any labor contract must not be out of the valid period of the related work permit) and other requirements for the validity of the work permit (e.g. determination of work site, undertaking to hire a certain number of local workers). If any of the validity requirements becomes violated, the related work permit may be revoked.

Tax Issues

Industrial Tax

Pursuant to the Regulation of Industrial Tax, as approved by Law No. 15/77/M dated December 31, 1977, all entities who exercise any commercial or industrial activities are subject to the Industrial Tax.

Industrial Tax is charged every year based on the fixed rates of the activities as stated in the General Table of Activities as annexed in the same Regulation of Industrial Tax. However, most of the items subject to Industrial Tax were waived by the Macau government in recent years by the budget legislation of each year.

Complementary Income Tax

The Complementary Income Tax shall be considered as profit tax in commercial or industrial activities which charges on the actual profit or estimated profit of a taxpayer pursuant to the article 4 of the Regulation of Complementary Income Tax, as approved by Law no. 21/78/M dated September 9, 1978.

Taxpayers of Complementary Income Tax are classified as either Group A or Group B.

Group A taxpayers are those entities (i) with capital not less than one million Macau Patacas (MOP1,000,000.00); or (ii) average taxable profits in three consecutive years of over five hundred thousand Macau Patacas (MOP500,000.00); or (iii) requesting to change to Group A from Group B by declaration. Besides the above, all other taxpayers are under Group B.

For the Group A taxpayer, the Complementary Income Tax is assessed based on its actual profit and each of the Group A taxpayers, along with a Macau licensed accountant, is required to submit the following documents to the Macau Financial Bureau within April to June each year:

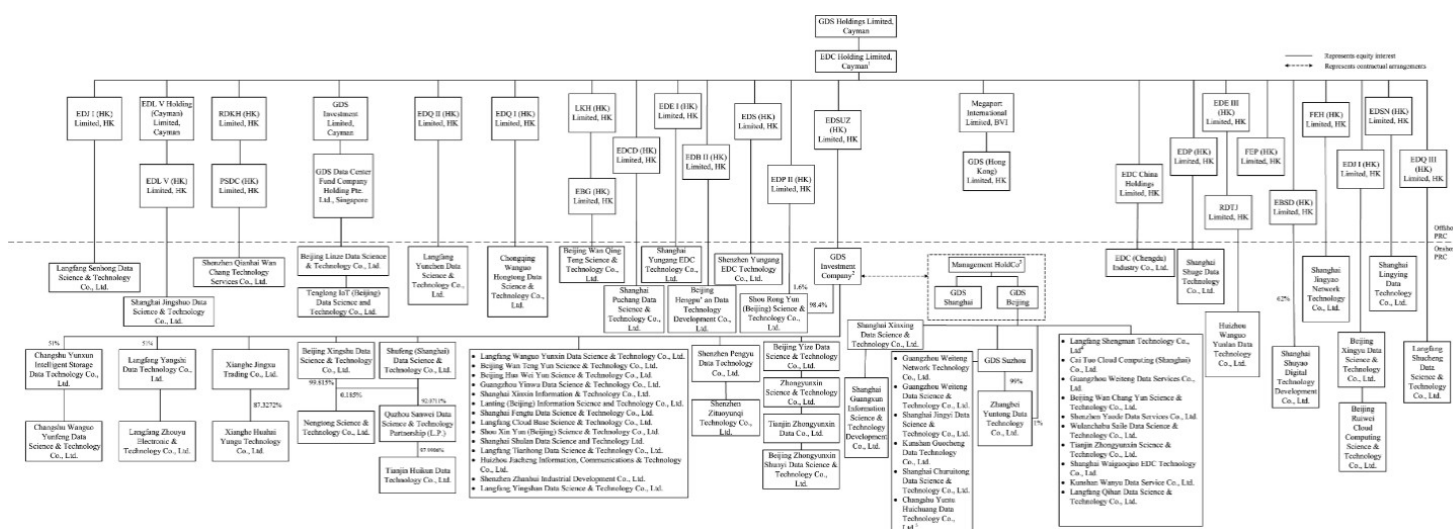
- Income declaration under the given tax form;
- Copy of the meeting minutes approving the accounts;
- Copies of consolidated balance sheet and profit and loss account in accordance with the Official Plan of Accounting;
- Worksheets due to adjustments and the trial balance;
- Depreciation schedule under the given tax form;
- Usage of reserve fund under the given tax form;
- Supporting documents of bad debts; and
- Technical report in relation to inventory value and the criteria of valuation, general administrative costs and other necessary information for determining the taxable profits.

A Group B taxpayer is not required to engage any licensed accountant nor submit the aforementioned mandatory documents that a Group A taxpayer is required to submit for tax reporting. However, a Group B taxpayer is still required to report its profit or deficit within February to March each year. The Macau Financial Bureau shall determine the estimated profit based on the type and performance of the industry that the taxpayer practices and other factors that the same authority thinks relevant, and shall issue the taxpayer an assessment letter in which the estimated profit and the tax amount will be stated on July of the respective year. Should the Group B taxpayer accept the estimated profit and pay the tax amount, the tax duties shall be complied with.

C. Organizational Structure

Our Corporate Structure

The diagram below summarizes our corporate structure and identifies our significant subsidiaries, consolidated VIEs and their significant subsidiaries as of December 31, 2025. The relationships among each of GDS Shanghai, GDS Beijing, Management HoldCo and GDS Investment Company as illustrated in the diagram below are governed by contractual arrangements and do not constitute equity ownership.



- (1) EDC Holding Limited has 61 direct and indirect subsidiaries incorporated in Hong Kong and 19 direct and indirect subsidiaries incorporated in the British Virgin Islands, Macau, the Cayman Islands and Singapore, respectively.
- (2) GDS Investment Company directly and indirectly holds equity interests of 61 subsidiaries in mainland China.
- (3) Management HoldCo is held as to 20% by five management personnel designated by our board of directors namely, Hui Zhou (senior vice president, public affairs and Northern China business), Yan Liang (executive vice president, data center operation and delivery), Kejing Zhang (executive vice president, sales and service), Andy Wenfeng Li (general counsel, compliance officer, and company secretary) and Qi Wang (senior vice president, cloud and network business), respectively. Management HoldCo is controlled by our Company through a series of contractual arrangements.
- (4) Langfang Zhouyu Electronic & Technology Co., Ltd. or Langfang Zhouyu, effectively controls a project company, Langfang Shengman Technology Co., Ltd. or Langfang Shengman, to operate data centers in Langfang, China through a series of contractual arrangements among Langfang Zhouyu, Langfang Shengman's shareholder, GDS Beijing, and Langfang Shengman.
- (5) Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd. or Changshu Wanguo Yunfeng, effectively controls a project company, Changshu Yuntu Huichuang Data Technology Co., Ltd. or Changshu Yuntu Huichuang, to operate data centers in Changshu, China through a series of contractual arrangements among Changshu Wanguo Yunfeng, Changshu Yuntu Huichuang's shareholder, GDS Suzhou, and Changshu Yuntu Huichuang.
- (6) Jiangsu Wan Guo Xing Tu Data Services Co., Ltd. or Jiangsu Wan Guo Xing Tu, effectively controls a project company, Nantong Wanguo Yunzhen Data Science & Technology Co., Ltd. or Nantong Yunzhen, to operate the B-O-T data centers 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.

To comply with the PRC regulations regarding foreign investment in VATS described above, and foreign exchange control, our preferred approach to structuring our data center operations and investments in mainland China is to have VIEs and their subsidiaries which hold VATS licenses and provide services to customers and data center companies established as wholly foreign owned enterprises under the PRC Law. The same wholly foreign owned enterprises also hold the data center property interests and assets.

In addition, for our data centers in mainland China, in order to comply with PRC regulatory requirements, particularly those with respect to company registration and tax filing, as well as local government requirements, and to facilitate the onshore financing of our data centers by financial institutions in the PRC which is generally provided on an individual data center basis, we generally establish one wholly foreign owned enterprise at the district where the data center is located to hold the property interests and assets for such data center. In a small number of cases, we establish one wholly foreign owned enterprise to hold the property interests and assets for two to three data centers located at the same or adjacent premises. Furthermore, in order to provide flexibility for obtaining offshore financing for our data centers, which usually requires the pledge of the shares of the holding companies of data centers as collateral, we usually establish Hong Kong holding companies to separately hold the equity interest of the wholly foreign owned enterprises.

Contractual Arrangements with Affiliated Consolidated Entities

Due to PRC regulations that limit foreign equity ownership of entities providing VATS to less than 50%, we, similar to other entities with foreign-incorporated holding company structures operating in our industry in mainland China, conduct a substantial part of our operations in mainland China through contractual arrangements with the consolidated VIEs that are incorporated and 100% owned by PRC citizens or by PRC entities owned and/or controlled by PRC citizens.

As a result of these contractual arrangements, we control Management HoldCo, GDS Shanghai, GDS Beijing and 34 direct and indirect subsidiaries of GDS Beijing as of December 31, 2025, and have consolidated the financial information of these entities in our consolidated financial statements in accordance with U.S. GAAP.

Contractual Arrangements among GDS Investment Company, Management HoldCo, GDS Beijing and GDS Shanghai

The currently effective contractual arrangements by and among our consolidated mainland China subsidiary, the consolidated VIEs, and the consolidated VIEs' shareholders include (i) certain equity interest pledge agreements, shareholder voting rights proxy agreement, exclusive call option agreements and certain loan agreements, which provide us with effective control over the consolidated VIEs; (ii) certain exclusive technology license and service agreements and intellectual property rights license agreement, which allow us to receive substantially all of the benefits generated from the operations of the consolidated VIEs and their subsidiaries. These contractual arrangements allow us to:

- exercise effective control over these consolidated VIEs;
- receive substantially all of the economic benefits of these consolidated VIEs and their subsidiaries; 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 our contractual arrangements with the consolidated VIEs and their shareholders, we are the primary beneficiary of Management HoldCo, GDS Shanghai, GDS Beijing and its subsidiaries, and, therefore, have consolidated their financial results in our consolidated financial statements in accordance with U.S. GAAP.

These contractual arrangements may not be as effective as direct ownership in providing us with control over the consolidated VIEs. If the consolidated VIEs or their shareholders fail to perform their respective obligations under these contractual arrangements, our recourse to the assets held by the consolidated VIEs is indirect and we may have to incur substantial costs and expend significant resources to enforce such arrangements in reliance on legal remedies under PRC law. These remedies may not always be effective, particularly in light of uncertainties regarding the interpretation and enforcement of the relevant laws and regulations. The enforceability of the agreements under the contractual arrangements has not been tested in a court of law. Furthermore, in connection with litigation, arbitration or other judicial or dispute resolution proceedings, assets under the name of any record holder of equity interest in the consolidated VIEs, including such equity interest, may be put under court custody. As a consequence, we cannot be certain that the equity interest will be disposed pursuant to the contractual arrangement or ownership by the record holder of the equity interest.

For the years ended December 31, 2023, 2024 and 2025, the VIEs and their subsidiaries contributed 97.0%, 96.1% and 97.5%, respectively, of our total net revenue.

Currently, there are five individual management shareholders, each holding a 20% equity interest in Management HoldCo, namely Hui Zhou (senior vice president, public affairs and Northern China business), whose equity interest in Management HoldCo is being transferred to one of the Company's key management personnel, Yan Liang (executive vice president, data center operation and delivery), Kejing Zhang (executive vice president, sales and service), Andy Wenfeng Li (general counsel, compliance officer, and company secretary) and Qi Wang (senior vice president, cloud and network business). In conjunction with the transfer of ownership, we have, through GDS Investment Company, entered into a set of contractual arrangements with Management HoldCo, its shareholders, GDS Beijing and GDS Shanghai on substantially the same terms as those under the previous contractual arrangements with GDS Beijing and GDS Shanghai. We have also replaced the sole director of GDS Shanghai and certain subsidiaries of GDS Beijing with a board of three directors. Mr. Huang acts as the chairman of the board of directors of Management HoldCo, GDS Investment Company, GDS Beijing, and certain subsidiaries of GDS Beijing and GDS Shanghai, respectively. Other management members of us and board appointees serve as directors and officers of Management HoldCo, GDS Investment Company, GDS Beijing, and certain subsidiaries of GDS Beijing and GDS Shanghai.

We believe that this restructuring reduces risk by allocating ownership of the consolidated VIEs among a larger number of individual management shareholders, and strengthens corporate governance with the establishment of the boards of directors in the consolidated VIEs and their subsidiaries. We also believe that this restructuring creates a more stable ownership structure by avoiding reliance on a single or small number of natural persons, and by buffering the ownership of the consolidated VIEs with an additional layer of legal entities, creating an institutional structure that is tied to our management and culture.

The following is a summary of the currently effective contractual arrangements by and among GDS Investment Company, Management HoldCo, GDS Beijing, GDS Shanghai, and the shareholders of Management HoldCo, as applicable, that provide us with effective control of the consolidated VIEs and their respective subsidiaries and that enable us to receive substantially all of the economic benefits from their operations.

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 relevant PRC laws and regulations.

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 us 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. We are 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.

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 relevant PRC laws and regulations.

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 us 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. We are 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 substantially 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, 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 of 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 substantially 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 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 of 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 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.

In the opinion of King & Wood, our PRC counsel:

- the ownership structures of GDS Investment Company, Management HoldCo, GDS Shanghai and GDS Beijing, do not violate any of the applicable PRC laws or regulations currently in effect; and
- 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, legally 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.

However, there are uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules. The PRC regulatory authorities may in the future take a view that is contrary to the above opinion of our PRC counsel. If the PRC regulatory authorities find that the agreements that establish the structure for providing our IDC services do not comply with PRC government restrictions on foreign investment in IDC services, we may be subject to severe penalties, including being prohibited from continuing operations.

Subsidiaries of GDS Holdings Limited

An exhibit containing a list of our subsidiaries has been filed with this annual report.

D. Property, Plants and Equipment

Please refer to "B. Business Overview—Our Data Centers" for a discussion of our property, plants and equipment.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

We are a leading developer and operator of high-performance data centers in China. In addition, we hold a minority equity interest in DayOne, a Singapore-headquartered data center platform.

We accounted for the international business and operations outside mainland China conducted by DayOne as discontinued operations as a result of our loss of control over DayOne on December 31, 2024 following the closing of DayOne's Series B equity financing.

Unless otherwise stated, the discussion and analysis of our financial condition and results of operations in this section apply to our financial information as prepared in accordance with U.S. GAAP. You should read the following discussion and analysis of our financial position and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report. In addition, our consolidated financial statements and the financial data included in this annual report reflect our recent discontinued operations discussed above, and retrospective adjustments have been made throughout the relevant periods to provide a consistent basis of comparison for the financial results. In addition, to assist in evaluating the discontinued operations disclosure, we have included certain operation and financial measures of discontinued operations and have divided the analysis into separate discussions for continuing operations and discontinued operations. Furthermore, our discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Item 3. Key Information—D. Risk Factors" and elsewhere in this annual report.

Overview

We are a leading developer and operator of high-performance data centers in China. Our facilities are strategically located in 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 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 25-year track record of service delivery, successfully fulfilling the requirements of some of the largest and most demanding customers for outsourced data center services. As of December 31, 2025, we had an aggregate net floor area of 668,283 sqm in service, 93% of which was committed by customers, and an aggregate net floor area of 73,994 sqm under construction, 66.1% of which was pre-committed by customers.

Our results of operations are largely determined by the degree to which our data center capacity is committed or pre-committed as well as its utilization. We had commitment rates for our area in service of 92.5%, 91.9% and 93.0% as of December 31, 2023, 2024 and 2025, respectively. We had utilization rates for our area in service of 73.9%, 73.8% and 75.5% as of December 31, 2023, 2024 and 2025, respectively. The difference between commitment rate and utilization rate is primarily attributable to customers who have not yet fully utilized all of the revenue-generating services for which they have committed.

Our net revenue grew from RMB9,782.4 million in 2023 to RMB10,322.1 million in 2024, representing an increase of 5.5%, and increased to RMB11,432.3 million (US\$1,634.8 million) in 2025, representing an increase of 10.8%. Our net loss from continuing operations decreased from RMB3,926.0 million in 2023 to RMB770.9 million in 2024, representing a decrease of 80.4%, and we generated net income from continuing operations of RMB959.4 million (US\$137.2 million) in 2025, representing a decrease in loss of 224.4%. Our adjusted EBITDA increased from RMB4,733.0 million in 2023 to RMB4,876.4 million in 2024, and increased to RMB5,403.5 million (US\$772.7 million) in 2025. As of December 31, 2023, 2024 and 2025, our accumulated deficit was RMB9,469.8 million, RMB6,044.4 million and RMB5,094.7 million (US\$728.5 million), respectively.

Our business and results of operations are generally affected by the development of China's data center services market. We have benefited from rapid growth in this market during recent years and any adverse changes in the data center services market in China may harm our business and results of operations. In addition, we believe that our results of operations are directly affected by the following key factors.

Ability to Source and Develop Data Centers

Our revenue growth depends on our ability to source and develop additional data centers. We endeavor to ensure continuous availability of data center capacity to satisfy customer demand by maintaining a supply of high-performance data centers in various stages of development—from identifying a pipeline of sites, to developing appropriate sites, to data centers under construction to available net floor areas in existing data centers. In particular, securing suitable land with access to adequate and reliable power infrastructure is a critical component of our site identification and development process. We expand our sourcing of new data center area by (i) acquiring or leasing property which we develop for use as data center facilities, whether through constructing on greenfield land, redeveloping brownfield sites, converting existing industrial buildings, or fitting out and equipping purpose-built building shells, (ii) leasing existing data center capacity from third-party wholesale providers, and (iii) acquiring high-performance data centers from other companies. Our ability to maintain a growing supply of data center assets directly affects our revenue growth potential.

If we are unable to obtain suitable land or buildings for new data centers or to do so at an acceptable cost to us or experience delays or increased costs during the data center design and construction development process which includes securing the power and relevant energy quota under the energy conservation review opinion, our ability to grow our revenue and improve our results of operations would be negatively affected. Additionally, if demand slows unexpectedly or we source and develop data centers too rapidly, the resulting overcapacity would adversely affect our results of operations.

Ability to Secure Commitments from Our Customers

We usually commence marketing new data center facilities before we commence construction by seeking strong indications of interest from customers. We aim to convert such indications of interest into legally-binding pre-commitment agreements for a substantial part of the capacity under development as early as possible in the construction cycle. Through securing such pre-commitments, we are able to reduce investment risk and optimize resource planning. Once construction is complete, and the data center enters service, we re-categorize area pre-committed as area committed. We aim to maintain high levels of long-term commitment rates. We had commitment rates for our area in service of 92.5%, 91.9% and 93.0% as of December 31, 2023, 2024 and 2025, respectively. Our total area committed, as a leading indicator to our results of operations, increased from 618,942 sqm as of December 31, 2023 to 629,997 sqm as of December 31, 2024, and further to 670,106 sqm as of December 31, 2025.

Pricing Structure and Power Costs

Our results of operations will be affected by our ability to operate our data centers efficiently in terms of power consumption. Our data centers require significant levels of power supply to support their operations. Depending on the agreement, we agree with our customer to either charge them for actual power consumed or we factor it into a fixed price. Accordingly, the customer's actual power usage during the life of the agreement will affect its profitability to us. In October 2021, the NDRC announced a partial transition from fixed-rate to market rate mechanism for coal-fired power trading prices. As this reform is implemented, we may absorb higher operating expenses for our fixed price customer agreements. Optimal configuration of customers and power usage within each data center will affect our results of operations. In addition, notwithstanding high demand for data center services in China, the trend in pricing has been downward in recent years due to capacity, competition and customer expectations. If prices continue to trend downward, our revenues and margins will be negatively affected. For more detailed information, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—We may be unable to maintain current pricing levels for our data center services in China, and a continued or accelerated decline in market prices could materially and adversely affect our revenue, margins and overall financial performance."

Utilization of Existing Capacity

Our ability to maximize profitability depends on attaining high utilization of data center facilities. A substantial majority of our cost of revenue and operating expenses are fixed in nature. Such costs increase with each new data center and entail additional power commitment costs, depreciation from new property, plant and equipment, rental costs on leased facilities and land use rights, personnel costs, and start-up costs. By adopting a modular development approach, we aim to optimize resource utilization and maximize capital efficiency to improve profitability.

Cost Structure Depending on Data Center Tenure and Location

We hold our data centers through a mix of those that we own or lease. The leases typically range from three years for third-party data centers to twenty years for self-developed data centers, all with different renewal periods. The tenure of the leases and the periods during which the amount are fixed or capped under the leases will affect our cost structure in the future. In addition, if many of our data centers continue to be located close to central business districts, where rental costs are generally higher, our cost structure will also be affected.

Ability to Manage Our Development Costs

Our ability to maximize our returns depends on our ability to develop data centers on an economically feasible basis. We regularly monitor and review our equipment and construction costs related to our data center development capital expenditures to ensure we can optimize our cash outlay for capital expenditure. Our ability to manage an efficient supply chain will improve our cost of development and construction time. As part of our initiatives to improve the cost efficiency of our capital expenditure, we also participate in bulk purchasing programs for certain equipment with our strategic partners and major customers to leverage larger volume purchases to obtain a cost advantage.

Data Center Development and Financing Costs

Our returns depend on our ability to develop data centers at commercially acceptable terms. We have historically funded data center development through additional equity or debt financing or capital recycled from asset monetization program. We expect to continue to fund future developments through debt financing, through the issuance of additional equity securities or capital recycling through asset monetization program if necessary and when market conditions permit. Such additional financing may not be available, or may not be on commercially acceptable terms or may result in an increase to our financing costs. In addition, we may encounter development delays, excess development costs, or challenges in attracting or retaining customers to use our data center services. We also may not be able to secure suitable land or buildings for new data centers or at a cost or terms acceptable to us.

Ability to Identify and Acquire Other Business

We have grown our business through acquisitions in the past and intend to continue selectively pursuing strategic partnerships and acquisitions to expand our business. Our ability to sustain our growth and maintain our competitive position may be affected by our ability to identify, acquire and successfully integrate other businesses and, if necessary, to obtain satisfactory debt or equity financing to fund those acquisitions.

Performance and Contribution of Our Equity Investment in DayOne

Following the closing of DayOne's Series B equity financing on December 31, 2024, we owned approximately 35.6% of the equity interest of DayOne in the form of ordinary shares on an as-converted basis; since then, we ceased consolidating DayOne for accounting purposes, and account for the investment in DayOne using the equity method. In December 2025, DayOne signed an initial tranche of its Series C equity financing, totaling over US\$2.0 billion, of which US\$1.3 billion closed on December 31, 2025, at which point our equity interest in DayOne was diluted to 30.1%; the remainder closed in January 2026. In January 2026, DayOne completed a US\$385 million repurchase of DayOne shares from us. In April 2026, following the closing of an upsizing of DayOne's Series C equity financing, the market value of our remaining equity interest in DayOne is over US\$2.2 billion (based on the assumed valuation of DayOne based on the Series C offering price). As of the date of this annual report, we owned an equity interest in DayOne of approximately 19.9%. Our investment in DayOne has been and is expected to continue to be a significant contributor to our results of operations and shareholder value. The DayOne discontinued operations accounted for net loss of RMB359.4 million and RMB400.8 million in 2023 and 2024, respectively, not taking into account the gain on deconsolidation. In 2025, we recognized share of DayOne's results under equity method of RMB717.2 million (US\$102.6 million) in profit or loss, including a dilution gain of RMB1,681.0 million (US\$240.4 million) and a share of DayOne's loss of RMB963.8 million (US\$137.8 million). As DayOne's business continues to grow and DayOne continues to expand its operations, we expect that the performance of DayOne will continue to have a significant impact, which may be positive or adverse, on our investment income, results of operations and shareholder value.

Key Performance Indicators

Our results of operations are largely determined by the amount of data center area in service, the degree to which data center capacity is committed or pre-committed as well as its utilization. Accordingly, we use the following key performance indicators as measures to evaluate our performance:

Area in service: the entire net floor area of data centers (or phases of data centers) which are ready for service.

Area under construction: the entire net floor area of data centers (or phases of data centers) which are actively under construction and have not yet reached the stage of being ready for service.

Area committed: that part of our area in service which is committed to customers pursuant to customer agreements remaining in effect.

Area pre-committed: that part of our area under construction which is pre-committed to customers pursuant to customer agreements remaining in effect.

Total area committed: the sum of area committed and area pre-committed.

Commitment rate: the ratio of area committed to area in service.

Pre-commitment rate: the ratio of area pre-committed to area under construction.

Area utilized: that part of our area in service that is committed to customers and revenue generating pursuant to the terms of customer agreements remaining in effect.

Utilization rate: the ratio of area utilized to area in service.

The following table sets forth our key performance indicators for our data center portfolio as of December 31, 2023, 2024 and 2025.

(Sqm, %)	As of December 31,		
	2023	2024	2025
Area in service	548,352	613,583	668,283
Area under construction	151,602	102,691	73,994
Area committed	507,108 ⁽¹⁾	564,139 ⁽¹⁾	621,188 ⁽¹⁾
Area pre-committed	111,834 ⁽¹⁾	65,858 ⁽¹⁾	48,918 ⁽¹⁾
Total area committed	618,942 ⁽¹⁾	629,997 ⁽¹⁾	670,106 ⁽¹⁾
Commitment rate	92.5 %	91.9 %	93.0 %
Pre-commitment rate	73.8 %	64.1 %	66.1 %
Area utilized	405,302	453,094	504,843
Utilization rate	73.9 %	73.8 %	75.5 %

(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.

Components of Results of Operations

The following table sets forth our net revenue, cost of revenue and gross profit, both in an absolute amount and as a percentage of net revenue, for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB	% of Net Revenue	RMB	% of Net Revenue	RMB	US\$
	(in thousands, except for percentages)					
Net revenue						
Service revenue	9,781,884	100.0	10,321,888	100.0	11,428,077	1,634,193
IT equipment sales	564	0.0	180	0.0	4,197	600
Total	9,782,448	100.0	10,322,068	100.0	11,432,274	1,634,793
Cost of revenue	(7,831,222)	(80.1)	(8,099,439)	(78.5)	(8,846,859)	(1,265,084)
Gross profit	1,951,226	19.9	2,222,629	21.5	2,585,415	369,709

Net Revenue

We derive net revenue primarily from colocation services and, to a lesser extent, managed services, including managed hosting and managed cloud services. In addition, from time to time, we also sell IT equipment on a stand-alone basis or bundled in a managed service agreement to customers and provide consulting services. Substantially all of our service revenue is recognized on a recurring basis.

Our colocation services primarily comprise the provision of space, power and cooling to our customers for housing servers and related IT equipment. Our customers have several choices for hosting their networking, server and storage equipment. They can place the equipment in a shared or private space that can be customized to their requirements. We offer power options customized to a customer's individual power requirement.

Our managed services include managed hosting and managed cloud services. Our managed hosting services comprise a broad range of value-added services, covering each layer of the data center IT value chain. Our suite of managed hosting services includes technical services, network management services, data storage services, system security services, database services and server middleware services. Our suite of managed cloud services includes direct private connection to leading public clouds, an innovative service platform for managing hybrid cloud.

Our customer agreements have either a variable consideration or a fixed consideration.

Sales agreements with cloud service provider and large internet customers are typically deemed to have a variable consideration for revenue recognition purposes because the total amount payable over the life of the sales agreement is not a fixed amount. Such amount varies based on the actual amount of services they use during the move-in period and their actual power consumption, which is metered and billed separately. During the move-in period, customers have the right to use all of the services for which they have committed. They are billed for the amount of services they actually use, subject to a minimum billable amount as stated in such sales agreements. Such minimum billable amount typically steps up over time. From the end of the move-in period until the end of the sales agreement, customers are charged a fixed amount for the right to use all of the capacity for which they have committed, plus a usage-based charge for the actual amount of power which they consume. Revenue under such variable consideration agreements is recognized as services are rendered during the contract term, which means that revenue is recognized based on the amount of services and power which are billable. We do not charge customers or recognize any revenue for services which are pre-committed or for services which are committed but not yet billable under the terms of sales agreements as described above.

Sales agreements with our financial institution and large enterprise customers are typically deemed to have a fixed consideration for revenue recognition purposes because the total amount payable over the life of the sales agreement is a fixed amount. Sales agreements with fixed consideration include a stated amount of space, power, and other services which customers have a right to use. No separate charge is made for power consumed, unless consumption exceeds a specified maximum amount. Revenue under such fixed consideration agreements is recognized on a straight-line basis over the contract term.

We are subject to value-added tax, or VAT, at a rate of 6% on the IDC services we provide, 9% on leasing of immovable properties and 13% on IT equipment sales and power charges under the unbundled agreements, less any deductible VAT we have already paid or borne. We are also subject to surcharges on VAT payments in accordance with PRC law. Revenue is recognized net of applicable VAT and related surcharges.

We consider our customers to be the end users of our services. We may enter into contracts directly with our customers or provide services to our customers through agreements with intermediate contracting parties. We have in the past derived, and believe that we will continue to derive, a significant portion of our total net revenue from a limited number of customers. We had two customers that generated 28.3% and 17.1% of our total net revenue, respectively, in 2023. We had two customers that generated 29.0% and 14.4% of our total net revenue, respectively, in 2024. We had two customers that generated 29.0% and 12.0% of our total net revenue, respectively, in 2025. No other customer accounted for 10% or more of our total net revenue during those periods. We expect our net revenue will continue to be highly dependent on a limited number of customers who account for a large percentage of our total area committed. As of December 31, 2025, we had two customers who accounted for 37.9% and 11.8%, respectively, of our total area committed.

Cost of Revenue

Our cost of revenue consists primarily of utility costs, depreciation of property and equipment, labor costs, rental costs related to our leased data centers and others. Utility costs refer primarily to the cost of power needed to carry out our data center services. Depreciation of property and equipment primarily relates to depreciation of data center property and equipment, such as assets owned or acquired under finance leases, leasehold improvements to data centers and other long-lived assets. Labor costs refer to compensation and benefit expenses for our engineering and operations personnel. Rental costs relate to the data center capacity we lease under operating lease and use in providing services to our customers. These costs are largely fixed costs. For utility costs, there is a portion that is fixed and a portion that is variable. The fixed portion relates to the amount of power capacity which is activated and committed by the power supplier for use by a given data center. The variable portion of the utility cost relates to the amount of power actually consumed, which is metered and is largely a function of the data center utilization rate. When a new data center comes into service, we mainly incur a level of fixed utility costs that are not directly correlated with net revenue.

We expect that our cost of revenue will continue to increase as our business expands and we expect that utility costs, depreciation and amortization and rental costs will continue to comprise the largest portion of our cost of revenue. In addition, in any given period, the increase in our cost of revenue may also outpace the growth of our net revenue depending on the timing of the development of our data centers, our ability to secure customer agreements and the utilization rate of our data centers during the period. While we strive to both secure customer commitments to our data center services so that the most data center capacity will be utilized and also to minimize the time as to when our data center area becomes operational and the customer occupies that area, these timing differences may result in fluctuation of our cost of revenue as a percentage of our net revenue between periods.

Operating Expenses

Our operating expenses consist of selling and marketing expenses, general and administrative expenses, research and development expenses and impairment losses of long-lived assets. The following sets forth our selling and marketing expenses, general and administrative expenses, research and development expenses and impairment losses of long-lived assets, both in an absolute amount and as a percentage of net revenue, for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB	% of Net Revenue	RMB	% of Net Revenue	RMB	US\$ % of Net Revenue
	(in thousands, except for percentages)					
Selling and marketing expenses	140,890	1.4	116,440	1.1	149,363	21,359 1.3
General and administrative expenses	965,982	9.9	917,877	8.9	897,867	128,393 7.8
Research and development expenses	38,159	0.4	36,319	0.4	32,700	4,676 0.3
Impairment losses of long-lived assets	3,013,416	30.8	—	0.0	1,561,235	223,254 13.7
Total operating expenses	4,158,447	42.5	1,070,636	10.4	2,641,165	377,682 23.1

Selling and Marketing Expenses

Our selling and marketing expenses consist primarily of compensation, including share-based compensation, and benefit expenses for our selling and marketing personnel, business development and promotion expenses and office and traveling expenses.

General and Administrative Expenses

Our general and administrative expenses consist primarily of compensation, including share-based compensation, and benefit expenses for management and administrative personnel, start-up costs incurred prior to the operation of new data centers, depreciation and amortization, office and traveling expenses, professional fees and other fees. Depreciation relates primarily to our office equipment and facilities used by our management and staff in the administrative department. Start-up costs consist of costs incurred prior to commencement of operations of a new data center, including rental costs incurred pursuant to operating leases of buildings during the construction of leasehold improvements and other miscellaneous costs. Professional fees relate primarily to audit and legal expenses. As a public company, we have incurred increasing legal, accounting and other expenses, including costs associated with public company reporting requirements. We have also incurred costs in order to comply with the Sarbanes-Oxley Act of 2002 and the related rules and regulations implemented by the SEC and Nasdaq.

Research and Development Expenses

Research and development expenses consist primarily of compensation and benefit expenses for our research and development personnel. We expect to continue to invest in our proprietary data center operating systems and innovative technologies to further scale our operations.

Impairment losses of long-lived assets

We test long-lived assets (including property and equipment, prepaid land use rights, operating lease right-of-use assets and intangible assets subject to amortization) for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. If the carrying amount of an asset group exceeds its estimated undiscounted future cash flows, an impairment loss is recognized in the amount of the excess of the asset group's carrying value over its fair value. As of each relevant measurement date, the fair value of asset groups, if determined to be impaired, were measured under income approach and determined based on the higher of the forecasted discounted cash flows expected to result from the data center assets' operations and eventual disposition and the price market participant would pay to sub-lease and acquire the remaining data center assets, which reflects the highest and best use of the asset groups. Significant inputs used in the income approach primarily included sales price and utilization rates used to estimate the forecasted undiscounted cash flows expected to result from the data center assets' operation, and discount rate.

Share-Based Compensation

The table below shows the effect of the share-based compensation expenses on our cost of revenue and operating expense line items, both in an absolute amount and as a percentage of net revenues, for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB	% of Net Revenue	RMB	% of Net Revenue	RMB	US\$
	(in thousands, except for percentages)					
Cost of revenue	116,467	1.2	92,402	0.9	64,294	9,194
Selling and marketing expenses	43,765	0.4	25,033	0.2	33,237	4,753
General and administrative expenses	162,866	1.7	165,648	1.6	178,568	25,535
Research and development expenses	9,546	0.1	9,207	0.1	7,277	1,041
Others, net	3,972	0.0	4,197	0.1	—	—
Total share-based compensation expenses	336,616	3.4	296,487	2.9	283,376	40,523

We incurred less share-based compensation expenses in 2025 as compared to 2024 due to less share awards granted in line with the strategy of cost saving. We expect to continue to grant share options, restricted shares and other share-based awards under our share incentive plan and incur further share-based compensation expenses in future periods.

See “—E. Critical Accounting Policies and Estimates—Share-based Compensation” in this section for a description of how we account for the compensation cost from share-based payment transactions.

Taxation

Cayman Islands

We are an exempted company incorporated in the Cayman Islands and conduct our business primarily through our mainland China subsidiaries in the PRC. Under the current laws of the Cayman Islands, we are not subject to tax on income or capital gains. In addition, upon payment of dividends by us to our shareholders, no Cayman Islands withholding tax will be imposed.

British Virgin Islands

Under the current laws of the British Virgin Islands, we are not subject to tax on income or capital gains. In addition, upon payments of dividends by us to our shareholders, no British Virgin Islands withholding tax will be imposed.

Hong Kong

GDS Holdings and our Hong Kong SAR entities are subject to the Hong Kong SAR profits tax at the rate of 16.5%. A two-tiered Profits Tax rates regime was introduced since year 2018 where the first HK\$2.0 million of assessable profits earned will be taxed at half the current tax rate (8.25)% whilst the remaining profits will continue to be taxed at 16.5%. There is an anti-fragmentation measure where each group will have to nominate only one entity in the group to benefit from the progressive rates.

The Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced income) Bill 2022 (“the new FSIE regime”) has been enacted in Hong Kong on 14 December 2022 and will have effect from 1 January 2023 onwards. This is to address the European Union’s inclusion of Hong Kong in the “grey list” in concern of any risk of double non-taxation arising from the tax exemption of offshore passive income for companies in Hong Kong without substantial economic substance. From 1 January 2023, offshore passive income (including interest income, dividend income or gain on disposal of equity interest (where applicable)), that is received or deemed to be received in Hong Kong (i.e., identical to the “received” concept in Singapore), would need to meet additional requirements, including, amongst others, the economic substance requirements (i.e. similar to offshore jurisdictions like Cayman Islands, BVI, etc.) in order to continue to be entitled to the offshore income tax exemption in Hong Kong. The Company will monitor the regulatory developments and continue to evaluate the impact on our financial statements, if any.

PRC

Generally, our subsidiaries, VIEs and their subsidiaries in mainland China are subject to enterprise income tax on their taxable income in mainland China at a rate of 25%. Those entities that are recognized as “High and New Technology Enterprise” are entitled to enterprise income tax rate of 15% as long as the relevant requirements are satisfied. Certain entities satisfying the criteria of “Small and Micro Businesses” enjoy lower income tax rates. The enterprise income tax is calculated based on the entity’s global income as determined under PRC tax laws and accounting standards.

Dividends paid by our wholly foreign-owned subsidiaries in mainland China to our intermediary holding company in Hong Kong will be subject to a withholding tax rate of 10%, unless the relevant Hong Kong entity satisfies all the requirements under the Arrangement between Mainland China and the Hong Kong for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income and receives approval from the relevant tax authority. If our Hong Kong subsidiary satisfies all the requirements under the tax arrangement and receives approval from the relevant tax authority, then the dividends paid to the Hong Kong subsidiary would be subject to withholding tax at the standard rate of 5%. Effective from November 1, 2015, the above mentioned approval requirement has been abolished, but a Hong Kong entity is still required to file an application package with the relevant tax authority, and settle overdue taxes if the preferential 5% tax rate is denied based on the subsequent review of the application package by the relevant tax authority. On October 14, 2019, STA Announcement [2019] No. 35, Measures for the Administration of Non-Resident Taxpayers' Enjoyment of Treaty Benefits, was issued to simplify the procedures for claiming China tax treaty benefits by non-resident taxpayers.

If our holding company in the Cayman Islands or any of our subsidiaries outside of mainland China were deemed to be a “resident enterprise” under the PRC Enterprise Income Tax Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the People’s Republic of China—We may be treated as a resident enterprise for PRC tax purposes under the PRC Enterprise Income Tax Law, and we may therefore be subject to PRC income tax on our global income.”

Effective from June 2014, all value-added telecommunication services, or VATS, provided in mainland China were subject to a VAT of 6% whereas basic telecommunication services were subject to a VAT of 11%. Effective from May 2018, the VAT rate on basic telecommunication services was replaced by a new rate of 10%. On March 20, 2019, the MOF, the STA and the General Administration of Customs jointly issued the Notice of Strengthening Reform of VAT Policies, or the Announcement No. 39, which became effective on April 1, 2019. Pursuant to the Announcement No. 39, the generally applicable VAT rates were simplified to 13%, 9%, 6%, and nil, among which the VAT rate on basic telecommunication services was further replaced by the rate of 9% and the VAT rate on VATS remained at 6%. In addition, a general VAT taxpayer is allowed to offset its qualified input VAT paid on taxable purchases against the output VAT chargeable on the telecommunication services and modern services that it provides.

Pillar Two Income Tax

The Organization for Economic Cooperation and Development (the “OECD”), the European Union and other jurisdictions (including jurisdictions in which we have operations or presence) have committed to enacting substantial changes to numerous long-standing tax principles impacting how large multinational enterprises are taxed. In particular, the OECD’s Pillar Two initiative introduces a 15% global minimum tax applied on a jurisdiction-by-jurisdiction basis and for which many jurisdictions have now committed to an effective enactment date starting January 1, 2024.

A. Results of Operations

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the years ended December 31, 2023, 2024 and 2025. This information should be read together with our audited consolidated financial statements as of December 31, 2024 and 2025 and for the years ended December 31, 2023, 2024 and 2025 and related notes included elsewhere in this annual report. The operating results in any period are not necessarily indicative of the results that may be expected for any future period.

	Year Ended December 31,					
	2023		2024		2025	
	RMB	% of net revenue	RMB	% of net revenue	RMB	US\$
	(in thousands, except for percentages)					
Consolidated Statements of Operations Data:						
Net revenue	9,782,448	100.0	10,322,068	100.0	11,432,274	1,634,793
Cost of revenue	(7,831,222)	(80.1)	(8,099,439)	(78.5)	(8,846,859)	(1,265,084)
Gross profit	1,951,226	19.9	2,222,629	21.5	2,585,415	369,709
Operating expenses						
Selling and marketing expenses	(140,890)	(1.4)	(116,440)	(1.1)	(149,363)	(21,359)
General and administrative expenses	(965,982)	(9.9)	(917,877)	(8.9)	(897,867)	(128,393)
Research and development expenses	(38,159)	(0.4)	(36,319)	(0.4)	(32,700)	(4,676)
Impairment losses of long-lived assets	(3,013,416)	(30.8)	—	0.0	(1,561,235)	(223,254)
(Loss) income from continuing operations	(2,207,221)	(22.6)	1,151,993	11.1	(55,750)	(7,973)
Other income (expenses)						
Interest income	94,008	1.0	89,780	0.9	154,041	22,028
Interest expenses	(1,936,537)	(19.8)	(1,924,631)	(18.7)	(1,788,898)	(255,809)
Foreign currency exchange (loss) gain, net	(1,573)	(0.0)	18,942	0.2	1,489	213
Government grants	84,410	0.9	27,253	0.3	30,944	4,425
Others, net	25,319	0.2	21,804	0.2	7,221	1,033
Gain on deconsolidation of subsidiaries	—	0.0	—	0.0	2,364,104	338,062
(Loss) income from continuing operations before income taxes and share of results of equity method investees	(3,941,594)	(40.3)	(614,859)	(6.0)	713,151	101,979
Income tax benefits (expenses)	15,577	0.2	(156,053)	(1.5)	(469,717)	(67,169)
Share of results of equity method investees	—	0.0	—	0.0	715,928	102,376
Net (loss) income from continuing operations	(3,926,017)	(40.1)	(770,912)	(7.5)	959,362	137,186
Loss from operations of discontinued operations, net of income taxes	(359,376)	(3.7)	(400,796)	(3.9)	—	—
Gain on deconsolidation of subsidiaries, net of nil income taxes	—	0.0	4,475,539	43.4	—	—
(Loss) income from discontinued operations	(359,376)	(3.7)	4,074,743	39.5	—	—
Net (loss) income	(4,285,393)	(43.8)	3,303,831	32.0	959,362	137,186

Key Financial Metrics

We monitor the following key financial metrics to help us evaluate growth trends, establish budgets, measure the effectiveness of our business strategies and assess operational efficiencies:

	Year Ended December 31,		
	2023	2024	2025
Other Consolidated Financial Data:			
Gross margin ⁽¹⁾	19.9 %	21.5 %	22.6 %
Operating margin ⁽²⁾	(22.6)%	11.1 %	(0.5)%
Net margin ⁽³⁾	(43.8)%	32.0 %	8.4 %

(1) Gross profit as a percentage of net revenue.

(2) (Loss) income from continuing operations as a percentage of net revenue.

(3) Net (loss) income as a percentage of net revenue.

Non-GAAP 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,			
	2023	2024	2025	
	RMB	RMB	RMB	US\$
(in thousands, except for numbers of shares and per share data)				
Non-GAAP Consolidated Financial Data:				
Adjusted EBITDA ⁽¹⁾	4,733,004	4,876,436	5,403,462	772,685
Adjusted EBITDA margin ⁽²⁾	48.4 %	47.2 %	47.3 %	47.3 %
Adjusted gross profit ⁽³⁾	5,087,630	5,314,174	5,915,370	845,885
Adjusted gross profit margin ⁽⁴⁾	52.0 %	51.5 %	51.7 %	51.7 %

- (1) Adjusted EBITDA is defined as net income or net loss (computed in accordance with GAAP) excluding income (loss) from discontinued operations, 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, impairment losses of long-lived assets, share of results of equity method investees and gain on deconsolidation of subsidiaries.
- (2) Adjusted EBITDA margin is defined as adjusted EBITDA as a percentage of net revenue.
- (3) Adjusted gross profit is defined as gross profit (computed in accordance with U.S. GAAP), excluding depreciation and amortization, operating lease cost relating to prepaid land use rights, accretion expenses for asset retirement costs and share-based compensation expenses allocated to cost of revenue.
- (4) Adjusted gross profit margin is defined as adjusted gross profit as a percentage of net revenue.

Our management and board of directors use adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, and adjusted gross profit margin, which are non-GAAP financial measures, to evaluate our operating performance, establish budgets and develop operational goals for managing our business. We believe that the exclusion of the income and expenses eliminated in calculating adjusted EBITDA and adjusted gross profit can provide useful supplemental measures of our core operating performance. In particular, we believe that the use of adjusted EBITDA as a supplemental performance measure captures the trend in our operating performance by excluding from our operating results the impact of our capital structure (primarily interest expense), asset base charges (primarily depreciation and amortization, operating lease cost relating to prepaid land use rights, accretion expenses for asset retirement costs and impairment losses of long-lived assets), impact of our subsidiaries and investments (primarily gain on deconsolidation of subsidiaries and share of results of equity method investees), other non-cash expenses (primarily share-based compensation expenses), and other income and expenses which we believe are not reflective of our operating performance, whereas the use of adjusted gross profit as a supplemental performance measure captures the trend in gross profit performance of our data centers in service by excluding from our gross profit the impact of asset base charges (primarily depreciation and amortization, operating lease cost relating to prepaid land use rights and accretion expenses for asset retirement costs) and other non-cash expenses (primarily share-based compensation expenses) included in cost of revenue. In addition, we exclude income (loss) from discontinued operation from our adjusted EBITDA and adjusted EBITDA margin to measure our financial performance from continuing operations, which will be consistent with our future financial performance measurements.

We note that depreciation and amortization is a fixed cost which commences as soon as each data center enters service. However, it usually takes several years for new data centers to reach high levels of utilization and profitability. The Company incurs significant depreciation and amortization costs for its early-stage data center assets. Accordingly, gross profit, which is a measure of profitability after taking into account depreciation and amortization, does not accurately reflect the Company's core operating performance.

We also present these non-GAAP measures because we believe these non-GAAP measures are frequently used by 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 (used in) 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 GAAP equivalent. First, adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, and adjusted gross profit margin are not substitutes for gross profit, net income (loss), cash flows provided by (used in) 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 income (loss) from discontinued operations, net interest expenses, income tax benefits (expenses), depreciation and amortization, operating lease cost relating to prepaid land use rights, accretion expenses for asset retirement costs, share-based compensation expenses, impairment losses of long-lived assets, share of results of equity method investees and gain on deconsolidation of subsidiaries, each of which has 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 and adjusted EBITDA margin in the years presented to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP, which is net income or net loss and net income or net loss margin:

	Year Ended December 31,					
	2023		2024		2025	
	RMB	% of net revenue	RMB	% of net revenue	RMB	US\$
	(in thousands, except for percentages)					
Net (loss) income	(4,285,393)	(43.8)	3,303,831	32.0	959,362	137,186
Loss (income) from discontinued operations	359,376	3.7	(4,074,743)	(39.5)	—	—
Net (loss) income from continuing operations	(3,926,017)	(40.1)	(770,912)	(7.5)	959,362	137,186
Net interest expenses	1,842,529	18.8	1,834,851	17.8	1,634,857	233,781
Income tax (benefits) expenses	(15,577)	(0.2)	156,053	1.5	469,717	67,169
Share of results of equity method investees	—	0.0	—	0.0	(715,928)	(102,376)
Gain on deconsolidation of subsidiaries	—	0.0	—	0.0	(2,364,104)	(338,062)
Depreciation and amortization	3,368,474	34.4	3,243,004	31.3	3,459,294	494,672
Operating lease cost relating to prepaid land use rights	106,964	1.1	110,126	1.1	108,435	15,506
Accretion expenses for asset retirement costs	6,599	0.1	6,827	0.1	7,218	1,032
Share-based compensation expenses	336,616	3.5	296,487	2.9	283,376	40,523
Impairment losses of long-lived assets	3,013,416	30.8	—	0.0	1,561,235	223,254
Adjusted EBITDA	4,733,004	48.4	4,876,436	47.2	5,403,462	772,685

The following table reconciles our adjusted gross profit and adjusted gross profit margin in the years presented to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP, which is gross profit and gross profit margin:

	Year Ended December 31,					
	2023		2024		2025	
	RMB	% of net revenue	RMB	% of net revenue	RMB	US\$
	(in thousands, except for percentages)					
Gross profit	1,951,226	19.9	2,222,629	21.5	2,585,415	369,709
Depreciation and amortization	2,974,546	30.4	2,947,444	28.6	3,211,965	459,304
Operating lease cost relating to prepaid land use rights	38,792	0.4	44,872	0.4	46,478	6,646
Accretion expenses for asset retirement costs	6,599	0.1	6,827	0.1	7,218	1,032
Share-based compensation expenses	116,467	1.2	92,402	0.9	64,294	9,194
Adjusted gross profit	5,087,630	52.0	5,314,174	51.5	5,915,370	845,885

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024*Net Revenue*

Our net revenue increased by 10.8% to RMB11,432.3 million (US\$1,634.8 million) in 2025 from RMB10,322.1 million in 2024. This increase was due to increases in service revenue of RMB1,106.2 million, mainly due to an increase in area utilized from 453,094 sqm as of December 31, 2024 to 504,843 sqm as of December 31, 2025, as (i) customers with commitments moved into the data center area, and (ii) new service contracts were signed by customers who commenced utilizing services during the period.

Cost of Revenue

Our cost of revenue increased by 9.2% to RMB8,846.9 million (US\$1,265.1 million) in 2025 from RMB8,099.4 million in 2024. This increase was primarily due to an increase of 18.9% in utility costs to RMB3,995.3 million (US\$571.3 million) in 2025 from RMB3,360.8 million in 2024, and an increase of 9.0% in depreciation and amortization costs to RMB3,212.0 million (US\$459.3 million) in 2025 from RMB2,947.4 million in 2024. The increase in utility costs was largely a result of an increase in customer power utilized and new data center facilities. Increase in depreciation and amortization costs was largely a result of increased properties and equipment. Cost of revenue as a percentage of net revenue decreased to 77.4% in 2025 from 78.5% in 2024.

Operating Expenses

Our total operating expenses increased by 146.7% to RMB2,641.2 million (US\$377.7 million) in 2025 as compared to RMB1,070.6 million in 2024. The increase was primarily due to impairment losses of long-lived assets of RMB1,561.2 million (US\$223.3 million) in 2025. Our total operating expenses as a percentage of our net revenue increased to 23.1% in 2025 from 10.4% in 2024.

Selling and Marketing Expenses. Our selling and marketing expenses increased by 28.3% to RMB149.4 million (US\$21.4 million) from RMB116.4 million in 2024, which was mainly due to the increase in personnel cost of RMB23.8 million.

General and Administrative Expenses. Our general and administrative expenses were RMB897.9 million (US\$128.4 million) in 2025, compared with RMB917.9 million in 2024, which decrease mainly resulted from (i) a decrease in depreciation and amortization expenses of RMB46.7 million and (ii) a decrease in professional fee of RMB16.6 million, partially offset by (iii) an increase in taxes of RMB25.7 million and (iv) an increase in share-based payment expenses of RMB12.9 million.

Research and Development Expenses. Our research and development expenses decreased by 10.0% to RMB32.7 million (US\$4.7 million) from RMB36.3 million in 2024. This decrease was primarily attributable to continuing cost control in 2025.

Impairment losses of long-lived assets. Impairment losses of long-lived assets of RMB1,561.2 million (US\$223.3 million) were provided in 2025, which were mainly due to lower sales price and slower move-in of certain data centers with fixed lease terms. No impairment losses were provided in 2024.

Other Income (Expenses)

Interest Income. Our interest income increased by 71.6% to RMB154.0 million (US\$22.0 million) in 2025 from RMB89.8 million in 2024, which was primarily a result of an increase in cash balance during 2025 as a result of issuance of ordinary shares and convertible bonds.

Interest Expenses. Our interest expenses decreased by 7.1% to RMB1,788.9 million (US\$255.8 million) in 2025 from RMB1,924.6 million in 2024, which was primarily a result of lower interest rate.

Government Grants. Income from government grants increased by 13.5% to RMB30.9 million (US\$4.4 million) in 2025 from RMB27.3 million in 2024, primarily due to the increase in certain government support we applied in 2025.

Foreign Currency Exchange (Loss) Gain, net. Changes in currency exchange rates resulted in a gain of RMB1.5 million (US\$0.2 million) in 2025 as compared to a gain of RMB18.9 million in 2024. The smaller exchange gain in 2025 was primarily due to the appreciation of RMB against U.S. dollar in later 2025.

Gain on deconsolidation of subsidiaries

Gain on deconsolidation of subsidiaries of RMB2,364.1 million (US\$338.1 million) in 2025 was mainly due to the deconsolidation of the project companies through asset monetization transactions including ABS and GDS C-REIT.

Income Tax Benefits (Expenses)

Income tax expenses were RMB469.7 million (US\$67.2 million) in 2025, compared to income tax expenses of RMB156.1 million in 2024. Our income tax benefits (expenses) are comprised of current tax expense, mainly attributable to certain profitable subsidiaries in mainland China, and deferred tax impact. The increase in income tax expenses in 2025 was mainly due to the income tax incurred for the gain on selling the project companies to ABS and GDS C-REIT. The effective tax rate was 65.9% for 2025, compared with negative 25.4% for 2024, which was mainly due to the valuation allowance provided for the deferred tax assets arising from the impairment losses of long-lived assets.

Share of results of equity method investees

Share of results of equity method investees in 2025 was an income of RMB715.9 million (US\$102.4 million), which included a loss on share of investees' results under equity method of RMB965.1 million (US\$138.0 million), primarily from DayOne, and a gain on dilution of equity method investment of RMB1,681.0 million (US\$240.4 million) following the completion of part of DayOne's Series C Convertible Preferred Share issuance.

(Loss) Income from Discontinued Operations

Income from discontinued operations was RMB4,074.7 million in 2024, consisting of loss from operations of discontinued operations, net of income taxes, of RMB400.8 million and gain on deconsolidation of subsidiaries, net of nil income taxes of RMB4,475.5 million. After deconsolidation of DayOne on December 31, 2024, there were no discontinued operations included in our consolidated financial statements.

Net (Loss) Income

As a result of the foregoing, net income was RMB959.4 million (US\$137.2 million) in 2025, compared to a net income of RMB3,303.8 million in 2024.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Net Revenue

Our net revenue increased by 5.5% to RMB10,322.1 million in 2024 from RMB9,782.4 million in 2023. This increase was due to increases in service revenue of RMB540.0 million, mainly due to an increase in area utilized from 405,302 sqm as of December 31, 2023 to 453,094 sqm as of December 31, 2024, as (i) customers with commitments moved into the data center area, and (ii) new service contracts were signed by customers who commenced utilizing services during the period.

Cost of Revenue

Our cost of revenue increased by 3.4% to RMB8,099.4 million in 2024 from RMB7,831.2 million in 2023. This increase was primarily due to an increase of 9.3% in utility costs to RMB3,360.8 million in 2024 from RMB3,076.2 million in 2023, and an increase of 9.2% in personnel costs to RMB512.1 million in 2024 from RMB469.1 million in 2023. The increase in utility costs was largely a result of an increase in customer power utilized and new data center facilities. Increase in personnel costs was largely a result of increased headcount. Cost of revenue as a percentage of net revenue decreased to 78.5% in 2024 from 80.1% in 2023.

Operating Expenses

Our total operating expenses decreased by 74.3% to RMB1,070.6 million in 2024 as compared to RMB4,158.4 million in 2023. The decrease was primarily due to impairment losses of long-lived assets of RMB3,013.4 million in 2023. Our total operating expenses as a percentage of our net revenue decreased to 10.4% in 2024 from 42.5% in 2023.

Selling and Marketing Expenses. Our selling and marketing expenses decreased by 17.4% to RMB116.4 million from RMB140.9 million in 2023, which was mainly due to the decrease in share-based payment expenses of RMB18.7 million.

General and Administrative Expenses. Our general and administrative expenses were RMB917.9 million in 2024, compared with RMB966.0 million in 2023, which decrease mainly resulted from (i) a decrease in depreciation and amortization expenses of RMB96.1 million and (ii) a decrease in allowance for credit losses of RMB31.5 million, partially offset by (i) an increase in personnel cost of RMB19.8 million as a result of increased headcount in 2024, (ii) a cash reimbursement from the Company's ADS depository bank of RMB22.1 million in 2023, (iii) an increase in taxes of RMB14.9 million, and (iv) an increase in other expenses of RMB22.7 million.

Research and Development Expenses. Our research and development expenses decreased by 4.8% to RMB36.3 million from RMB38.2 million in 2023. This decrease was primarily attributable to cost control in 2024.

Impairment losses of long-lived assets. Impairment losses of long-lived assets of RMB3,013.4 million were provided in 2023 mainly due to lower sales price and slower move-in within fixed lease terms for the leased properties and proactive plans to consolidate certain data centers. No impairment losses were provided in 2024.

Other Income (Expenses)

Interest Income. Our interest income decreased by 4.5% to RMB89.8 million in 2024 from RMB94.0 million in 2023, which was primarily a result of a decrease in income generating deposits held during 2024.

Interest Expenses. Our interest expenses decreased by 0.6% to RMB1,924.6 million in 2024 from RMB1,936.5 million in 2023. This decrease was primarily a result of lower interest rate.

Government Grants. Income from government grants decreased by 67.7% to RMB27.3 million in 2024 from RMB84.4 million in 2023, primarily due to the expiration of certain government support policies.

Foreign Currency Exchange (Loss) Gain, net. Changes in currency exchange rates resulted in a gain of RMB18.9 million in 2024 as compared to a loss of RMB1.6 million in 2023, primarily due to the exchange gain from cash balances denominated in U.S. dollar held by our PRC entities as RMB depreciated against U.S. dollar during 2024.

Income Tax Benefits (Expenses)

Income tax expenses were RMB156.1 million in 2024, compared to income tax benefits of RMB15.6 million in 2023. Our income tax benefits (expenses) are comprised of current tax expense, mainly attributable to certain profitable subsidiaries in mainland China, and deferred tax impact. In 2023, the income tax benefits mainly arose from the impairment losses of long-lived assets and the amortization of deferred tax liabilities attributable to acquisitions. The income tax expenses in 2024 consisted of current tax expenses of RMB337.6 million arising from the profit generated by certain subsidiaries in mainland China and deferred tax benefits of RMB181.6 million mainly due to the amortization of deferred tax liabilities attributable to acquisitions.

(Loss) Income from Discontinued Operations

Income from discontinued operations was RMB4,074.7 million in 2024, consisting of loss from operations of discontinued operations, net of income taxes, of RMB400.8 million and gain on deconsolidation of subsidiaries, net of nil income taxes of RMB4,475.5 million. In 2023, loss from discontinued operations represented loss from operations of discontinued operations, net of income taxes of RMB359.4 million. The increase in loss from operations of discontinued operations, net of income taxes was mainly due to greater operating expenses for business expansion, partially offset by the increase in gross profit resulting from the increase in area utilized.

Net (Loss) Income

As a result of the foregoing, net income was RMB3,303.8 million in 2024, compared to a net loss of RMB4,285.4 million in 2023.

Variable Interest Entity Financial Information

The following tables present the condensed consolidating schedule of financial performance, financial position and cash flows for our company, the non-VIE subsidiaries, and the VIEs and their subsidiaries for the years and as of the dates presented.

Selected Condensed Consolidated Statements of Operations Information

	Year Ended December 31, 2025				
	Our company ⁽⁴⁾	Non-VIE subsidiaries ⁽¹⁾⁽²⁾	VIEs and their subsidiaries ⁽¹⁾⁽³⁾ (in thousands of RMB)	Consolidation adjustments ⁽⁵⁾	Consolidated Total
Net revenue	2,542	9,020,229	11,275,197	(8,865,694)	11,432,274
Cost of revenue	(69,586)	(7,024,556)	(10,619,075)	8,866,358	(8,846,859)
Net income (loss)	949,643	688,111	107,577	(785,969)	959,362

	Year Ended December 31, 2024				
	Our company ⁽⁴⁾	Non-VIE subsidiaries ⁽¹⁾⁽²⁾	VIEs and their subsidiaries ⁽¹⁾⁽³⁾ (in thousands of RMB)	Consolidation adjustments ⁽⁵⁾	Consolidated Total
Net revenue	6,952	8,252,368	10,086,220	(8,023,472)	10,322,068
Cost of revenue	(97,174)	(6,480,910)	(9,526,368)	8,005,013	(8,099,439)
Net (loss) income from continuing operations	(1,050,153)	(393,073)	214,697	457,617	(770,912)
Income (loss) from discontinued operations	4,475,539	(375,346)	—	(25,450)	4,074,743
Net income (loss)	3,425,386	(768,419)	214,697	432,167	3,303,831

	Year Ended December 31, 2023				
	Our company ⁽⁴⁾	Non-VIE subsidiaries ⁽¹⁾⁽²⁾	VIEs and their subsidiaries ⁽¹⁾⁽³⁾ (in thousands of RMB)	Consolidation adjustments ⁽⁵⁾	Consolidated Total
Net revenue	6,776	7,623,403	9,702,806	(7,550,537)	9,782,448
Cost of revenue	(121,592)	(5,988,643)	(9,270,933)	7,549,946	(7,831,222)
Net loss from continuing operations	(4,290,053)	(3,325,083)	(7,897)	3,697,016	(3,926,017)
Loss from discontinued operations	—	(351,900)	—	(7,476)	(359,376)
Net loss	(4,290,053)	(3,676,983)	(7,897)	3,689,540	(4,285,393)

(1) The VIEs and their subsidiaries were contracting parties in IDC service agreements, while our non-VIE subsidiaries provided outsourcing and other services by charging service fees to the VIEs and their subsidiaries.

(2) Net revenue of the non-VIE subsidiaries disclosed above comprises of the following items:

- net revenue for provision of services and sales of equipment to third parties, including DayOne after it was deconsolidated, of RMB291.2 million, RMB364.9 million and RMB290.2 million (US\$41.5 million) in 2023, 2024 and 2025, respectively;
- net revenue for provision of outsourcing and other services to the VIEs and their subsidiaries of RMB7,312.8 million, RMB7,792.6 million and RMB8,711.1 million (US\$1,245.7 million) in 2023, 2024 and 2025, respectively;
- net revenue for services provided to discontinued operations, mainly including commission and procurement services fees of RMB1.7 million and RMB38.2 million in 2023 and 2024, respectively;
- net revenue for services provided to our company of RMB9.1 million (US\$1.3 million) in 2025; and
- other sales, which mainly represented the equipment sales, to the VIEs and their subsidiaries, of RMB17.7 million, RMB56.7 million and RMB9.8 million (US\$1.4 million) in 2023, 2024 and 2025, respectively.

(3) Net revenue of the VIEs disclosed above comprises of the following items:

- net revenue for provision of services and sales of equipment to third parties of RMB9,489.5 million, RMB9,919.0 million and RMB11,142.1 million (US\$1,593.3 million) in 2023, 2024 and 2025, respectively, which is the net revenue of VIEs and their subsidiaries disclosed in Note 2(a) to our consolidated financial statements;

- net revenue for provision of construction services, research and development services, colocation and managed services and equipment sales to the non-VIE subsidiaries of RMB213.3 million, RMB167.2 million and RMB133.1 million (US\$19.0 million) in 2023, 2024 and 2025, respectively.

(4) Net revenue of our company in the years ended December 31, 2023, 2024 and 2025 mainly represents the service fees charged to the non-VIE subsidiaries, discontinued operations and DayOne after it was deconsolidated.

(5) To eliminate the above intra-group transactions and our company's equity in gain or loss of subsidiaries, the VIEs and their subsidiaries.

Selected Condensed Consolidated Balance Sheets Information

	As of December 31, 2025				
	Our company	Non-VIE subsidiaries	VIEs and their subsidiaries (in thousands of RMB)	Consolidation adjustments	Consolidated Total
Assets					
Current assets					
Cash and cash equivalents	3,009,874	6,754,642	4,541,442	—	14,305,958
Accounts receivable, net of allowance for credit losses	—	38,768	2,428,590	—	2,467,358
Other current assets	687,911	655,177	431,092	(39)	1,774,141
Total current assets excluding amounts due from the entities within the Group	3,697,785	7,448,587	7,401,124	(39)	18,547,457
Property and equipment, net ⁽¹⁾	—	36,507,657	1,573,740	(27,573)	38,053,824
Goodwill	—	5,187,717	—	—	5,187,717
Deferred tax assets	—	287,606	103,381	232	391,219
Long-term investments in equity investees	9,164,612	887,736	—	—	10,052,348
Other non-current assets ⁽¹⁾	—	7,475,826	292,389	(2,282)	7,765,933
Total assets excluding investments, loans and amounts due from the entities within the Group	12,862,397	57,795,129	9,370,634	(29,662)	79,998,498
Investments, loans and amounts due from the entities within the Group ⁽²⁾	26,420,808	8,547,835	2,219,717	(37,188,360)	—
Total assets	39,283,205	66,342,964	11,590,351	(37,218,022)	79,998,498
Liabilities, Mezzanine Equity and Equity					
Current liabilities					
Short-term borrowings and current portion of long-term borrowings ⁽³⁾	—	2,472,225	282,433	197,076	2,951,734
Accounts payable	930	1,540,456	390,791	—	1,932,177
Finance lease and other financing obligations, current	—	648,156	48,986	—	697,142
Other current liabilities	107,882	913,967	525,457	—	1,547,306
Total current liabilities, excluding amounts due to the entities within the Group	108,812	5,574,804	1,247,667	197,076	7,128,359
Long-term borrowings, excluding current portion	—	23,097,133	266,266	(186)	23,363,213
Convertible bonds payable	12,144,371	—	—	—	12,144,371
Finance lease and other financing obligations, non-current	—	6,251,591	802,388	—	7,053,979
Other non-current liabilities	—	2,412,128	159,387	—	2,571,515
Total liabilities, excluding amounts due to the entities within the Group	12,253,183	37,335,656	2,475,708	196,890	52,261,437
Amounts due to the entities within the Group ⁽²⁾⁽³⁾	190,347	36,179,271	8,246,495	(44,616,113)	—
Total liabilities	12,443,530	73,514,927	10,722,203	(44,419,223)	52,261,437
Total mezzanine equity	1,056,663	—	—	—	1,056,663
Total equity (deficit)	25,783,012	(7,171,963)	868,148	7,201,201	26,680,398
Total liabilities, mezzanine equity and equity	39,283,205	66,342,964	11,590,351	(37,218,022)	79,998,498

	As of December 31, 2024				
	Our company	Non-VIE subsidiaries	VIEs and their subsidiaries (in thousands of RMB)	Consolidation adjustments	Consolidated Total
Assets					
Current assets					
Cash and cash equivalents	1,498,062	4,510,777	1,858,820	—	7,867,659
Accounts receivable, net of allowance for credit losses	—	25,296	2,996,660	—	3,021,956
Other current assets	54,910	338,571	329,975	—	723,456
Total current assets excluding amounts due from the entities within the Group	1,552,972	4,874,644	5,185,455	—	11,613,071
Property and equipment, net ⁽¹⁾	—	38,361,913	1,895,324	(53,104)	40,204,133
Goodwill	—	5,886,379	—	—	5,886,379
Deferred tax assets	—	322,037	58,970	267	381,274
Long-term investments in equity investees	7,537,604	6,951	—	—	7,544,555
Other non-current assets ⁽¹⁾	61	7,633,291	388,649	(2,785)	8,019,216
Total assets excluding investments, loans and amounts due from the entities within the Group	9,090,637	57,085,215	7,528,398	(55,622)	73,648,628
Investments, loans and amounts due from the entities within the Group ⁽²⁾	24,778,969	6,515,232	2,185,432	(33,479,633)	—
Total assets	33,869,606	63,600,447	9,713,830	(33,535,255)	73,648,628
Liabilities, Mezzanine Equity and Equity					
Current liabilities					
Short-term borrowings and current portion of long-term borrowings ⁽³⁾	1,435,924	2,402,957	404,801	97,967	4,341,649
Accounts payable	1,066	2,089,567	502,672	—	2,593,305
Finance lease and other financing obligations, current	—	590,999	45,153	—	636,152
Other current liabilities	121,665	1,015,895	369,432	—	1,506,992
Total current liabilities, excluding amounts due to the entities within the Group	1,558,655	6,099,418	1,322,058	97,967	9,078,098
Long-term borrowings, excluding current portion	—	21,507,145	399,043	(203)	21,905,985
Convertible bonds payable	8,576,583	—	—	—	8,576,583
Finance lease and other financing obligations, non-current	—	6,750,459	851,192	—	7,601,651
Other non-current liabilities	—	2,645,285	172,393	—	2,817,678
Total liabilities, excluding amounts due to the entities within the Group	10,135,238	37,002,307	2,744,686	97,764	49,979,995
Amounts due to the entities within the Group ⁽²⁾⁽³⁾	195,666	35,934,659	6,208,573	(42,338,898)	—
Total liabilities	10,330,904	72,936,966	8,953,259	(42,241,134)	49,979,995
Total mezzanine equity	1,080,656	—	—	—	1,080,656
Total equity (deficit)	22,458,046	(9,336,519)	760,571	8,705,879	22,587,977
Total liabilities, mezzanine equity and equity	33,869,606	63,600,447	9,713,830	(33,535,255)	73,648,628

- (1) The consolidation adjustments are to eliminate the unrealized profit primary for (a) sales of equipment from non-VIE subsidiaries to the VIEs and their subsidiaries, (b) the construction services provided by the VIEs and their subsidiaries to the non-VIE subsidiaries and (c) the capitalized research and development services provided by the non-VIE subsidiaries to the VIEs and their subsidiaries.
- (2) Equity method has been used to account for our company's investments in the subsidiaries. The consolidation adjustments are to eliminate intra-group balances in respect of investment, loans and other amounts due from and due to the entities within the Group.
- (3) Certain non-VIE subsidiaries discounted without recourse the accounts receivable from certain VIE subsidiaries with banks. Such arrangement is in substance a financing from banks on a consolidated basis. The consolidation adjustments are to recognize the borrowing from banks.

Selected Condensed Consolidated Cash Flows Information

Year Ended December 31, 2025					
	Our company	Non-VIE subsidiaries	VIEs and their subsidiaries (in thousands of RMB)	Consolidation adjustments ⁽¹⁾	Consolidated Total
Net cash (used in) provided by operating activities ⁽¹⁾	(230,172)	2,751,109	844,806	(489)	3,365,254
Net cash (used in) provided by investing activities ^{(1) (2)}	(1,555,792)	(4,542,689)	2,177,111	881,371	(3,039,999)
Net cash provided by (used in) financing activities ⁽²⁾	3,357,658	4,004,407	(375,167)	(880,882)	6,106,016

Year Ended December 31, 2024					
	Our company	Non-VIE subsidiaries	VIEs and their subsidiaries (in thousands of RMB)	Consolidation adjustments ⁽¹⁾	Consolidated Total
Net cash (used in) provided by operating activities of continuing operations	(274,168)	2,500,421	(5,129)	(1,462)	2,219,662
Net cash used in operating activities of discontinued operations	—	(281,297)	—	—	(281,297)
Net cash (used in) provided by operating activities ⁽¹⁾	(274,168)	2,219,124	(5,129)	(1,462)	1,938,365
Net cash provided by (used in) investing activities of continuing operations	208,016	(1,473,249)	(236,574)	(338,554)	(1,840,361)
Net cash used in investing activities of discontinued operations	—	(6,920,177)	—	—	(6,920,177)
Net cash provided by (used in) investing activities ⁽¹⁾⁽²⁾	208,016	(8,393,426)	(236,574)	(338,554)	(8,760,538)
Net cash provided by (used in) financing activities of continuing operations	1,348,792	(1,181,940)	(332,573)	340,016	174,295
Net cash provided by financing activities of discontinued operations	—	16,883,042	—	—	16,883,042
Net cash provided by (used in) financing activities ⁽²⁾	1,348,792	15,701,102	(332,573)	340,016	17,057,337

Year Ended December 31, 2023					
	Our company	Non-VIE subsidiaries	VIEs and their subsidiaries (in thousands of RMB)	Consolidation adjustments ⁽¹⁾	Consolidated Total
Net cash (used in) provided by operating activities of continuing operations	(68,805)	2,197,441	235,448	(4,808)	2,359,276
Net cash used in operating activities of discontinued operations	—	(294,019)	—	—	(294,019)
Net cash (used in) provided by operating activities ⁽¹⁾	(68,805)	1,903,422	235,448	(4,808)	2,065,257
Net cash used in investing activities of continuing operations	(1,285,317)	(3,416,796)	(86,336)	272,859	(4,515,590)
Net cash used in investing activities of discontinued operations	—	(2,827,863)	—	—	(2,827,863)
Net cash used in investing activities ⁽¹⁾⁽²⁾	(1,285,317)	(6,244,659)	(86,336)	272,859	(7,343,453)
Net cash provided by (used in) financing activities of continuing operations	622,659	937,895	(25,567)	(268,051)	1,266,936
Net cash provided by financing activities of discontinued operations	—	2,892,824	—	—	2,892,824
Net cash provided by (used in) financing activities ⁽²⁾	622,659	3,830,719	(25,567)	(268,051)	4,159,760

(1) The consolidation adjustments represent the elimination of intra-group payments from the non-VIE subsidiaries to one of the VIE's subsidiaries, for the construction services rendered.

- (2) The consolidation adjustments are primarily to eliminate (a) our company's investment in, loans and advances to the non-VIE subsidiaries with (b) the capitals, advances and loans received by the non-VIE subsidiaries from our company.

B. Liquidity and Capital Resources

Our primary sources of liquidity have been net proceeds from operations, cash flow from short-term and long-term borrowings, issuance of debt and equity securities, including in our initial public offering, follow-on public offerings, private placement (including convertible preferred shares) and convertible bonds, which have historically been sufficient to meet our working capital and substantially all of our capital expenditure requirements. Historically, we also have had finance lease and other financing obligations. As of December 31, 2025, we had cash and cash equivalents of RMB14,306.0 million (US\$2,045.7 million). In addition, as of December 31, 2025, total short-term debt was RMB3,648.9 million (US\$521.8 million), comprised of short-term borrowings and the current portion of long-term borrowings of RMB2,951.7 million (US\$422.1 million) and the current portion of finance lease and other financing obligations of RMB697.1 million (US\$99.7 million). As of the same date, total long-term debt was RMB42,561.6 million (US\$6,086.2 million), comprised of long-term borrowings (excluding current portion) of RMB23,363.2 million (US\$3,340.9 million), the non-current portion of finance lease and other financing obligations of RMB7,054.0 million (US\$1,008.7 million) and convertible bonds payable of RMB12,144.4 million (US\$1,736.6 million). As of December 31, 2025, the unused amount of working capital and project financing credit was RMB3,563.4 million (US\$ 509.6 million).

Based on our current level of operations and available cash, we believe that we have sufficient liquidity to fund our current obligations, projected working capital requirements, debt service requirements and capital spending requirements at least for the next 12 months. However, we may require additional cash resources due to changing business conditions or other future developments, including any investments or acquisitions we may decide to selectively pursue. If our existing cash resources are insufficient to meet our requirements, we may seek to sell equity or equity-linked securities, debt securities, borrow from banks or dispose our assets. We cannot assure you that financing will be available in the amounts we need or on terms acceptable to us, if at all. The sale of additional equity securities, including convertible debt securities, would result in additional dilution to our shareholders. The incurrence of indebtedness and issuance of debt securities would result in debt service obligations and could result in operating and financial covenants that restrict our operations and our ability to pay dividends to our shareholders. If we were unable to obtain additional equity or debt financing as required, our business, operations and prospects and our ability to maintain our desired level of revenue growth may suffer materially.

As a holding company with no material operations of our own, we are a corporation separate and apart from our subsidiaries and the consolidated VIEs and, therefore, provide for our own liquidity. We conduct our operations primarily through our mainland China subsidiaries, the VIEs and their subsidiaries in mainland China. As a result, our ability to pay dividends and to finance any debt we may incur depends upon dividends paid by our subsidiaries. If our mainland China subsidiaries, or any newly formed mainland China subsidiaries, incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our mainland China subsidiaries are permitted to pay dividends to us only out of their respective retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under applicable PRC laws and regulations, our mainland China subsidiaries are each required to set aside a portion of their after-tax profits each year to fund certain statutory reserves, and funds from such reserves may not be distributed to us as cash dividends except in the event of liquidation of such subsidiaries.

Our main sources of cash funding for the VIEs and their subsidiaries have included intercompany loans and cash advances from GDS Holdings, our subsidiaries and cash generated from operations. In the years ended December 31, 2023 and 2025, GDS Holdings and our subsidiaries did not provide any additional intercompany loans to the VIEs and their subsidiaries and the VIEs and their subsidiaries did not repay any existing intercompany loans to GDS Holdings and our subsidiaries. In the year ended December 31, 2024, GDS Holdings and our subsidiaries did not provide any additional intercompany loans to the VIEs or their subsidiaries and the VIEs and their subsidiaries repaid RMB132.0 million of existing intercompany loans to GDS Holdings and our subsidiaries. As of December 31, 2023, 2024 and 2025, the VIEs and their subsidiaries held cash and cash equivalents of RMB2,451.5 million, RMB1,858.8 million and RMB4,541.4 million (US\$649.4 million), respectively.

In the year ended December 31, 2023, our company, through the intermediate holding companies, made capital contribution or provided intercompany loans to the non-VIE subsidiaries of RMB1,285.3 million. In the year ended December 31, 2024, GDS Holdings received repayments from discontinued operations of RMB1,059.0 million and made capital contributions or provided intercompany loans to other non-VIE subsidiaries of RMB851.0 million. In the year ended December 31, 2025, our company, through the intermediate holding companies, made capital contribution or provided intercompany loans to the non-VIE subsidiaries of RMB889.0 million (US\$127.1 million).

PRC entities need to appropriate reserve funds of 10% before distributing earnings until such reserve reaches 50% of paid in capital. Except as otherwise disclosed elsewhere in this annual report, there was no restriction or limitation on our company's ability to receive earnings from our subsidiaries or to distribute them to U.S. investors during the years ended December 31, 2023, 2024 and 2025. Likewise, there was no restriction or limitation on the consolidated VIEs to settle obligations under the consolidated VIE contractual arrangements. As of December 31, 2025, certain subsidiaries, the VIEs and their subsidiaries had retained earnings of RMB5,502.9 million (US\$786.9 million) in aggregate. No dividend or distribution was made through our subsidiaries or consolidated VIEs to our company during the years ended December 31, 2023, 2024 and 2025.

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of mainland China. We receive substantially all of our revenues in Renminbi. Under our current corporate structure, GDS Holdings may rely on dividend payments from our mainland China subsidiaries to fund any of our cash and financing requirements. Under China's existing foreign exchange regulations, our mainland China subsidiaries are able to make payments of current accounts, such as dividends, to their offshore holding companies, in foreign currencies, without prior approval from SAFE, by complying with certain procedural requirements. However, approval from appropriate government authorities will be required where Renminbi is to be converted into foreign currency and remitted out of mainland China to pay capital expenses such as the repayment of loans denominated in foreign currencies. There is no requirement imposed on investors to complete registration or obtain approval from appropriate government authorities before they can receive dividend payments from GDS Holdings. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the People's Republic of China—Restrictions on currency exchange may limit our ability to utilize our net revenue effectively." These statutory limitations affect, and future covenant debt limitations might affect, our mainland China subsidiaries' ability to pay dividends to us.

As of December 31, 2025, our cash and cash equivalents and restricted cash were deposited in major financial institutions located in mainland China, Hong Kong, Macau, Singapore and the United States. We currently believe that such limitations on payment in foreign currencies will not impact our ability to meet our ongoing short-term cash obligations although we cannot assure you that such limitations will not affect our ability in the future to meet our short-term cash obligations and to distribute dividends to our shareholders. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the People's Republic of China—We rely to a significant extent on dividends and other distributions on equity paid by our principal operating subsidiaries to fund offshore cash and financing requirements" and "—Statutory Reserves."

We do not plan for our mainland China subsidiaries to pay dividends in the foreseeable future and we intend for those subsidiaries to retain any future earnings for use in the operation and expansion of our business in mainland China. Accordingly, our ability to pay dividends and finance debt will be affected by this current plan. In the future, we may take advantage of financing options available to us in connection with any dividend payments we may make or repayments of any offshore indebtedness we may incur. For example, we may fund dividend payments through offshore debt, whether unsecured or secured by the assets of our onshore consolidated entities. In order to service offshore debt, we may rely upon financing options through the capital markets, including issuances of equity or debt securities, the proceeds of which we may use to service offshore debt.

Pursuant to the PRC Enterprise Income Tax Law, a withholding tax rate of 10% currently applies to dividends paid by a PRC “resident enterprise” to a foreign enterprise investor, unless any such foreign investor’s jurisdiction of incorporation has a tax treaty with China that provides for preferential tax treatment. Accordingly, if in the future our mainland China subsidiaries that are considered “resident enterprises” pay dividends to the Hong Kong subsidiary that holds such mainland China subsidiary, any such dividend may be subject to a withholding tax of 10%. Such withholding tax rate may be lowered to 5% if a Hong Kong resident enterprise owns no less than 25% of a PRC enterprise. However, the 5% withholding tax rate does not automatically apply and certain requirements must be satisfied. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the People’s Republic of China—We may not be able to obtain certain benefits under the relevant tax treaty on dividends paid by our mainland China subsidiaries to us through our Hong Kong subsidiary.”

As a result of these laws, rules and regulations relating to statutory reserves, foreign exchange conversion and withholding taxes described above, our subsidiaries, the VIEs and their subsidiaries incorporated in mainland China are restricted in their ability to transfer a portion of their respective net assets to their offshore holding companies as dividends, loans or advances. As of December 31, 2025, the restricted net assets were RMB26,248.4 million (US\$3,753.5 million), including those of the VIEs and their subsidiaries of RMB356.5 million (US\$51.0 million) and our subsidiaries of RMB25,891.9 million (US\$3,702.5 million), which mainly consisted of paid-in registered capital.

The following table sets forth a summary of our cash flows for the years indicated.

	For the Year Ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US\$
	(in thousands)			
Net cash provided by operating activities from continuing operations	2,359,276	2,219,662	3,365,254	481,225
Net cash used in operating activities from discontinued operations	(294,019)	(281,297)	—	—
Net cash provided by operating activities	2,065,257	1,938,365	3,365,254	481,225
Net cash used in investing activities from continuing operations	(4,515,590)	(1,840,361)	(3,039,999)	(434,714)
Net cash used in investing activities from discontinued operations	(2,827,863)	(6,920,177)	—	—
Net cash used in investing activities	(7,343,453)	(8,760,538)	(3,039,999)	(434,714)
Net cash provided by financing activities from continuing operations	1,266,936	174,295	6,106,016	873,148
Net cash provided by financing activities from discontinued operations	2,892,824	16,883,042	—	—
Net cash provided by financing activities	4,159,760	17,057,337	6,106,016	873,148
Effect of exchange rate changes on cash and cash equivalents and restricted cash	154,302	(13,592)	(83,774)	(11,980)
Net (decrease) increase in cash and cash equivalents and restricted cash	(964,134)	10,221,572	6,347,497	907,679
Cash and cash equivalents and restricted cash at beginning of year	8,882,066	7,917,932	8,093,530	1,157,359
Cash and cash equivalents and restricted cash at end of year	7,917,932	18,139,504	14,441,027	2,065,038
Less: cash and cash equivalents and restricted cash of discontinued operations at end of year or deconsolidation date	(420,610)	(10,045,974)	—	—
Cash and cash equivalents and restricted cash of continuing operations at end of year	7,497,322	8,093,530	14,441,027	2,065,038

Operating Activities

Cash provided by operating activities from continuing operations was RMB3,365.3 million (US\$481.2 million) in 2025, primarily due to net income of RMB959.4 million (US\$137.2 million), adjusted primarily for (i) depreciation and amortization of RMB3,459.3 million (US\$494.7 million), primarily relating to our data center property and equipment, (ii) impairment losses of long-lived assets of RMB1,561.2 million (US\$223.3 million), (iii) share-based compensation expenses of RMB283.4 million (US\$40.5 million), (iv) Operating lease cost relating to prepaid land use rights of RMB108.4 million (US\$15.5 million), (v) amortization of debt issuance and commitment cost of RMB96.7 million (US\$13.8 million) and (vi) changes in working capital, partially offset by (vii) gain on deconsolidation of subsidiaries of RMB2,364.1 million (US\$338.1 million), (viii) share of results of equity method investees of RMB715.9 million (US\$102.4 million), and (ix) deferred tax benefits of RMB97.3 million (US\$13.9 million). Changes in working capital primarily consisted of (i) a decrease in accounts receivable of RMB502.0 million (US\$71.8 million), partially offset by (ii) an increase in VAT recoverable of RMB388.9 million (US\$55.6 million) mainly as a result of capital expenditures and (iii) an increase in other current assets of RMB119.4 million (US\$17.1 million).

Cash provided by operating activities from continuing operations was RMB2,219.7 million in 2024, primarily due to net loss from continuing operations of RMB770.9 million, adjusted primarily for (i) depreciation and amortization of RMB3,243.0 million, primarily relating to our data center property and equipment, (ii) share-based compensation expenses of RMB296.5 million, (iii) amortization of debt issuance and commitment cost of RMB110.7 million and (iv) operating lease cost relating to prepaid land use rights of RMB110.1 million, partially offset by (v) deferred tax benefits of RMB181.6 million, (vi) net gain on disposal of property and equipment of RMB31.7 million and (vii) changes in working capital. Changes in working capital primarily consisted of (i) an increase in accounts receivable of RMB665.9 million and (ii) an increase in VAT recoverable of RMB115.8 million mainly as a result of capital expenditures, partially offset by (iii) a decrease in other current assets of RMB109.8 million, (iv) an increase in accrued expenses and other payables of RMB104.0 million, and (v) a decrease in other non-current assets of RMB70.8 million.

Cash provided by operating activities from continuing operations was RMB2,359.3 million in 2023, primarily due to net loss of continuing operations of RMB3,926.0 million, adjusted primarily for (i) depreciation and amortization of RMB3,368.5 million, primarily relating to our data center property and equipment, (ii) impairment losses of long-lived assets of RMB3,013.4 million, (iii) share-based compensation expenses of RMB336.6 million, (iv) amortization of debt issuance and commitment cost of RMB140.6 million and (v) operating lease cost relating to prepaid land use rights of RMB107.0 million, partially offset by (vi) deferred tax benefits of RMB295.9 million and (vii) changes in working capital. Changes in working capital primarily consisted of (i) an increase in VAT recoverable of RMB388.3 million mainly as a result of capital expenditures, (ii) an increase in accounts receivable of RMB106.5 million, partially offset by (iii) a decrease in other current assets of RMB39.5 million.

Investing Activities

Net cash used in investing activities from continuing operations was RMB3,040.0 million (US\$434.7 million) in 2025, which was primarily due to (i) the payments for purchase of property and equipment and land use rights of RMB4,691.1 million (US\$670.8 million) for the development of our data centers, (ii) net payments acquisitions and investments of RMB791.5 million (US\$113.2 million) and (iii) purchases of time deposits of RMB674.9 million (US\$96.5 million), partially offset by (iv) receipts from disposal of equity investments and subsidiaries of RMB3,037.0 million (US\$434.3 million), and (v) the proceeds from sale of property and equipment of RMB80.5 million (US\$11.5 million).

Net cash used in investing activities from continuing operations was RMB1,840.4 million in 2024, which was primarily due to (i) the payments for purchase of property and equipment and land use rights of RMB3,169.3 million for the development of our data centers and (ii) net payments for acquisitions and investments of RMB82.8 million, partially offset by (iii) receipts of loan repayments from discontinued operations of RMB1,168.8 million, (iv) the proceeds from disposal of property and equipment of RMB203.9 million and (v) proceeds from disposal of subsidiaries of RMB39.0 million.

Net cash used in investing activities from continuing operations was RMB4,515.6 million in 2023, which was primarily due to (i) the payments for purchase of property and equipment and land use rights of RMB3,194.0 million for the development of our data centers, (ii) net payments for acquisitions and investments of RMB346.5 million and (iii) payments for investments and loans to discontinued operations of RMB1,017.3 million, partially offset by (iv) the proceeds from disposal of property and equipment of RMB18.6 million, and (v) proceeds from disposal of equity investments and subsidiaries of RMB23.6 million.

Financing Activities

Net cash provided by financing activities from continuing operations was RMB6,106.0 million (US\$873.1 million) in 2025, which was primarily due to (i) proceeds from borrowings of RMB12,546.6 million (US\$1,794.1 million), (ii) proceeds from convertible bonds of RMB3,852.9 million (US\$551.0 million), (iii) net proceeds from issuance of ordinary shares of RMB1,015.7 million (US\$145.2 million), (iv) capital contribution from non-controlling shareholders of RMB776.7 million (US\$111.1 million) and (v) proceeds from other financing arrangements of RMB180.0 million (US\$25.7 million), partially offset by (iv) repayment of borrowings of RMB11,311.8 million (US\$1,617.6 million), (v) payment under finance lease and other financing obligations of RMB626.7 million (US\$89.6 million), (vi) payment for purchase of property and equipment through vendor financing of RMB113.1 million (US\$16.2 million) and (vii) payment of debt issuance cost of RMB80.4 million (US\$11.5 million).

Net cash provided by financing activities from continuing operations was RMB174.3 million in 2024, which was primarily due to proceeds from borrowings of RMB6,655.9 million and proceeds from other financing arrangements of RMB200.0 million, partially offset by repayment of borrowings of RMB6,026.8 million, payment under finance lease and other financing obligations of RMB545.9 million, payment of debt issuance cost of RMB54.8 million and payment of redeemable preferred shares dividends of RMB54.2 million.

Net cash provided by financing activities from continuing operations was RMB1,266.9 million in 2023, which was primarily due to proceeds from borrowings of RMB6,244.5 million, proceeds from issuance of convertible bonds of RMB3,926.7 million and proceeds from other financing arrangements of RMB220.0 million, partially offset by repayment of borrowings of RMB5,746.8 million, repayment of convertible bonds payable of RMB2,128.3 million, payment under finance lease and other financing obligations of RMB986.9 million, payment of debt issuance cost of RMB187.1 million, payment of redeemable preferred shares dividends of RMB53.9 million and payment of deferred contingent consideration for acquisitions of RMB21.2 million.

Statutory Reserves

Under applicable PRC laws and regulations, enterprises in mainland China are required to provide for certain statutory reserves. Pursuant to such laws and regulations, we may pay dividends only out of our after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. Further, we are required to allocate at least 10% of our after-tax profits to fund the general reserve until such reserve has reached 50% of our registered capital. In addition, we may also set aside, at our or our Board's discretion, a portion of our after-tax profits to fund the employee welfare and bonus fund. These reserves may only be used for specific purposes and are not distributable to us in the form of loans, advances, or cash dividends.

As of December 31, 2023, 2024 and 2025, PRC entities had RMB225.9 million, RMB316.7 million and RMB397.8 million (US\$56.9 million), respectively, in their statutory reserves.

Capital Expenditures

We had capital expenditures for continuing operations, excluding payments related to acquisitions and investments and payments for purchase of time deposits, of RMB3,175.4 million, RMB2,965.4 million and RMB4,610.6 million (US\$659.3 million) in 2023, 2024 and 2025, respectively. Our capital expenditures were primarily for the purchase of equipment, prepaid land use rights reported in investing activities in the consolidated financial statements and leasehold-improvement of data centers. Our capital expenditures have been primarily funded by net cash provided by financing activities.

Holding Company Structure

As a holding company with no material operations of our own, we are a corporation separate and apart from our subsidiaries and the VIEs and, therefore, provide for our own liquidity. We conduct our operations primarily through our mainland China subsidiaries, the VIEs and their subsidiaries in mainland China. As a result, our ability to pay dividends and to finance any debt we may incur depends upon dividends paid by our subsidiaries. If our mainland China subsidiaries, or any newly formed mainland China subsidiaries, incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our mainland China subsidiaries are permitted to pay dividends to us only out of their respective retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under applicable PRC laws and regulations, our mainland China subsidiaries are each required to set aside a portion of their after-tax profits each year to fund certain statutory reserves, and funds from such reserves may not be distributed to us as cash dividends except in the event of liquidation of such subsidiaries.

For the years ended December 31, 2023, 2024 and 2025, the VIEs and their subsidiaries contributed 97.0%, 96.1% and 97.5%, respectively, of our total net revenue.

Project Financing Structure

Our data center projects are financed with both equity and debt. We typically capitalize a portion of our data center project's funding requirement with proceeds raised from financing offshore that is injected into mainland China as registered capital through each of our data center project-specific legal entities. Under SAFE and PRC regulations, registered capital for each legal entity can only be used for its own business use or project-designated purposes, which also follows under its registered business scope. Once the registered capital is injected into mainland China, it is often difficult to remit the proceeds back offshore or to lend it to our other onshore subsidiaries. Thus, we inject registered capital only as needed throughout the development phase of the data center project to remain flexible with our offshore capital. Concurrently, we capitalize each data center project through onshore project-specific loan facilities from banking or other financial institutions in mainland China to finance the remaining capital required in completing the data center project. Under this arrangement, each data center's estimated cash flows are matched and committed to service its own debt obligations during the term of its loan facilities.

In conjunction with the registered capital injected, we sometimes inject a portion of our offshore capital to our onshore project entities through shareholder's loans. In these instances, we utilize the shareholder's loans as a temporary bridge to capitalize our projects until project-specific loan facilities have been obtained. Once the project loans are in place, subject to the agreement by lending bank(s), the shareholder's loans are repaid back offshore.

Convertible Senior Notes due 2025

On June 5, 2018, we issued and sold convertible senior notes due in 2025, or the 2025 Notes, in an aggregate principal amount of US\$300 million, which bear interest at a rate of 2% per year, payable on June 1 and December 1 of each year, beginning on December 1, 2018. The 2025 Notes will mature on June 1, 2025, unless earlier redeemed, repurchased or converted in accordance with their terms. The 2025 Notes are subject to repurchase by us, at the option of the holders, on June 1, 2023 at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest. The 2025 Notes may be converted into our ADSs, at the option of the holders, at an initial conversion rate of 19.3865 of our ADSs per US\$1,000 principal amount of notes, or approximately 5,815,950 ADSs, representing 46,527,600 Class A ordinary shares, assuming conversion of the entire US\$300 million aggregate principal amount at the initial conversion rate.

In June 2023, we repurchased approximately US\$299,910,000 aggregate principal amount of the 2025 Notes. Pursuant to the indenture dated as of June 5, 2018 relating to the 2025 Notes by and between our company and The Bank of New York Mellon, as trustee, each holder had the right, at the option of such holder, to require us to repurchase all of such holder's 2025 Notes or any portion thereof that is an integral multiple of US\$1,000 principal amount for cash on June 1, 2023. The repurchases were consummated through holders' exercise of their repurchase right. The repurchased 2025 Notes were canceled accordingly. 2025 Notes in the aggregate principal amount of US\$80,000 remained outstanding after such repurchases and was fully repaid in June 2025 upon maturity.

Series A Convertible Preferred Shares

In March 2019, Ping An Overseas Holdings made an investment in us, and we issued 150,000 Series A convertible preferred shares to an affiliate of Ping An Overseas Holdings for a total consideration of US\$150 million. Pursuant to the terms of the investment, during the first eight years from their issuance date, the convertible preferred shares accrue a minimum 5.0% per annum dividend, payable quarterly in arrears, in cash or in kind in the form of additional convertible preferred shares, at our option. As of the eighth anniversary of the issuance date, the convertible preferred shares accrue a 7.0% per annum minimum dividend, payable quarterly in arrears, in cash only, which dividend rate will further increase by 50 basis points per quarter thereafter for so long as any convertible preferred shares remain outstanding. If the aggregate amounts of dividend on its ordinary shares are higher than the cumulative preferred share dividends over the four consecutive quarters, the holders of preferred shares have the right to receive the dividend in an amount equal to the dividend paid to the holders of ordinary shares (treating each holder of convertible preferred shares as being the holder of the number of Class A ordinary shares into which such holder's convertible preferred shares would be converted if such shares were converted at the end of each period). The convertible preferred shares are convertible into 33,707,864 Class A ordinary shares at the option of their holder, at a conversion rate corresponding to a conversion price of US\$35.60 per ADSs, representing a premium of 13.3% to the volume weighted average price of our ADSs for the 30 trading days immediately preceding the date of signing the definitive agreement, subject to customary anti-dilution adjustments. Assuming conversion of all the Series A convertible preferred shares held by its affiliate, Ping An Overseas Holdings would have beneficially owned 2.1% of our Class A ordinary shares as of March 31, 2026. We have the right to trigger a mandatory conversion at our election, beginning on March 15, 2022, provided certain conditions are met, including our Class A ordinary shares achieving a specified price threshold of 150% of the conversion price for a specified period. Holders will not have any redemption right or put option over the convertible preferred shares, except upon (i) the occurrence of a change of control, or (ii) our ADSs ceasing to be listed for trading on any of the New York Stock Exchange, the Nasdaq Global Select Market or the Nasdaq. Assuming that either of the two foregoing events occurred on December 31, 2025 and that all holders exercised their redemption right to require our Company to purchase all of the convertible preferred shares, the total purchase price would have been RMB1.1 billion (US\$0.2 billion) and total cash would have been reduced by the same amount in the event of such redemption. After eight years, we will have certain rights in connection with the redemption of the convertible preference shares at 100% of their face value, plus accrued and unpaid dividends.

Convertible Senior Notes due 2029

On March 8, 2022, we issued and sold US\$620 million in aggregate principal amount of convertible senior notes due in 2029, or the 2029 Notes, to Sequoia China Infrastructure Fund I, STT GDC, and an Asian sovereign wealth fund with which we have a strategic relationship. On May 29, 2024, in connection with an internal portfolio rationalization by STT GDC, all the 2029 Notes previously held by STT GDC were transferred to STT Garnet.

The 2029 Notes bear interest at rate of 0.25% per year, payable on each March 8 and September 8, commencing on September 8, 2022. The 2029 Notes will mature on March 8, 2029, unless earlier redeemed, repurchased or converted in accordance with their terms. The 2029 Notes are subject to repurchase by us, at the option of the holders, on March 8, 2027 at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest. The 2029 Notes may be converted into our ADSs, at the initial conversion price of US\$50 per ADS, corresponding to an initial conversion rate of 20 ADSs (or 160 Class A ordinary shares) per US\$1,000 principal amount of the Notes, or approximately 12,400,000 ADSs, representing 99,200,000 Class A ordinary shares, assuming conversion of the entire US\$620 million aggregate principal amount at the initial conversion rate. Holders may convert their notes into our ADSs or Class A ordinary shares at their option 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.

Convertible Senior Notes due 2030

On January 20, 2023 we issued and sold US\$580 million in aggregate principal amount of convertible senior notes due in 2030, or the 2030 Notes, to various private equity funds and institutional investors, including a sovereign wealth fund. The 2030 Notes bear interest at rate of 4.50% per year, payable on each July 31 and January 31, commencing on July 31, 2023. The 2030 Notes will mature on January 31, 2030, unless earlier redeemed, repurchased or converted in accordance with their terms. The 2030 Notes are subject to repurchase by us, at the option of the holders, on January 31, 2028 at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest. The 2030 Notes may be converted into our ADSs, at the initial conversion price of US\$24.50 per ADS, corresponding to an initial conversion rate of 40.8163 ADSs per US\$1,000 principal amount of the Notes, or 23,673,454 ADSs, representing 189,387,632 Class A ordinary shares, assuming conversion of the entire US\$580 million aggregate principal amount at the initial conversion rate. Holders may convert their notes into our ADSs or Class A ordinary shares at their option 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.

Ordinary Shares

On May 30, 2025, we completed our underwritten registered public offering of 5,980,000 ADSs, representing 47,840,000 Class A ordinary shares, at a public offering price of US\$24.50 per ADS, and reflecting the exercise in full by the underwriters of their option to purchase 780,000 additional ADSs, representing 6,240,000 Class A ordinary shares. We received net proceeds of approximately US\$141.4 million, after deducting underwriting commissions and offering expenses.

Also on May 30, 2025, we completed a registered public offering of 6,000,000 ADSs, representing 48,000,000 Class A ordinary shares, or the delta placement of borrowed ADSs at a public offering price of US\$24.50 per ADSs, which we lent to an affiliate of the underwriter in the abovementioned ADS offering, such affiliate being the ADS Borrower, pursuant to an ADS lending agreement with such ADS Borrower. The ADS Borrower or its affiliate received all of the proceeds from the sale of the borrowed ADSs. We did not receive any proceeds from the delta placement of borrowed ADSs but received from the ADS Borrower a nominal lending fee, which was applied to fully pay up the Class A ordinary shares underlying the borrowed ADSs. The borrowed ADSs were sold concurrently with the pricing of the belowmentioned offering of 2.25% convertible senior notes due 2032 and the abovementioned offering of 5,980,000 ADSs, which offerings also closed on May 30, 2025. We were informed by the ADS Borrower that it or its affiliates intended to use the short position resulting from the delta placement of the borrowed ADSs to facilitate privately negotiated derivatives transactions related to the notes.

Convertible Senior Notes due 2032

On May 30, 2025, we completed our offering of US\$550 million aggregate principal amount of 2.25% convertible senior notes due 2032 (including full exercise of the initial purchasers' option to purchase additional notes), raising approximately US\$534.7 million in net proceeds to us after deducting underwriting commissions and other offering expenses. The notes were offered in a private offering to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act. The notes will mature on June 1, 2032, unless earlier redeemed, repurchased or converted in accordance with their terms prior to such date. The 2032 notes are subject to repurchase by GDS at the option of the holders on 1 June 2029 at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest. Prior to the close of business on the business day immediately preceding December 1, 2031, the notes will be convertible only upon satisfaction of certain conditions and during certain periods. On or after December 1, 2031 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their notes at their option at any time. Upon conversion, we will pay or deliver, as the case may be, cash, the ADSs or a combination of cash and ADSs, at our election. Holders may also elect to receive Class A ordinary shares in lieu of any ADSs deliverable upon conversion, subject to certain procedures and conditions set forth in the terms of the notes. The notes may be converted at an initial conversion rate of 30.2343 ADSs per US\$1,000 principal amount of notes (equivalent to an initial conversion price of approximately US\$33.08 per ADS), which rate is subject to the occurrence of certain events, or 16,628,865 ADSs, representing 133,030,920 Class A ordinary shares, assuming conversion of the entire US\$550 million aggregate principal amount at the initial conversion rate.

Series B Convertible Preferred Shares

In February 2026, we completed a private placement of 300,000 Series B convertible preferred shares to Huatai Capital Investment Limited for a total consideration of US\$300 million. Pursuant to the terms of the investment, during the first six years from their issuance date, the convertible preferred shares accrue a minimum 3.75% per annum dividend, payable quarterly in arrears, in cash or in kind in the form of additional convertible preferred shares, at our option. As of the sixth anniversary of the issuance date, the convertible preferred shares accrue a 6.75% per annum minimum dividend, payable quarterly in arrears, in cash only, which dividend rate will further increase by 50 basis points per quarter thereafter for so long as any convertible preferred shares remain outstanding.

The convertible preferred shares will be convertible into our Class A ordinary shares at the option of their holder, at a conversion rate corresponding to a conversion price of approximately US\$54.43 per ADS, subject to customary anti-dilution adjustments, such as the issuance of ordinary shares as dividend or a subdivision or combination of ordinary shares. Prior to conversion, the holders of the convertible preferred shares are entitled to the number of votes per convertible preferred share equal to the number of Class A ordinary shares into which each such convertible preferred share is convertible into. Therefore, such holders of the convertible preferred shares will be able to vote on all matters at general meetings of our shareholders, voting together with the holders of ordinary shares as a single class. Upon exercise in full of the conversion rights attached to the convertible preferred shares at the conversion price, a total of approximately 5,512,072 ADSs (or 44,096,580 ordinary shares) will be issued. Assuming conversion of all the Series B convertible preferred shares, Huatai Capital Investment Limited would have beneficially owned 2.7% of our Class A ordinary shares as of March 31, 2026. The convertible preferred shares will not be convertible at any time on or prior to March 31, 2027. From April 1, 2027 until September 30, 2031, if the last closing price for twenty of thirty days at the end of the calendar quarter is greater than 130% of the conversion price, the holder shall have the right to convert in the following calendar quarter. We may redeem the convertible preferred shares at our election, beginning on February 13, 2029, provided certain conditions are met, including our ADS trading price achieving a specified price threshold of 150% of the conversion price for at least twenty trading days in any period of thirty consecutive trading days. The convertible preferred shares will not be redeemable before February 6, 2032, except in connection with certain trigger events as described above. On or after February 6, 2032, we may redeem all but not part of the convertible preferred shares at our option, at a redemption price per share equal to 100% of their face value, and including accrued and unpaid dividends. The holder of the convertible preferred shares has the option to require us to repurchase any convertible preferred shares held in the event of a fundamental change (as defined in the terms of the convertible preferred shares and including delisting or change of control), at a repurchase price per share equal to 100% of their face value, and including accrued and unpaid dividends. If the holder elects to convert the convertible preferred shares (instead of requiring us to repurchase) upon the occurrence of a fundamental change or other redemption rights of ours (other than the redemption right on or after February 6, 2032), the conversion rate will be subject to make-whole adjustments. Upon any voluntary or involuntary liquidation, dissolution or winding up of our company, after satisfaction of all liabilities and obligations to our creditors, holders of the Series B convertible preferred shares will enjoy a liquidation preference over our ordinary shareholders of the greater of (i) stated value of the shares plus accrued but unpaid dividends; and (ii) the payment the holder would have been entitled to had it converted into ordinary shares immediately prior to such liquidation. The holder shall not transfer title to the Series B convertible preferred shares for so long as it remains outstanding.

Series A Convertible Preferred Shares Issued by DayOne

In March 2024, our then-consolidated subsidiary, DigitalLand Holdings Limited (now known as “DayOne”), that acted as the holding company for GDS’s international data center assets and operations, entered into definitive agreements for certain institutional private equity investors (the “Series A Investors”) to subscribe for US\$587 million of Series A convertible preferred shares (the “Series A”) newly issued by DayOne. In June 2024, DayOne entered into amendments to the definitive agreements for the Series A convertible preferred shares new issue initially announced in March 2024, as a result of which the new issue has been upsized from US\$587 million to US\$672 million at the same pre-money equity valuation. The Series A subscription price implies a pre-money equity valuation for DayOne of US\$750 million. Post-closing and on an as-converted basis, GDS owned approximately 52.7% of the equity interest of DayOne in the form of ordinary shares. The remaining 47.3% equity interest was held in the form of Series A shares by the Series A Investors, including Hillhouse, Rava Partners, Boyu, Princeville Capital, Tekne Capital, among others. DayOne established an equity incentive plan which provides for the grant of options exercisable for such number of ordinary shares representing up to 15% of its issued share capital as of the closing at the Series A subscription price. GDS and certain Series A Investors have the right to appoint directors to the Board of DayOne proportionate with their ownership. Each Series A share is entitled to one vote and will be convertible into one ordinary share of DayOne at any time at the holder’s option. All Series A shares will automatically convert into ordinary shares of DayOne at, or following, completion of DayOne’s IPO, subject to certain conditions.

Series B Convertible Preferred Shares Issued by DayOne

In October 2024, our then-consolidated subsidiary, DayOne further entered into definitive agreements for certain institutional private equity investors, including Coatue Management and The Baupost Group, to subscribe for US\$1.0 billion of Series B convertible preferred shares newly issued by DayOne. In December 2024, DayOne entered into amendments to the definitive agreements for the Series B convertible preferred shares new issue initially announced in October 2024, as a result of which the new issue has been upsized from US\$1.0 billion to US\$1.2 billion at the same pre-money equity valuation. The upsize was mainly committed by renowned new investors, including the SoftBank Vision Fund and Kenneth Griffin, CEO of Citadel. The Series B subscription price implied a pre-money equity valuation for DayOne of approximately US\$2.5 billion. The Series B subscription price per share represented a 75% premium to the subscription price for the Series A new issue which DayOne entered into during March 2024. As of December 31, 2025, following the initial closing of DayOne's Series C equity financing and DayOne's repurchase of a portion of our shares in DayOne, we owned an equity interest in DayOne of approximately 19.9%. DayOne established an additional equity incentive plan which, together with its existing equity incentive plan, provides for the grant of options exercisable for such number of ordinary shares representing up to 15% of DayOne's share capital in issue at closing. GDS and certain Series B investors have the right to appoint directors to the Board of DayOne proportionate with their ownership. Each Series B share is entitled to one vote and will be convertible into one ordinary share of DayOne at any time at the holder's option. All Series B shares will automatically convert into ordinary shares of DayOne at, or following, completion of DayOne's IPO, subject to certain conditions.

Loans and borrowings

As of December 31, 2024 and 2025, we had short-term borrowings of RMB1,798.5 million with weighted average interest rate of 6.39%, and RMB411.4 million (US\$58.8 million) with weighted average interest rate of 2.20%, respectively, and long-term borrowings (including current portion) of RMB24,449.1 million with weighted average interest rate of 4.12%, and RMB25,903.5 million (US\$3,704.2 million) with weighted average interest rate of 3.90%, respectively, taking into consideration of debt issuance costs relating to the facilities.

Our company, through one or more of our subsidiaries, the VIEs and their subsidiaries entered into secured and unsecured loan agreements with various financial institutions for project development and working capital purpose with terms ranging from one to fifteen years.

More specifically, the terms of these secured loan facility agreements generally include one or more of the following conditions. If any of the below conditions were to be triggered, we could be obligated to notify the lender or repay any loans outstanding immediately or on an accelerated repayment schedule. See "Item 3. Key Information—D. Risk Factors—Risks to Our Business and Industry—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 secured loan facilities can be divided into onshore project loan facilities and offshore project loan facilities.

Below are the terms and conditions for onshore project loan facilities:

- our company and GDS Investment Company are not or cease to be, directly or indirectly, the legal and beneficial owner of 100% of equity interests of, and have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to control, GDS Investment Company (in the case of our company), GDS Beijing, GDS Suzhou and the relevant borrowing subsidiaries;
- Management HoldCo ceases to, directly or indirectly, own at least 100% of the equity interests of, and have the power to control, GDS Beijing or GDS Suzhou;
- GDS Beijing, GDS Suzhou and the relevant borrowing subsidiaries cease to, directly or indirectly, be the legal and beneficial owner of 100% of equity interests of, and have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to control, their consolidated subsidiaries;

- GDS Holdings is not or ceases to be, directly or indirectly, the legal and beneficial owner of all equity interests held by it in the relevant borrowing subsidiaries, or have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to control the relevant borrowing subsidiaries;
- there are changes in the shareholding structure of a principal operating subsidiary of ours, as defined in the relevant loan facility agreement;
- there are changes in the controlling shareholders or the beneficial owners of the relevant borrowing subsidiaries which could have a material adverse effect on their performance of the loan facility agreements; and
- the IDC license of GDS Beijing, the borrowing subsidiaries, other affiliated entities or the authorization by GDS Beijing to one such subsidiary to operate the data center business and provide IDC services under the auspices of the IDC license held by GDS Beijing, is cancelled or fails to be renewed on or before the expiry date.

There are certain other events in the loan facility agreements the occurrence of which could obligate us to notify the lender or repay any loans outstanding immediately or on an accelerated repayment schedule, including, among others, if our borrowing subsidiary fails to use the loan in accordance with the use of proceeds as provided in the loan facility agreement, the borrowing subsidiary violates or fails to perform any of its commitments under the loan facility agreement, or if we fail to maintain our shares listed on at least one of the following stock exchanges before the maturity date under the relevant loan facility agreement: (i) Nasdaq; or (ii) The Singapore Exchange Securities Trading Limited; or (iii) the Hong Kong Stock Exchange; or (iv) any other stock exchange acceptable to the lender. The terms of these loan agreements also include cross default provisions which could be triggered if our company (i) fails to repay any financial indebtedness in an aggregate amount equivalent to or exceeding RMB50 million (US\$7.1 million), when due or within any originally applicable grace period; (ii) fails to repay any financial indebtedness or perform any of its obligations under any agreement which could have a material adverse effect on its performance of the loan facility agreements; (iii) fails to repay any financial indebtedness raised with any financial institution; or (iv) fails to perform any loan facility agreement with any financial institution which could result in immediate or accelerated repayment of the financial indebtedness or downgrading of the borrowing subsidiary by any credit rating agency administered by the PBOC in accordance with the regulations promulgated by PBOC governing loan market rating standards. As of December 31, 2025, our company was in compliance with all of the abovementioned covenants.

As of December 31, 2025, we had total working capital and project financing credit facilities of RMB28,329.5 million (US\$4,051.1 million) from various financial institutions, of which the unused amount was RMB3,563.4 million (US\$509.6 million). As of December 31, 2025, we had drawn down RMB24,766.1 million (US\$3,541.5 million) under these loan facilities, of which RMB406.8 million (US\$58.2 million), net of debt issuance costs of RMB3.2 million (US\$0.5 million) was recorded in short-term borrowings and RMB24,307.9 million (US\$3,476.0 million), net of debt issuance costs of RMB48.2 million (US\$6.9 million), was recorded in long-term borrowings, respectively. Drawdowns from these credit facilities are subject to the approval of the relevant lending financial institution and are subject to the terms and conditions of each loan agreement.

Below is a summary of the abovementioned secured and unsecured borrowings, which are in RMB and USD denominations:

RMB Loans

Purpose	Total Credit Facility as of December 31, 2025 (RMB (US\$) million)	Total Drawdown Amount as of December 31, 2025 ⁽³⁾ (RMB (US\$) million)
Data Centers ⁽¹⁾	27,740.1 (\$3,966.8)	24,176.7 (\$3,457.2)
Corporate ⁽²⁾	412.2 (\$58.9)	412.2 (\$58.9)

USD Loans

Purpose	Total Credit Facility as of December 31, 2025 (US\$ million)	Total Drawdown Amount as of December 31, 2025 ⁽³⁾ (US\$ million)
Data Centers ⁽¹⁾	25.2	25.2

(1) Refers to loans for which the use of proceeds is for development and acquisition of new data centers and related operating costs.

(2) Refer to loans for which the use of proceeds is for working capital and general corporate purposes.

(3) Drawdown amount does not deduct debt issuance costs of RMB51.4 million (US\$7.4 million) in total.

The following table sets forth our short-term and long-term borrowings as of December 31, 2025:

	Total	Payment due by period			
		Less than 1 year	1-3 years (in thousands of RMB)	3-5 years	More than 5 years
Short-term borrowings ⁽¹⁾	410,000	410,000	—	—	—
Long-term borrowings ⁽¹⁾	24,356,084	2,468,483	6,020,365	5,571,355	10,295,881

(1) Refers to loans from financial institutions for data center project financing, working capital and general corporate purposes. Does not include interests or debt issuance costs.

C. Research and Development, Patents and Licenses, etc.

Sourcing and Development

See “Item 4. Information on the Company—B. Business Overview—Data Center Sourcing and Development.”

Intellectual Property

See “Item 4. Information on the Company—B. Business Overview—Innovation, Technology and Intellectual Property.”

D. Trend Information

Please refer to “—A. Results of Operations” for a discussion of the most recent trends in our services, sales and marketing by the end of 2025. In addition, please refer to discussions included in such Item for a discussion of known trends, uncertainties, demands, commitments or events that we believe are reasonably likely to have a material effect on our net sales and operating revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information to be not necessarily indicative of our future operating results or financial condition.

E. Critical Accounting Policies and Estimates

We prepare our financial statements in conformity with U.S. GAAP, which requires us to make judgments, estimates and assumptions. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from our expectations as a result of changes in our estimates.

An accounting policy is considered critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time such estimate is made, and if different accounting estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur, could materially impact the consolidated financial statements. We believe that the following accounting policies involve a higher degree of judgment and complexity in their application and require us to make significant accounting estimates. The following descriptions of critical accounting policies, judgments and estimates should be read in conjunction with our consolidated financial statements and other disclosures included in this annual report.

Consolidation of VIEs

We account for entities qualifying as VIEs in accordance with Financial Accounting Standards Boards, or FASB, Accounting Standards Codification Topic 810, Consolidation, or ASC 810. Our operations are primarily conducted through the VIEs and their subsidiaries, to comply with relevant PRC laws and regulations, which prohibit foreign investment in companies that are engaged in data center-related businesses. Individuals acting as nominee equity holders hold the legal equity interests of Management HoldCo on our behalf. The equity holders of Management HoldCo are Hui Zhou (senior vice president, public affairs and Northern China business), Yan Liang (executive vice president, data center operation and delivery), Kejing Zhang (executive vice president, sales and service), Andy Wenfeng Li (general counsel, compliance officer, and company secretary) and Qi Wang (senior vice president, cloud and network business). Management HoldCo holds the legal equity interests of GDS Beijing and GDS Shanghai on our behalf.

A series of contractual arrangements, including equity interest pledge agreements, shareholder voting rights proxy agreements, exclusive technology license and service agreements, intellectual property rights license agreements, exclusive call option agreements and loan agreements, collectively referred to as “VIE Arrangements,” were entered among GDS Investment Company, GDS Beijing, GDS Shanghai and Management HoldCo, as well as among GDS Investment Company, Management HoldCo and the equity holders of Management HoldCo. Through these agreements, Management HoldCo and the equity holders of Management HoldCo have granted all their legal rights, including voting rights, dividends rights, and disposition rights, of their equity interests in Management HoldCo, GDS Beijing and GDS Shanghai to us. Accordingly, Management HoldCo and the equity holders of Management HoldCo do not have (i) rights to make decisions about the activities of Management HoldCo, GDS Beijing and GDS Shanghai or (ii) rights to receive the expected residual returns of Management HoldCo, GDS Beijing and GDS Shanghai.

Under the terms of the VIE Arrangements, we have (i) the right to receive service fees on a yearly basis at an amount equivalent to all of the net profits of Management HoldCo, GDS Beijing and GDS Shanghai under the exclusive technology license and service agreements when such services are provided; (ii) the right to receive all dividends declared by Management HoldCo, GDS Beijing and GDS Shanghai and the right to all undistributed earnings of Management HoldCo, GDS Beijing and GDS Shanghai; (iii) the right to receive the residual benefits of the Management HoldCo, GDS Beijing and GDS Shanghai through its exclusive option to acquire 100% of the equity interests in Management HoldCo, GDS Beijing and GDS Shanghai, to the extent permitted under PRC law; and (iv) the right to require the shareholders of Management HoldCo, GDS Beijing, GDS Beijing’s subsidiaries and GDS Shanghai to appoint the PRC citizen (s) as designated by us to act as such shareholder’s exclusive attorney-in-fact to exercise all shareholder rights, including, but not limited to, voting on all matters of Management HoldCo, GDS Beijing, GDS Beijing’s subsidiaries and GDS Shanghai requiring shareholder approval, disposing of all or part of the shareholder’s equity interest in Management HoldCo, GDS Beijing and GDS Shanghai, and appointing directors and executive officers.

In accordance with ASC 810, we have a controlling financial interest in Management HoldCo, GDS Beijing and GDS Shanghai because we have (i) the power to direct activities of Management HoldCo, GDS Beijing and GDS Shanghai that most significantly impact their economic performance; and (ii) the right to receive expected residual return of Management HoldCo, GDS Beijing and GDS Shanghai that could potentially be significant to Management HoldCo, GDS Beijing and GDS Shanghai.

The significant judgments used and assumptions made in our determination that we are the primary beneficiary of Management HoldCo, GDS Beijing and GDS Shanghai were the terms of the VIE Arrangements and our financial support to Management HoldCo, GDS Beijing and GDS Shanghai. Accordingly, we have included the financial statements of Management HoldCo, GDS Beijing and GDS Shanghai in our consolidated financial statements.

Our PRC legal counsel, based on its understanding of the relevant laws and regulations, is of the opinion that each of the contracts among our consolidated mainland China subsidiaries, the consolidated VIEs and their shareholders is valid, legally binding and enforceable in accordance with its terms. However, there are uncertainties regarding the interpretation and application of PRC laws and future PRC laws and regulations. Any changes in PRC laws and regulations that affect our ability to control our VIEs may preclude us from consolidating these companies in the future. In our opinion, the likelihood of deconsolidation of the VIEs is remote based on current facts and circumstances.

Revenue Recognition

We recognize revenue as we satisfy a performance obligation by transferring control over a good or service to a customer. For each performance obligation satisfied over time, we recognize revenue over time by measuring progress toward complete satisfaction of that performance obligation. If we do not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. Revenue is measured as the amount of consideration to which we expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

For contracts with customers that contain multiple performance obligations, we account for individual performance obligations separately if they are distinct or as a series of distinct obligations if the individual performance obligations meet the series criteria. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. The transaction price is allocated to the separate performance obligation on a relative standalone selling price basis. The standalone selling price is determined based on overall pricing objectives, taking into consideration market conditions, geographic locations and other factors.

We derive substantially all of our revenue from the delivery of colocation services and managed services, including managed hosting services and managed cloud services.

Contracts with customers for colocation services and managed services include (i) those provide for variable considerations that are primarily based on the usage of such services, and revenues on such contracts are recognized based on the agreed usage-based fees as the actual services are rendered throughout the contract term; and (ii) those provide for a fixed consideration over the contract service period, and revenues on such contracts are recognized on a straight-line basis over the term of the contract.

In certain colocation and managed hosting service contracts, we agree to charge customers for their actual power consumption. Relevant revenue is recognized based on actual power consumption during each period. In certain other colocation and managed hosting service contracts, we specify a fixed power consumption limit each month for customers. If a customer's actual power consumption is below the limit, no additional fee is charged, while if its actual power consumption is above the limit, we charge the customers additional power consumption fees calculated based on the portion of actual power consumption exceeding the limit, multiplied by a fixed unit price, which is determined based on market price and does not provide customers with rights to acquire additional goods or services. Accordingly, relevant revenue is recognized each month based on actual additional power consumption fees.

Our colocation service and managed service contracts with customers contain both lease and non-lease components. We elected to adopt the practical expedient which allows lessors to combine lease and non-lease components and account for them as one component if i) they have the same timing and pattern of transfer; and ii) the lease component, if accounted for separately, would be classified as an operating lease. In addition, we have performed a qualitative analysis to determine that the non-lease component is the predominant component of our revenue stream as the customer would ascribe more value to the services provided rather than to the lease component. Therefore, the combined component is accounted for in accordance with the current revenue accounting guidance ("ASC 606"). For contracts that do not meet the criteria for the practical expedient, the lease component is accounted for in accordance with the current lease accounting guidance ("ASC 842"), which is immaterial for the years ended December 31, 2023, 2024 and 2025.

Revenue recognized for colocation or managed hosting and cloud services delivered is recorded within accounts receivable if we have an unconditional right to the consideration. Otherwise, it is recorded as contract assets. We generally bill the customer on a monthly or quarterly basis in arrears.

Cash received in advance from customers prior to the delivery of the colocation or managed hosting and cloud services is recorded as deferred revenue.

Equity method investments

Our investments in entities in which we can exercise significant influence but do not own a majority equity interest or control are generally accounted for under the equity method of accounting. Equity method investments are initially measured at cost, except for the retained investments in the common stock of an investee (including a joint venture) in a deconsolidation transaction which are initially measured at fair value. Key estimates and assumptions used to determine the fair value include the amount and timing of future expected cash flows, and discount rate. Basis differences are the differences between our initial cost of the investment and our proportionate share of the individual assets and liabilities of the investee (historical carrying value). When an investee meets the definition of a business, any excess of the initial cost of the investment over the proportional fair value of the assets and liabilities of the investee is recognized as equity method goodwill, which is included in the equity method investment on the consolidated balance sheets. Equity method investments are subsequently adjusted for our share of the income and losses of the investees and adjustments related to (i) elimination of intra-entity profits and losses, (ii) amortization of any basis differences subject to amortization, (iii) our share of changes in the investee's capital and other comprehensive income. Our proportionate share of the income or loss from its equity method investment is recorded in others, net on the consolidated statement of operations as the amount is immaterial for the years ended December 31, 2023 and 2024. Our proportionate share of the income or loss from its equity method investment is recorded in share of results of equity method investees on the consolidated statement of operations for the year ended December 31, 2025. Our proportionate share of other comprehensive income is recorded in other comprehensive income. We review our investment periodically to determine if any investment may be impaired considering both qualitative and quantitative factors that may have a significant impact on the investees' fair value. We did not record any impairment losses related to our equity method investment for the years ended December 31, 2023, 2024 and 2025.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in the acquisition that are not individually identified and separately recognized, which is the excess of the purchase price over the fair value of the net tangible and intangible assets acquired in the acquisition. Goodwill is not deductible for tax purposes. Goodwill acquired in a business combination is assigned to reporting units that are expected to benefit from the synergies of the combination. When we reorganize our reporting structure in a manner that changes the composition of one or more of its reporting units, goodwill is reassigned to the reporting units affected using a relative fair value allocation approach. When a portion of a reporting unit that constitutes a business is to be disposed of, goodwill associated with that business is included in the carrying amount of the business in determining the gain or loss on disposal. The amount of goodwill to be included in that carrying amount is based on the relative fair values of the business to be disposed of and the portion of the reporting unit that will be retained.

Goodwill is not amortized but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is tested for impairment at the reporting unit level on an annual basis and between annual tests if an event occurs or circumstances change that would more-likely-than-not reduce the fair value of a reporting unit below its carrying value. These events or circumstances could include a significant change in macroeconomic conditions, the industry and market considerations, cost factors, overall financial performance, other relevant entity-specific events, and events affecting a reporting unit and share price. Application of the goodwill impairment test requires judgment, including the identification of the reporting unit, assignment of assets and liabilities to the reporting unit, assignment of goodwill to the reporting unit, and determination of the fair value of each reporting unit.

We have the option to perform a qualitative assessment to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value prior to performing the goodwill impairment test. If it is not more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the goodwill impairment test is not required. If the goodwill impairment test is required, the fair value of the reporting unit is compared with its carrying amount (including goodwill). If the fair value of the reporting unit is less than its carrying amount, an impairment loss shall be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. For the years ended December 31, 2024 and 2025, the Company performed qualitative assessments and evaluated all abovementioned factors to conclude that it was not more-likely-than-not the fair value was less than the carrying amount of the reporting unit. Therefore, no further quantitative impairment testing on goodwill was performed for the years ended December 31, 2024 and 2025. Due to the changing market conditions and fluctuations in the share price of the Company, the Company performed quantitative assessment for the year ended December 31, 2023. The Company estimated fair value using the income approach. The fair value determined using the income approach was compared with comparable market data and reconciled, as necessary. No impairment losses were recorded for goodwill for the years ended December 31, 2023, 2024 and 2025.

Impairment of Long-Lived Assets

We test long-lived assets (including property and equipment, prepaid land use rights, operating lease right-of-use assets and intangible assets subject to amortization) for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. If the carrying amount of an asset group exceeds its estimated undiscounted future cash flows, an impairment loss is recognized in the amount of the excess of the asset group's carrying value over its fair value. We determine the fair value of the data center assets based on the higher of the forecasted discounted cash flows expected to result from the data center assets' operations and eventual disposition and the price market participants would pay to sub-lease and acquire the remaining data centers assets. As of each relevant measurement date, the fair value of asset groups, if determined to be impaired, were measured under income approach. Significant inputs used in the income approach primarily included sales price and utilization rates used to estimate the forecasted undiscounted cash flows expected to result from the data center assets' operation, and discount rate. For purposes of impairment testing of long-lived assets, we have concluded that an individual data center is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities.

When an impairment loss is recognized, it is allocated to the assets of the group on a pro rata basis using the relative carrying amounts of those assets, except that the loss allocated to an individual long-lived asset of the group shall not reduce the carrying amount of that asset below its fair value whenever that fair value is determinable without undue cost and effort.

For the year ended December 31, 2023, impairment losses for the Company's data centers' long-lived assets of RMB3,013.4 million were recognized. For the year ended December 31, 2025, impairment losses of RMB1,561.2 million (US\$223.3 million) were recognized, which were mainly due to lower sales price and slower move-in of certain data centers with fixed lease terms. No impairment loss was recorded for the year ended December 31, 2024.

Share-based Compensation

We adopted an equity incentive plan in July 2014, or the 2014 share incentive plan, for the granting of share options to key employees, directors and external consultants in exchange for their services. The total number of shares that may be issued under the 2014 share incentive plan is 29,240,000 ordinary shares.

We adopted a second equity incentive plan in August 2016, or the 2016 share incentive plan, for the granting of share options and other equity awards to key employees and directors in exchange for their services. The maximum aggregate number of shares which may be subject to equity awards under the 2016 share incentive plan is 56,707,560 shares, provided, however, that such maximum aggregate number of shares shall be automatically increased on the first day of each fiscal year (i.e., January 1 of each calendar year) during which the 2016 share incentive plan remains in effect to three percent (3%) of our then total issued and outstanding shares, if and whenever the shares which may be subject to equity awards under the 2016 share incentive plan accounts for less than one and half percent (1.5%) of our then total issued and outstanding shares.

We account for the compensation cost from share-based payment transactions with employees based on the grant-date fair value of the equity-classified awards. The grant-date fair value of the award is recognized as compensation expense, net of forfeitures, over the period during which an employee is required to provide service in exchange for the award, which is generally the vesting period. When no future services are required to be performed by the employee in exchange for an award of equity instruments, and if such award does not contain a performance or market condition, the cost of the award is expensed on the grant date. We recognize compensation cost for an award with only service conditions that has a graded vesting schedule on a straight-line basis over the requisite service period for each separately-vesting portion of the award, provided that the cumulative amount of compensation cost recognized at any date at least equals the portion of the grant-date value of such award that is vested at that date.

Awards granted to employees with performance conditions attached are measured at fair value on the grant date and are recognized as the compensation expenses, net of forfeitures, over the performance period when the performance goal becomes probable to achieve. We also adjust the compensation cost based on the probability of performance goal achievement at the end of each reporting period. The rewards are earned upon attainment of identified performance goals.

Awards granted to employees with market conditions attached are measured at fair value on the grant date and are recognized as the compensation expenses, net of forfeitures, over the estimated requisite service period, regardless of whether the market condition has been satisfied if the requisite service period is fulfilled.

We account for forfeitures when they occur. Compensation cost previously recognized are reversed in the period the award is forfeited before completion of the requisite service period.

Share-based payment transactions with nonemployees in which goods or services are received in exchange for equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

Cancellation of an award accompanied by the concurrent grant of a replacement award is accounted for as a modification of the terms of the cancelled award ("modified award"). The incremental compensation cost is measured as the excess of the fair value of the modified award over the fair value of the original award at the modification date. Therefore, as result of the modification, the Company recognizes share-based compensation that comprising (i) the amortization of the incremental compensation cost resulting from the modification over the term of the modified award and (ii) the amortization of any unrecognized compensation cost of the original award over the term of the modified award.

The fair value of the restricted shares granted is estimated on the date of grant using the Monte Carlo simulation model. Inputs used included risk-free rate of return, volatility, expected dividend yield, share price at grant date and expected term.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and net operating losses and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided for deferred tax assets for which it is more likely than not that the related tax benefits will not be realized. The evaluation is based on our estimate of the future taxable income. The future taxable income incorporates our best estimates of utilization rates of relevant data centers based on historical utilization rates and our business plans. Such key assumptions are sensitive to variation, such that minor changes could have an impact on the evaluation of the realizability of the deferred tax assets. We recognize the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

Recently Issued Accounting Standards

In November 2024, the FASB issued Accounting Standards Update (“ASU”) 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which required disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. It should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to any or all prior periods presented in the financial statements. We will adopt the disclosure requirements from annual reports for fiscal year ending December 31, 2027 and are currently in the process of evaluating the disclosure impact on our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*, which clarified the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. Under the amendments, to account for a settlement of a convertible debt instrument as an induced conversion, an inducement offer is required to provide the debt holder with, at a minimum, the consideration (in form and amount) issuable under the conversion privileges provided in the terms of the instrument. This ASU also made additional clarifications to assist stakeholders in applying the guidance. This ASU also clarified that the induced conversion guidance applies to a convertible debt instrument that is not currently convertible as long as it had a substantive conversion feature as of both its issuance date and the date the inducement offer is accepted. This ASU is effective for all entities for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities that have adopted the amendments in ASU 2020-06. This ASU permits an entity to apply the new guidance on either a prospective or a retrospective basis. We adopted the standard in the first quarter of 2026 and the adoption of the standard did not have a significant impact on our consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provide a practical expedient that in developing reasonable and supportable forecasts as part of estimating expected credit losses, all entities may elect a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. This ASU is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. An entity that elects the practical expedient and the accounting policy election, if applicable, should apply the amendments in this ASU prospectively. We adopted the standard in the first quarter of 2026 and the adoption of the standard did not have a significant impact on our consolidated financial statements.

In December 2025, the FASB issued ASU 2025-10, *Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities*, to improve generally accepted accounting principles by establishing authoritative guidance on the accounting for government grants received by business entities. The amendments establish the accounting for a government grant received by a business entity, including guidance for (1) a grant related to an asset and (2) a grant related to income. The guidance is effective for fiscal years beginning after December 15, 2028, with early adoption permitted, and it can be applied using one of the following approaches: (1) a modified prospective approach; (2) a modified retrospective approach and (3) a retrospective approach to all government grants. We will adopt the standard from fiscal year ending December 31, 2029 and are currently in the process of evaluating the impact on our consolidated financial statements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth certain information relating to our directors, executive officers and senior management.

Name	Age	Position/Title
William Wei Huang†	58	Chairman and chief executive officer
Daniel Newman	65	Chief financial officer
Sio Tat Hiang†	78	Vice-chairman
Satoshi Okada‡	67	Director
Bruno Lopez†	61	Director
Liu Chee Ming†	75	Director
Lim Ah Doo‡	76	Independent director
Bin Yu ^{oo}	56	Independent director
Zulkifli Baharudin	66	Independent director
Chang Sun‡	69	Independent director
Gary J. Wojtaszek‡	60	Director
Judy Qing Ye	56	Independent director
Jonathan King	49	Member of the executive committee
Yan Liang	50	Executive vice president, data center operation and delivery
Kejing Zhang	43	Executive vice president, sales and service
Jessie Yixin Qian	54	Executive vice president, operation

† Designated as an STT Garnet appointee.

‡ Designated as a Class B director nominee and subject to Class B 50-vote-per-share voting.

^{oo} Designated as a director subject to Class B 50-vote-per-share voting.

We have received from each independent director an annual confirmation of his/her independence pursuant to the Hong Kong Listing Rules and we consider them as independent.

Mr. William Wei Huang is our founder, chairman of our board of directors and, since 2002, has served as our chief executive officer. From 2004 to 2020, Mr. Huang also served as a director of Haitong-Fortis Private Equity Fund Management Co., Ltd., a domestic private equity fund management company in China. Prior to founding our company, he served as a senior vice president of Shanghai Meining Computer Software Co., Ltd., which operates StockStar.com, a website primarily providing finance and securities related information and services in China. Mr. Huang also acts as a director of DayOne, in which we hold minority equity interest. Mr. Huang acted as the chairman of DayOne until April 2026.

Mr. Daniel Newman has served as the chief financial officer of GDS since September 2011. Prior to joining us in this capacity, Mr. Newman acted as an advisor to GDS from 2009 to 2011. From 2008 to 2009, Mr. Newman served as a managing director at Bank of America Merrill Lynch with responsibility for investment banking clients in the telecom, media, and technology sectors in Asia. From 2005 to 2007, Mr. Newman acted as an advisor in the chairman's office of Reliance Communications in Mumbai, India. From 2001 to 2005, Mr. Newman served as a managing director at Deutsche Bank with responsibility for investment banking clients in the telecom and media sectors in Asia. Mr. Newman previously worked as an investment banker at Salomon Brothers (and its successors) from 1997 to 2001 and at S.G. Warburg (and its successors) from 1983 to 1997 in London and Hong Kong. Mr. Newman received his bachelor's degree in history from Bristol University in the UK in 1983.

Mr. Sio Tat Hiang is vice-chairman of our board of directors and has been a director of our company since August 2014. From 2020 to 2025, Mr. Sio was a director of Singapore Technologies Telemedia Pte Ltd (an indirect shareholder of STT GDC), and STT Communications Ltd. From 2012 to 2020 Mr. Sio was a director of STT GDC, from 2017 to 2020 Mr. Sio was the chairman of the board of STT GDC and from 2017 to 2022 Mr. Sio was the Chairman of the Board of Virtus HoldCo Limited. In addition, Mr. Sio currently also sits on the Board of U Mobile Sdn Bhd and is the chairman of the board of STT Global Data Centers India Private Limited. He graduated with a bachelor's degree in business administration with honors from the National University of Singapore and attended the London Business School Senior Executive Programme.

Mr. Satoshi Okada has been a director of our company since June 2014. From 2000 to 2005, he held various management positions within the SoftBank Corp. group. Since 2008, he has also served as a Director of Alibaba.com Japan, which is engaged in Alibaba-related businesses. In addition, Mr. Okada served as a Director of Alibaba.com when it was publicly listed in Hong Kong from 2007 to 2012. He currently also serves as a director of DayOne, in which we hold minority equity interest.

Mr. Bruno Lopez has been a director of our company since August 2014. Mr. Lopez is President and Group Chief Executive Officer of ST Telemedia Global Data Centres (STT GDC). He has been responsible for the overall leadership, strategic direction, growth and development of the STT GDC group since its inception in 2014. Under his leadership, STT GDC has become one of the fastest-growing data center providers across Asia and Europe. The company has built a substantial portfolio of integrated data centers across a global platform, serving all the major cloud service providers and enterprises in Singapore, India, Thailand, South Korea, Indonesia, Japan, Philippines, Malaysia and Vietnam; and through VIRTUS Data Centres in the UK, Germany and Italy. Mr. Lopez oversees the strategic and operational priorities of these companies in various jurisdictions, serving our global customers. His leadership has been instrumental in steering the company to market leadership positions in key economies, establishing STT GDC as a prominent player in the global data centre industry. An industry veteran with over 30 years of experience in the telecommunications and data center industry, Mr. Lopez has won many industry accolades recognizing his dedication, expertise, and innovation in shaping the future of digital infrastructure and technology. Mr. Lopez's track record includes founding roles as the CEO and Executive Director of Keppel Data Centres where he played a key role in building up the company's growth and expansion across Asia and Europe. He also established the Securus Data Property Fund, an investment fund focused on data center assets in the Asia-Pacific region, Europe, and the Middle East, which later merged with Keppel Data Centres' assets during the company's SGX REIT listing. Mr. Lopez holds a Bachelor of Arts degree with Honours from the National University of Singapore and a Master's degree from Rutgers University, USA.

Mr. Liu Chee Ming has been a director of our company since December 2023. Mr. Liu has over 40 years of experience across the financial services sector across Asia Pacific. Mr. Liu is currently the Managing Director of Platinum Holdings Company Limited, which he established in March 1996. In June 2018, he was appointed as an Independent Non-Executive Director of DBS Bank (Hong Kong) Limited, where he also chairs the remuneration committee. He was also appointed as a Director of SingEx-Sphere Holdings Pte Ltd (now known as Constellar Holdings Pte. Ltd.) in April 2021 and was appointed as an Independent Non-Executive Director of MGM China Holdings Limited in May 2021. Mr. Liu has been a Governor of the Singapore International School (Hong Kong) since May 2006 and was appointed as the Chairman of the Board of Governors of the Singapore International School (Hong Kong) in January 2020. Mr. Liu holds a Bachelor of Business Administration from the former University of Singapore.

Mr. Lim Ah Doo has served as our director since August 2014. He is currently chairman and independent non-executive director of Olam Group Limited, formerly known as Olam International Limited. He was previously an independent director of ST Engineering and a member of its audit committee from 2015 to 2024, and a director of Singapore Technologies Telemedia Pte Ltd and STT Communications Ltd and chairman of STT Communications Ltd's audit committee from 2020 to 2023. Prior to that at various times from 2016 to 2023, he acted as a director and audit committee chairman of STT GDC and its subsidiaries Virtus and STT GDC India. During his 18-year distinguished banking career in Morgan Grenfell, Mr. Lim held several key positions including chairing Morgan Grenfell (Asia). From 2003 to 2007, he was president and then vice chairman of the RGM group International (RGMI), a leading global resource-based group and in 2008, he served as deputy chairman RGMI. Mr. Lim obtained a bachelor's degree in engineering with honors from the Queen Mary College, University of London, and an MBA from the Cranfield School of Management. Mr. Lim also acts as a director and the chairman of DayOne, in which we hold minority equity interest.

Ms. Bin Yu has served as our independent director since November 2016. She served as the chief financial officer for Lingochamp Information Technology (Shanghai) Co., Ltd., a company engaged in AI driven education from September 2017 to January 2020. Ms. Yu has served as an independent non-executive director and the chairperson of the audit and risk committee of DPC Dash Ltd, a company listed on the Hong Kong Stock Exchange since December 2024, a director of Baozun Inc., a company listed on NASDAQ since June 2024, an independent director of Zero2IPO Holdings Inc., a company committed to providing the industry with leading services for entrepreneurship and investment since December 2020, and an independent director of iDreamSky Technology Holdings Limited, a leading mobile game publisher in China listed on the Hong Kong Stock Exchange since May 2018. From 2015 to May 2017, she served as the chief financial officer of Innolight Technology Corp. From 2013 to 2015, she served as a director and the chief financial officer of Star China Media Limited, a company engaged in the entertainment TV programs business. From 2012 to 2013, she was a senior vice president of Youku Tudou Inc., and had responsibility for the company's investments in content production, mergers and acquisitions and strategic investments. She previously served as the chief financial officer from 2012 to 2013, and the vice president of finance from 2010 to 2011, of Youku Tudou's predecessor, Tudou Holdings Limited. Prior to that, she worked at KPMG from 1999 to 2010 and was a senior manager of KPMG's Greater China region. Ms. Yu received a master's degree in accounting from the University of Toledo, and an EMBA from Tsinghua University and INSEAD, respectively. Ms. Yu is a Certified Public Accountant in the United States admitted by the Accountancy Board of Ohio.

Mr. Zulkifli Baharudin has served as our independent director since November 2016. Since 2011, he has been serving as the executive chairman of Indo-Trans Corporation, a logistics and supply chain company across Indo-China. Mr. Zulkifli has been the non-executive director on the Board of Asian Plantations Limited since 2014. Mr. Zulkifli has been the non-executive director on the Board of STT GDC Indonesia JVCo Pte. Ltd and PT STT GDC Indonesia since July 2021 and September 2021, respectively. Mr. Zulkifli has been the non-executive director on the Board of NTUC Fairprice Co-Operative Limited since May 2023. Mr. Zulkifli also serves as Singapore's Non-Resident Ambassador to the Republic of Kazakhstan and Uzbekistan. From 1997 to 2001, he also served as a nominated member of Parliament in Singapore. Mr. Zulkifli received his bachelor's degree in estate management from the National University of Singapore.

Mr. Chang Sun has served as our independent director since April 2017. Mr. Sun is a Senior Advisor to TPG Global. Prior to joining TPG, he was chairman and founder of Black Soil Group, a private Investment holding company. From 1995 to 2015, Mr. Sun was a partner at Warburg Pincus and served as chairman of Asia Pacific for the firm and a member of the firm's Executive Management Group. From 1992 to 1995, Mr. Sun worked as an Executive Director in the Investment Banking Division and Principal Investment Area of Goldman Sachs (Asia). He also worked as an associate at Lepercq, de Neufelize & Co., a boutique investment bank in New York, and at the United Nations headquarters as a professional translator. Mr. Sun holds a Bachelor of Arts degree from the Beijing Foreign Studies University and a joint degree of MA/MBA from the Joseph Lauder Institute of International Management and the Wharton School of the University of Pennsylvania. Mr. Sun is the founder and honorary Chairman of the China Venture Capital Association (CVCA) and the founder and Executive Vice Chairman of the China Real Estate Developers and Investors' Association (CREDIA). He is a member of the Board of Governors of the Lauder Institute at the Wharton School, and a board member of the China Entrepreneurs Club (CEC). Mr. Sun is also an adjunct professor at United International College of Hong Kong Baptist University and an Industry Supervisor at PBC School of Finance of Tsinghua University.

Mr. Gary J. Wojtaszek has served as our director since June 2018, and previously served as an observer of our board of directors beginning in October 2017. He brings extensive experience founding, scaling, and monetizing both private and public companies. Mr. Wojtaszek is the Founder and Chief Executive Officer of RecNation, the largest institutional owner of specialized boat and RV storage facilities in the United States. He previously served as President and Chief Executive Officer of CyrusOne, Inc. from August 2011 to February 2020, where he led the company's transformation into a leading global, carrier-neutral hyperscale data center platform and one of the top-performing REITs in the United States during his tenure. Prior to CyrusOne, Mr. Wojtaszek served as Chief Financial Officer and a member of the board of Cincinnati Bell Inc., where he was responsible for the data center business and led the creation, spin-off, and IPO of CyrusOne. Earlier in his career, he held senior financial leadership roles across the semiconductor, automotive, and education sectors. He currently serves on the boards of Quantum Loophole, Nxtra Data Centers, and Ark data centers, and recently served on the board of Talen Energy, where he played a key role in its restructuring and in advancing the development of a data center campus co-located with a nuclear power facility through Cumulus Data. In March of 2026, he assumed the role of Executive Chairman and interim CEO of PURE data centers based in London, England, and contemporaneously resigned as the vice-chairman and director of DayOne, headquartered in Singapore, which he has been involved in, with inception of that company. Mr. Wojtaszek is an industry advisor to The Carlyle Group, Oaktree Capital, and General Atlantic/Actis, and serves on the board of the data center engineering program at Southern Methodist University. Mr. Wojtaszek holds a B.A. from Rutgers University and an M.B.A. from Columbia University.

Ms. Judy Qing Ye has served as our independent director since October 2018. Ms. Judy Qing Ye is the advisor for Yimei Capital and affiliates, a global alternative investment firm and has nearly 20 years of experience in investment. Prior to that, she worked in strategic investment department at Hewlett-Packard Company in Silicon Valley starting 2001. In her earlier career, Ms. Ye worked as M&A project manager at PepsiCo, New York. Ms. Ye also served on the board of NE Social Impact Fund (NESIF), a dedicated social impact investing fund in China. Ms. Ye is also the council member of United Way Shanghai, a global non-profit charitable organization. She also served as President of the Wharton Club of Shanghai and is currently the Director of the Union of Finance Alumni of Peking University (UFAPKU). Ms. Ye received her bachelor of economics degree from Peking University and earned her MA from Tufts University, MBA from the Wharton School at University of Pennsylvania.

Mr. Jonathan King has been a member of our executive committee since October 2016 and has been involved with our company since 2014, in his role as Group Chief Strategy and Investment Officer of ST Telemedia Global Data Centres (STT GDC). In this role, he is responsible for leading the growth of STT GDC into new regions in addition to managing the existing portfolio of investments. Since joining STT GDC, Mr. King has been leading the establishment and expansion of STT GDC's high quality platforms across 12 geographies with significant presence in Asia and Europe. Prior to joining STT GDC, Mr. King was instrumental in the formation and operation of Securus Data Property Fund (Securus) where he was co-CEO. Securus was an investment fund that developed a portfolio of high quality data centers across Asia Pacific and Europe. Prior to this, Mr. King was an Associate Director at Macquarie Bank focused on real estate investment banking. Mr. King has over 25 years of global investment experience in the data center, finance, real estate and engineering industries. In the data centre space, he has led over US\$6.0bn of transactions since 2011. Mr. King holds a Bachelor's Degree in Engineering (Honours) from the University of Sydney, Australia and a Graduate Diploma of Finance and Investment from Financial Services Institute of Australasia (FINSIA). He is also a Graduate Member of the Australian Institute of Company Directors (AICD).

Ms. Yan Liang joined our company in 2010 and has served as our senior vice president of data center operation and delivery since March 2014 and our executive vice president of data center operation and delivery since April 2024. Ms. Liang is currently also responsible for data center operation efficiency enhancement and asset management. Ms. Liang serves on the China Data Center Committee as vice chairman with responsibility for contributing to white papers for data center operation system architecture, data center infrastructure management system, and best energy efficiency methodology. Prior to joining us in 2010, Ms. Liang served as a director of operations and business development with COSCO's global data center business where she had responsibility for information system centralization, construction of large data centers, establishment and promotion of ITIL operation management systems and global disaster recovery from 1997 to 2010. Ms. Liang received a bachelor's degree from Tongji University and an MBA from Fudan University.

Mr. Kejing Zhang joined our company in 2015 as our senior vice president of sales, and has served as our executive vice president of sales and service since April 2024. Mr. Zhang is responsible for sales operations, management and service. Prior to joining us, Mr. Zhang was a director of wholesale business of China Unicom (Europe) Operations Limited from 2010 to 2014, with responsibility for sales and business development with telco carriers in European, Middle East and African regions. Mr. Zhang majored in electronic engineering and received a Ph.D. from Queen Mary and Westfield College to the University of London.

Ms. Jessie Yixin Qian joined our company in 2022 and has served as our executive vice president for operation since April 2024. Ms. Qian's responsibilities include corporate business and operation management, energy procurement process and ESG initiatives. Prior to joining us, she worked at the KPMG San Francisco office from 1997 to 2003 and was a partner of KPMG's Greater China region since 2007. Ms. Qian has in-depth experience with the SEC reporting matters, internal controls and capital market transactions. Ms. Qian received a bachelor's degree in economics from the Shanghai University and a master's degree in accounting from the University of Southern California. Ms. Qian is a Certified Public Accountant in the United States admitted by the Accountancy Board of California.

Weighted Voting Rights (WVR) Structure

Under our weighted voting rights structure, our share capital comprises Class A ordinary shares and Class B ordinary shares. 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 50 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 Class B shareholders. These rights are categorized as WVR structure, under the Hong Kong Listing Rules. As a result, we are deemed as a company with a WVR structure. For further information about the risks associated with our WVR structure, see “Item 3. Key Information — D. Risk Factors — Risks Related to Our Corporate Structure.”

As of March 31, 2026, the beneficiary of the WVR structure was Mr. Huang, the beneficial owner of the 43,590,336 Class B ordinary shares then issued and outstanding.

Subject to the provisions of our Articles of Association, our Class B ordinary shares may be converted into Class A ordinary shares at the option of the holder or automatically at the occurrence of an automatic conversion event. Such automatic conversion event refers to the first occurrence of (i) Mr. Huang having beneficial ownership in less than 2.75% of our issued share capital on an as converted basis (subject to certain exclusions); (ii) the consultation draft Foreign Investment Law of the People’s Republic of China published by the MOFCOM on January 19, 2015, or the FIL, in the form implemented not requiring VIE entities operating the PRC business to be owned or controlled (as defined in the FIL as officially promulgated by the PRC legislator) by PRC nationals or entities (including without limitation the FIL as officially promulgated by the PRC legislator grandfathering then-existing VIE Entities in the PRC); (iii) PRC law no longer requiring the conduct of the PRC business to be owned or controlled by PRC nationals or entities; (iv) the promulgation of the FIL as it relates to VIE entities is abandoned by the PRC legislator; or (v) the relevant authorities in the PRC having approved the VIE structure without the need for the VIE entities to be owned or controlled by PRC nationals or entities. Subject to the provisions of our Articles of Association, if the Class B ordinary shares are automatically converted into Class A ordinary shares, the WVR structure will thereby be terminated.

Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, and will automatically convert into Class A ordinary shares under certain circumstances. Upon the conversion of all the issued and outstanding Class B ordinary shares into Class A ordinary shares, the company will issue 43,590,336 Class A ordinary shares. Any Class A ordinary shares which Mr. Huang directly or indirectly acquire may be converted into Class B ordinary shares.

Article 86(4) of our Articles of Association provides that for so long as Mr. Huang continues to have beneficial ownership in not less than two point seventy five per cent. (2.75%) of the then issued share capital of our company on an as converted basis (subject to certain exclusions), the holders of the Class B Ordinary Shares shall have the right to nominate five (5) directors (one of which is intended to be Mr. Huang) for appointment as directors. Such directors shall be elected by resolutions of the members (with the Class B ordinary shares having fifty(50) votes per Class B ordinary share in respect of such resolutions).

Upon either (i) the automatic conversion of the Class B ordinary shares, or (ii) the conversion of such of the Class B ordinary shares that results in Mr. Huang ceasing to have beneficial ownership in not less than two point seventy five per cent. (2.75%) but continuing to have beneficial ownership in not less than two per cent. (2%) of the then issued share capital of our company on an as converted basis (subject to certain exclusions), (a) the nomination and appointment rights under the above provisions shall cease and terminate; (b) any directors (other than William Wei Huang) appointed pursuant to the above provisions shall retire from office by rotation at the appropriate annual general meeting of members in accordance with the terms of their appointment, and (c) at the relevant annual general meeting, their replacement as a director shall be nominated by the Nominating and Corporate Governance Committee and shall be elected by resolutions of the members (with the Class B ordinary shares having one (1) vote per Class B ordinary share in respect of such resolutions); and (d) Mr. Huang shall continue to have the right to appoint and remove one (1) director (which is intended to be Mr. Huang).

Upon Mr. Huang having beneficial ownership in less than two per cent. (2%) of the then issued share capital of our company on an as converted basis (subject to certain exclusions), (a) Mr. Huang's above appointment right shall cease and terminate, (b) any director appointed pursuant to such right shall retire from office by rotation at the appropriate annual general meeting of members in accordance with the terms of their appointment, and (c) at the relevant annual general meeting, their replacement as a director shall be nominated by the Nominating and Corporate Governance Committee and shall be elected by resolutions of the members (with the Class B ordinary shares having one (1) vote per Class B ordinary share in respect of such resolutions).

In addition, a quorum required for a meeting of shareholders consists of at least two shareholders present in person or by proxy or by duly authorized representative, representing not less than one-third in nominal value of the total issued voting shares in our company, save that for any general meeting requisitioned by one or more shareholders holding at the date of deposit of the requisition not less than 10% of the voting rights in our company, two shareholders entitled to vote and present in person or by proxy or by duly authorized representative, representing not less than 10% of the aggregate voting power in our company throughout the meeting shall form a quorum.

B. Compensation

For the year ended December 31, 2025, we and our subsidiaries incurred aggregate compensation of approximately US\$19.4 million for our directors and executive officers as a group, of which, US\$6.5 million was settled in cash, US\$1.5 million was liability-classified and settled in restricted shares and remaining amount was share-based compensation expenses for the restricted shares granted to our executive officers with vesting conditions under our 2016 share incentive plan. We did not pay any other compensation or benefits in kind to our directors and executive officers. We set aside an aggregate of US\$0.1 million for pensions, retirement or other benefits for our directors and executive officers in 2025.

For information regarding restricted shares granted to our directors and executive officers, see “—Share Incentive Plan.”

Share Incentive Plan

2016 Share Incentive Plan

Our second equity incentive plan adopted in 2016, or the 2016 share incentive plan, provides for the grant of share options, share appreciation rights, restricted share units, restricted shares or other share-based awards, which we refer to collectively as equity awards. We believe that the 2016 share incentive plan will aid us in recruiting, retaining and motivating key employees and directors of outstanding ability through the granting of equity awards.

The maximum aggregate number of shares which may be subject to equity awards under the 2016 share incentive plan is 56,707,560 shares, provided, however, that the maximum number of unallocated ordinary shares which may be issuable pursuant to awards under the 2016 share incentive plan shall be automatically increased on the first day of each fiscal year (i.e., January 1 of each calendar year) during which the 2016 share incentive plan remains in effect to three percent (3%) of our then total issued and outstanding ordinary shares, if and whenever the unallocated ordinary shares which may be subject to equity awards under the 2016 share incentive plan accounts for less than one and half percent (1.5%) of our then total issued and outstanding ordinary shares, provided further that solely for the fiscal year 2020, the increase of the unallocated ordinary shares which may be issuable pursuant to awards under the plan was given effect as of the date of the approval by the shareholders at the annual general meeting on August 6, 2020 (but calculated based on the total issued and outstanding ordinary shares of the Company as of January 1, 2020). In August 2020, the maximum number of unallocated shares which may be issuable pursuant to awards under the 2016 share incentive plan was automatically increased by 32,592,288 to 3.0% of the then total issued and outstanding ordinary shares, which was 1,216,432,715. In January 2022, the maximum number of unallocated shares which may be issuable pursuant to awards under the 2016 share incentive plan was automatically increased by 29,252,600 to 3.0% of the then total issued and outstanding ordinary shares, which was 1,495,180,395. In January 2023, the maximum number of unallocated shares which may be issuable pursuant to awards under the 2016 share incentive plan was automatically increased by 30,747,912 to 3.0% of the then total issued and outstanding ordinary shares, which was 1,524,432,991. In January 2026, the maximum number of unallocated shares which may be issuable pursuant to awards under the 2016 share incentive plan was automatically increased by 30,718,359 to 3.0%, of the then total issued and outstanding ordinary shares, which was 1,603,020,903.

Administration

The 2016 share incentive plan is administered by our board of directors (only with respect to equity awards granted on the date of the completion of our initial public offering), the remuneration committee, or any subcommittee thereof to whom the board or the remuneration committee shall delegate the authority to grant or amend equity awards. The plan administrator is authorized to interpret the plan, to establish, amend and rescind any rules and regulations relating to the plan, and to make any other determinations that it deems necessary or desirable for the administration of the plan, as well as determine the provisions, terms and conditions of each award consistent with the provisions of the plan.

Change in Control

In the event of a change in control (as defined below), if determined by the plan administrator in an award agreement or otherwise, any outstanding equity awards that are non-exercisable or otherwise unvested or subject to lapse restrictions, will automatically be deemed exercisable or otherwise vested or no longer subject to lapse restrictions, as the case may be, immediately prior to such change in control. The plan administrator may also, in its sole discretion, decide to cancel such equity awards for fair value, provide for the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected awards previously granted or provide that affected share options or share appreciation rights will be exercisable for a period of at least 15 days prior to the change in control and terminated upon the change in control if not previously exercised. A “change in control” under the 2016 share incentive plan is generally defined as (i) the sale of all or substantially all of our assets to any person or group (other than certain permitted holders), unless the primary purpose of the sale is to create a holding entity for us that will be directly or indirectly owned in substantially the same proportions by the same persons that held our shares immediately prior to the consummation of such sale, or (ii) one or more related transactions whereby any person or group (other than certain permitted holders) becomes the beneficial owner of more than 50% of the total voting power of our voting shares and controls the composition of a majority of our board of directors, unless the primary purpose of such transaction or transactions, as applicable, is to create a holding entity for us that will be directly or indirectly owned in substantially the same proportions by the same persons that held our shares immediately prior to the consummation of such transaction.

Term

Unless terminated earlier, the 2016 share incentive plan will continue in effect for a term of ten years from the date of its adoption.

Award Agreements

Generally, equity awards granted under the 2016 share incentive plan are evidenced by an award agreement providing for the number of ordinary shares subject to the award, and the terms and conditions of the award, which must be consistent with the 2016 share incentive plan.

Vesting Schedule

The plan administrator determines the vesting schedule of each equity award granted under the 2016 share incentive plan, which vesting schedule will be set forth in the award agreement for such equity award.

Amendment and Termination of Plan

Our board of directors may at any time amend, alter or discontinue the 2016 share incentive plan, subject to certain exceptions.

Granted Restricted Shares

In August 2023, August 2024, January 2025 and August 2025, we granted 21,918,552, 19,076,032, 3,000,000 and 15,788,952 non-vested restricted shares to employees, officers and directors, respectively. The restricted share awards were granted subject to service conditions and market conditions or performance conditions.

In January, May, July and October, 2023, we issued a total of 1,035,704 restricted shares to directors pursuant to equity awards under the 2016 share incentive plan. In January, September and December, 2024, we issued a total of 1,839,320 restricted shares to directors pursuant to equity awards under the 2016 share incentive plan. In April, July and October 2025, we issued a total of 405,120 restricted shares to directors pursuant to equity awards under the 2016 share incentive plan. These restricted shares were fully vested upon the date of grant and were granted to our directors in lieu of cash to settle a portion of remuneration for their services previously rendered.

In 2024, we also granted 1,331,192 fully vested restricted shares to employees, officers and directors as compensation for the services rendered.

The table below summarizes, as of March 31, 2026, the restricted shares we have granted to our directors and executive officers:

Name	Position	Numbers of Restricted Shares	Grant Date
William Wei Huang	Chairman and chief executive officer	*	August 1, 2023, August 1, 2024 and August 1, 2025.
Daniel Newman	Chief financial officer	*	August 1, 2023, August 1, 2024, and January 9, 2025.
Sio Tat Hiang	Vice-chairman	*	March 1, 2023, May 12, 2023, July 3, 2023, October 2, 2023, January 2, 2024, December 18, 2024, April 23, 2025, July 1, 2025 and October 1, 2025.
Satoshi Okada	Director	*	March 1, 2023, May 12, 2023, July 3, 2023, October 2, 2023, January 2, 2024, December 18, 2024, April 23, 2025, July 1, 2025 and October 1, 2025.
Bruno Lopez	Director	*	March 1, 2023, May 12, 2023, July 3, 2023, October 2, 2023, January 2, 2024, December 18, 2024, April 23, 2025, July 1, 2025 and October 1, 2025.
Liu Chee Ming	Director	*	September 3, 2024, December 18, 2024, April 23, 2025, July 1, 2025 and October 1, 2025.
Lim Ah Doo	Independent Director	*	March 1, 2023, May 12, 2023, July 3, 2023, October 2, 2023, January 2, 2024, December 18, 2024, April 23, 2025, July 1, 2025 and October 1, 2025.
Bin Yu	Independent Director	*	March 1, 2023, May 12, 2023, July 3, 2023, October 2, 2023, January 2, 2024, December 18, 2024, April 23, 2025, July 1, 2025 and October 1, 2025.
Zulkifli Baharudin	Independent Director	*	March 1, 2023, May 12, 2023, July 3, 2023, October 2, 2023, January 2, 2024, December 18, 2024, April 23, 2025, July 1, 2025 and October 1, 2025.
Chang Sun	Independent Director	*	March 1, 2023, May 12, 2023, July 3, 2023, October 2, 2023, January 2, 2024, December 18, 2024, April 23, 2025, July 1, 2025 and October 1, 2025.
Judy Qing Ye	Independent Director	*	March 1, 2023, May 12, 2023, July 3, 2023, October 2, 2023, January 2, 2024, December 18, 2024, April 23, 2025, July 1, 2025 and October 1, 2025.
Gary J. Wojtaszek	Director	*	March 1, 2023, May 12, 2023, July 3, 2023, October 2, 2023, January 2, 2024, December 18, 2024, April 23, 2025, July 1, 2025 and October 1, 2025.
Jonathan King	Member of the executive committee	*	March 1, 2023, May 12, 2023, July 3, 2023, October 2, 2023, January 2, 2024, December 18, 2024, April 23, 2025, July 1, 2025 and October 1, 2025.
Yan Liang	Executive vice president, data center operation and delivery	*	August 1, 2023, August 1, 2024 and August 1, 2025.
Kejing Zhang	Executive vice president, sales and service	*	August 1, 2023, August 1, 2024 and August 1, 2025.
Jessie Yixin Qian	Executive vice president, operation	*	August 1, 2023, August 1, 2024 and August 1, 2025.

* Less than 1% of our outstanding ordinary shares assuming conversion of all restricted shares into ordinary shares.

As of March 31, 2026, individuals other than our directors and executive officers as a group held a total of 26,100,792 restricted shares of our company, subject to various vesting schedules and conditions.

C. Board Practices

Duties of Directors

Under Cayman Islands law, our directors have a fiduciary duty to act honestly in good faith with a view to our best interests. Our directors also have a duty to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our Memorandum of Association and Articles of Association. A shareholder has the right to seek damages if a duty owed by our directors is breached.

The functions and powers of our board of directors include, among others:

- conducting and managing the business of our company;
- representing our company in contracts and deals;
- appointing attorneys for our company;
- select senior management such as managing directors and executive directors;
- providing employee benefits and pension;
- managing our company's finance and bank accounts;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- exercising any other powers conferred by the shareholders' meetings or under our Memorandum of Association and Articles of Association.

Appointment, Nomination and Terms of Directors

Pursuant to our Articles of Association, our board of directors are classified into three classes of directors designated as Class I, Class II and Class III, each generally serving a three-year term unless earlier removed and except as described below. The Class I directors consist of Gary J. Wojtaszek, Satoshi Okada and Bruno Lopez; the Class II directors consist of Liu Chee Ming, Lim Ah Doo, Chang Sun, and Judy Qing Ye; and the Class III directors consist of William Wei Huang, Sio Tat Hiang, Bin Yu and Zulkifli Baharudin.

Class I directors initially retired from office by rotation and were up for re-election or re-appointment one year after the completion of our initial public offering. Class II directors initially retired from office by rotation and were up for re-election or re-appointment two years after the completion of our initial public offering. Class III directors initially retired from office by rotation and were up for re-election three years after the completion of our initial public offering.

Our board currently consists of eleven (11) directors. Unless otherwise determined by us in a general meeting, our board will consist of not less than two (2) directors. There is no maximum number of directors unless otherwise determined by our shareholders in a general meeting, provided, however, that for so long as STT Garnet has the right to appoint one or more directors to our board of directors, any change in the total number of directors on our board shall require the prior approval of the director or directors appointed by STT Garnet.

Our Articles of Association provide that for so long as STT Garnet beneficially owns: not less than 25% of our issued and outstanding share capital, they may appoint three directors to our board of directors, including our vice-chairman; less than 25%, but not less than 15%, of our issued and outstanding share capital, they may appoint two directors to our board of directors, including our vice-chairman; and less than 15%, but not less than 8%, of our issued and outstanding share capital, they may appoint one director to our board of directors, including our vice-chairman, none of which appointments will be subject to a vote by our shareholders. In addition, the above rights of STT Garnet may not be amended without the approval of STT Garnet. Where STT Garnet beneficially owns: less than 25%, but 15% or more, of our issued and outstanding share capital, then of the directors appointed by STT Garnet, only two may remain in office, and the other director, who shall be determined by STT Garnet, or failing which shall be the director whose term is due to expire soonest, shall retire at the expiry of his/her term; less than 15%, but 8% or more, of our issued and outstanding share capital, then of the directors appointed by STT Garnet, only one may remain in office, and the other directors, who shall be determined by STT Garnet, or failing which shall be the directors whose terms are due to expire soonest, shall retire at the expiry of their respective terms; less than 8% of our issued and outstanding share capital, then the directors appointed by STT Garnet may not remain in office and all shall retire at the expiry of their respective terms. Any director appointed by STT Garnet who retires pursuant to the foregoing sentence may, in the sole discretion of our nominating and corporate governance committee, be re-nominated and subject to re-election at the next general meeting of our shareholders.

Our Articles of Association further provide that for so long as there are Class B ordinary shares outstanding: (i) the Class B shareholders shall be entitled to nominate five of our directors (and such Class B shareholders shall have 50 votes per share with respect to the resolutions approving the appointment or removal of such directors); and (ii) the nominating and corporate governance committee shall nominate one director, which shall satisfy the requirements for an “independent director” within the meaning of the Nasdaq Stock Market Rules including the requirements for audit committee independence. As of and after such time as there ceases to be any Class B ordinary shares outstanding, all of the directors nominated by Class B shareholders shall retire from office at the expiry of their respective terms, and, if re-nominated, be subject to re-election at a subsequent general meeting of shareholders. Prior to such time, if any of the directors nominated by or subject to election by Class B shareholders at 50 votes per share (i) is not elected or (ii) ceases to be a director, then the Class B shareholders may appoint an interim replacement for each such director. Any person so appointed shall hold office until the next general meeting of our shareholders and be subject to re-nomination and re-election at such meeting.

Subject to the abovementioned appointment rights, we may nominate, and shareholders may by ordinary resolution elect (with Class A ordinary shares and Class B ordinary shares each being entitled to one vote per share), any person to be a director to fill a casual vacancy on our board.

Board Committees

Our board of directors has established an audit committee, a compensation committee, a nominating and corporate governance committee and an executive committee. As a foreign private issuer, we are permitted to follow home country corporate governance practices under Nasdaq Stock Market Rules.

Audit Committee

Our audit committee consists of Lim Ah Doo, Bin Yu and Zulkifli Baharudin. Lim Ah Doo is the chairman of our audit committee. All members satisfy the criteria of an audit committee financial expert as set forth under the applicable rules of the SEC and satisfy the requirements for an “independent director” within the meaning of Nasdaq Stock Market Rules and meet the criteria for independence set forth in Rule 10A-3 of the U.S. Exchange Act. Our audit committee consists solely of independent directors.

The audit committee oversees our accounting and financial reporting processes and the audits of our financial statements. Our audit committee is responsible for, among other things:

- selecting the independent auditor;
- pre-approving auditing and non-auditing services permitted to be performed by the independent auditor;

- annually reviewing the independent auditor's report describing the auditing firm's internal quality control procedures, any material issues raised by the most recent internal quality control review, or peer review, of the independent auditors and all relationships between the independent auditor and our company;
- reviewing with the independent auditor any audit problems or difficulties and management's response;
- reviewing and, if material, approving all related person transactions on an ongoing basis;
- reviewing and discussing the annual audited financial statements with management and the independent auditor;
- reviewing and discussing with management and the independent auditors about major issues regarding accounting principles and financial statement presentations;
- reviewing reports prepared by management or the independent auditors relating to significant financial reporting issues and judgments;
- discussing earnings press releases with management, as well as financial information and earnings guidance provided to analysts and rating agencies;
- reviewing with management and the independent auditors the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on our financial statements;
- discussing policies with respect to risk assessment and risk management with management, internal auditors and the independent auditor;
- timely reviewing reports from the independent auditor regarding all critical accounting policies and practices to be used by our company, all alternative treatments of financial information within U.S. GAAP that have been discussed with management and all other material written communications between the independent auditor and management;
- establishing procedures for the receipt, retention and treatment of complaints received from our employees regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters;
- annually reviewing and reassessing the adequacy of our audit committee charter;
- such other matters that are specifically delegated to our audit committee by our board of directors from time to time;
- performing, at least annually, an evaluation of the performance of the audit committee; and
- reporting regularly to the full board of directors.

An ethics committee has been established in early 2017 under the audit committee to handle the FCPA compliance-related matters on a routine basis. The members of the ethics committee include our chief executive officer, chief financial officer, vice president of internal control, general counsel, compliance officer and other members appointed by the audit committee.

Compensation Committee

Our compensation committee consists of Sio Tat Hiang, William Wei Huang and Zulkifli Baharudin. Sio Tat Hiang is the chairman of our compensation committee. Zulkifli Baharudin satisfies the requirements for an "independent director" within the meaning of Nasdaq Stock Market Rules.

Our compensation committee is responsible for, among other things:

- reviewing, evaluating and, if necessary, revising corporate goals and objectives with respect to the compensation of the chief executive officer;
- reviewing and making recommendations to the board of directors regarding the compensation of our directors;
- reviewing, approving or making recommendations to the board of directors with respect to our incentive—compensation plan and equity-based compensation plans;
- administering our equity-based compensation plans in accordance with the terms thereof; and
- such other matters that are specifically delegated to the compensation committee by our board of directors from time to time.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of William Wei Huang, Sio Tat Hiang and Zulkifli Baharudin. William Wei Huang is the chairman of our nominating and corporate governance committee. Zulkifli Baharudin satisfies the requirements for an “independent director” within the meaning of Nasdaq Stock Market Rules.

The nominating and corporate governance committee is generally responsible for reviewing, evaluating and, if necessary, revising our corporate governance guidelines, reviewing and evaluating any instance of deviation from our corporate governance guidelines, as well as issuing and reviewing nominations of persons to be appointed as certain of our directors as described herein and of our officers. The nominating and corporate governance committee shall have the right to nominate three directors, all of whom shall satisfy the requirements for an “independent director” within the meaning of the Nasdaq Stock Market Rules including the requirements for audit committee independence. If any of the directors nominated by the nominating and corporate governance committee (i) is not elected or (ii) ceases to be a director, then nominating and corporate governance committee or the Class B ordinary shareholders, as applicable, may appoint an interim replacement for such director. Any person so appointed shall hold office until the next general meeting of our shareholders. These three directors shall be subject to election at general meetings of shareholders as described under “—Appointment, Nomination and Terms of Directors.”

In November 2019, the nominating and corporate governance committee approved the establishment of the long-term succession planning review committee as its subcommittee, initially consisting of Zulkifli Baharudin, Judy Qing Ye, Bruno Lopez and Sio Tat Hiang. The authority and responsibility of the long-term succession planning review committee are to conduct a periodic review and assessment of succession policies for the CEO and other senior management members of our company and to make related recommendations to the nominating and corporate governance committee and the board of directors.

In November 2021, the nominating and corporate governance committee approved the establishment of the sustainability committee as its subcommittee, initially consisting of the Company’s Chief Financial Officer, Chief Operating Officer, General Counsel, Head of Resources and Energy and Head of Human Resources. The authority and responsibility of the sustainability committee are to develop ESG strategies, monitor the implementation of ESG strategies and conduct quarterly and annual ESG performance monitoring.

Executive Committee

Our executive committee consists of Bruno Lopez, William Wei Huang, Judy Qing Ye and Jonathan King. Bruno Lopez is the chairman of our executive committee.

The executive committee functions primarily as an advisory body to our board of directors to oversee the business of our group companies. The executive committee shall also provide consultation and recommendations to our board of directors on operating and strategic matters for any of our group companies, acting within authorities delegated to it by our board of directors. In addition, the executive committee shall have such other authority as may be delegated to it by our board of directors from time to time. Our executive committee is responsible for, among other things, advising, providing consultation and recommendations to our board of directors on:

- operational performance of any of our group companies;
- appropriate strategies for any of our group companies;
- strategic business and financing plans and annual budget of any of the group companies;
- acquisitions, dispositions, investments and other potential growth and expansion opportunities for any of our group companies;
- capital structure and financing strategy of our group companies, including but not limited to any debt, equity or equity-linked financing transactions, as well as any issuance, repurchase, conversion or redemption of any equity interests or debt of any of our group companies;
- any material litigation or other legal or administrative proceedings to which any of our group companies is a party;
- entry into any material contracts exceeding the approval authority of our chief executive officer or its equivalent, the chief financial officer, and all the other executive officers of any of our group companies;
- the approval of the incurrence of debt above certain thresholds;
- reporting regularly to our board of directors; and
- any other responsibilities as are delegated to the executive committee by our board of directors from time to time.

Corporate Governance

Our board of directors has adopted a code of business conduct, which is applicable to all of our directors, officers and employees. We have made our code of business conduct publicly available on our website.

In addition, our board of directors has adopted a set of corporate governance guidelines. The guidelines reflect certain guiding principles with respect to our board's structure, procedures and committees. The guidelines are not intended to change or interpret any law, or our Memorandum of Association and Articles of Association.

Remuneration and Borrowing

The directors may determine remuneration to be paid to the directors. The compensation committee will assist the directors in reviewing and approving the compensation structure for the directors. The directors may exercise all the powers of our company to borrow money, mortgage or charge its undertaking, property and uncalled capital and issue debentures or other securities whether outright or as security for any debt obligations of our company or of any third party.

Qualification

There is no requirement for our directors to own any shares in our company in order for them to qualify as a director.

Employment Agreements

We have entered into employment agreements with each of our executive officers. We may terminate their employment for cause at any time without remuneration for certain acts, such as a material breach of our company's employment principles, policies or rules, a material failure to perform his or her duties or misappropriation or embezzlement or a criminal conviction. We may also terminate any executive officer's employment without cause or due to a change of control event involving our company by giving written notice. In such cases, an executive officer is entitled to severance payments and benefits. An executive officer may terminate his or her employment at any time by giving written notice, in which case the executive officer will not be entitled to any severance payments or benefits.

Our executive officers have also agreed not to engage in any activities that compete with us or to directly or indirectly solicit the services of any of our employees, for a certain period after the termination of employment. Each executive officer has agreed to hold in strict confidence any trade secrets of our company, including technical secrets, marketing information, management information, legal information, third-party business secrets and other kinds of confidential information. Each executive officer also agrees to perform his or her confidentiality obligation and protect our company's trade secrets in a way consistent with the policies, rules and practices of our company. Breach of the above confidentiality obligations would be deemed as material breach of our company's employment policies and we are entitled to seek legal remedies.

D. Employees

See "Item 4. Information on the Company—B. Business Overview—Employees."

E. Share Ownership

The following table sets forth information as of March 31, 2026 with respect to the beneficial ownership of our ordinary shares by:

- each of our directors and executive officers; and
- each person known to us to own beneficially 5.0% or more of our ordinary shares.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to, or the power to receive the economic benefit of ownership of, the securities. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person. The percentages are calculated excluding the 48,718,352 Class A ordinary shares that are issued and held by JPMorgan Chase Bank, N.A., as depositary, and reserved for future delivery upon exercise or vesting of share awards granted under our share incentive plan.

The total number of ordinary shares outstanding as of March 31, 2026 is 1,603,020,903, comprising 1,559,430,567 Class A ordinary shares (including 48,718,352 Class A ordinary shares issued and held by JPMorgan Chase Bank, N.A., as depositary, which are reserved for future delivery upon exercise or vesting of share awards granted under our share incentive plan) and 43,590,336 Class B ordinary shares, but excludes (i) ordinary shares issuable (a) under our share incentive plan that have not yet been issued, (b) upon conversion of our convertible senior notes, and (c) upon conversion of our convertible preferred shares and (ii) 6,000,000 ADSs representing 48,000,000 ordinary shares issued upon closing of our delta placement of borrowed ADSs which we lent to an affiliate of the underwriter of such delta placement pursuant to an ADS lending agreement.

	Class A ordinary shares		Class B ordinary shares		Percentage of aggregate voting power with Class A and Class B ordinary shares voting on a	
	Number	Percent	Number	Percent	1:50 Basis***	1:1 Basis
Directors and Executive Officers**:						
William Wei Huang ⁽¹⁾	4,869,368	0.3 %	48,459,704	100.0 %	57.9 %	2.8 %
Daniel Newman	*	*	—	—	*	*
Sio Tat Hiang	*	*	—	—	*	*
Satoshi Okada	*	*	—	—	*	*
Bruno Lopez	*	*	—	—	*	*
Liu Chee Ming	*	*	—	—	*	*
Lim Ah Doo	*	*	—	—	*	*
Bin Yu	*	*	—	—	*	*
Zulkifli Baharudin	*	*	—	—	*	*
Chang Sun	*	*	—	—	*	*
Gary J. Wojtaszek	*	*	—	—	*	*
Judy Qing Ye	*	*	—	—	*	*
Jonathan King	*	*	—	—	*	*
Yan Liang	*	*	—	—	*	*
Kejing Zhang	*	*	—	—	*	*
Jessie Yixin Qian	*	*	—	—	*	*
Directors and Executive Officers as a Group ⁽²⁾	24,789,999	1.6 %	48,459,704	100.0 %	58.1 %	3.3 %
Principal Shareholders:						
STT Garnet ⁽³⁾	445,288,484	29.2 %	—	—	11.4 %	26.3 %
GIC ⁽⁴⁾	198,206,476	11.9 %	—	—	1.3 %	3.0 %

* Beneficially owns less than 1% of our outstanding shares.

** The business address for our directors and executive officers is at F4/F5, Building C, Sunland International, No. 999 Zhouhai Road, Pudong, Shanghai 200137, People's Republic of China.

*** For each person or group included in this column, the percentage of total voting power represents voting power based on all ordinary shares beneficially owned by such person or group. With respect to (i) the election or removal of a simple majority of our directors and (ii) any change to our 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 50 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. Class B ordinary shares are convertible into Class A ordinary shares. The voting power percentages are calculated including the 33,707,864 votes to which the holders of the 150,000 Series A convertible preferred shares are entitled, as well as the 44,096,580 votes to which the holders of the 300,000 Series B 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 Plan, and the 48,718,352 Class A ordinary shares issued and 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 plan. The holders of the Series A convertible preferred shares are entitled to a number of votes per convertible preferred share equal to the number of Class A ordinary shares into which each such convertible preferred share is then convertible. Since the 150,000 Series A convertible preferred shares are convertible into 33,707,864 Class A ordinary shares, the affiliates of Ping An Overseas are entitled to 33,707,864 votes on all matters at general meetings of our shareholders, voting together with the holders of ordinary shares as a single class. The holders of the Series B convertible preferred shares are entitled to a number of votes per convertible preferred share equal to the number of Class A ordinary shares into which each such convertible preferred share is then convertible. Since the 300,000 Series B convertible preferred shares are convertible into 44,096,580 Class A ordinary shares, Huatai Capital Investment Limited is entitled to 44,096,580 votes on all matters at general meetings of our shareholders, voting together with the holders of ordinary shares as a single class.

- (1) The number of ordinary shares beneficially owned is as of March 31, 2026, and consists of 4,869,368 Class A ordinary shares and 43,590,336 Class B ordinary shares, including: (i) 28,000,000 Class B ordinary shares held by EDC Group Limited, (ii) 15,590,336 Class B ordinary shares held by GDS Enterprises Limited, (iii) 608,671 ADSs representing 4,869,368 Class A ordinary shares held by Solution Leisure Investment Limited, and (iv) 2,320,000 Class A ordinary shares in the form of 290,000 ADSs underlying restricted share units that will vest within 60 days after March 31, 2026 held by Mr. Huang. Such 4,869,368 Class A ordinary shares will convert into 4,869,368 Class B ordinary shares if directly held by Mr. Huang or an entity established or controlled by him. These 4,869,368 Class A ordinary shares are also reflected in Mr. Huang's beneficial ownership in the adjacent columns under "Class A ordinary shares." Each of EDC Group Limited, GDS Enterprises Limited and Solution Leisure Investment Limited is a limited liability company established in the British Virgin Islands. EDC Group Limited is wholly owned by Solution Leisure Investment Limited. Each of GDS Enterprises Limited and Solution Leisure Investment Limited is indirectly wholly owned by a trust of which Mr. Huang's family is a beneficiary. The registered address of each of EDC Group Limited and GDS Enterprises Limited is OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands. The registered address of Solution Leisure Investment Limited is Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands.
- (2) Represents ordinary shares beneficially held by all of our directors and executive officers as a group and ordinary shares (in the form of ADS) underlying restricted share units that will vest within 60 days after March 31, 2026 held by all of our directors and executive officers as a group.
- (3) The number of ordinary shares beneficially owned is as of September 10, 2025, as reported in Amendment No. 16 to Schedule 13D filed by Singapore Technologies Telemedia Pte Ltd ("ST Telemedia") on September 10, 2025, and represents 445,288,484 Class A ordinary shares (directly or in the form of ADSs) owned by STT Garnet. STT Garnet is wholly-owned by STT Communications Ltd ("STTC"). STTC is wholly-owned by ST Telemedia, which is a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("Temasek"). Each of STT Garnet, STTC, ST Telemedia and Temasek is a company organized under the laws of the Republic of Singapore. The address of the principal business office of STT Garnet, STTC and ST Telemedia is 1 Temasek Avenue, #33-01, Millenia Tower, Singapore 039192. The address of the principal business office of Temasek is 60B Orchard Road, #06-18, The Atrium@Orchard, Singapore 238891.

The 445,288,484 Class A ordinary shares currently owned by STT Garnet were owned by STT GDC. On November 14, 2017, STT GDC exercised its option to convert, and converted, the convertible bonds in a principal amount of US\$50.0 million due December 30, 2019 (the "Convertible Bonds") then held by it, together with interest accrued thereon of US\$4,513,889.00, into 32,540,515 Class A ordinary shares, at a conversion price of US\$1.675262 per Class A ordinary share pursuant to and in accordance with the terms and conditions of the Convertible Bonds. On January 30, 2018, we completed our public offering of 12,650,000 ADSs, comprising 8,225,000 ADSs offered by us and 4,425,000 ADSs offered by certain selling shareholders, at a public offering price of US\$26.00 per ADS (the "January 2018 Offering"). STT GDC purchased an aggregate of 3,009,857 ADSs in the January 2018 Offering at the public offering price. On March 19, 2019, we completed our public offering of 13,731,343 ADSs at a public offering price of US\$33.50 per ADS (the "March 2019 Offering"). STT GDC purchased an aggregate of 6,373,134 ADSs in the March 2019 Offering at the public offering price. On December 10, 2019, we completed our public offering of 6,318,680 ADSs at a public offering price of US\$45.50 per ADS (the "December 2019 Offering"). STT GDC purchased an aggregate of 2,274,725 ADSs in the December 2019 Offering at the public offering price. On June 26, 2020, we completed our private placement of 62,153,848 Class A ordinary shares, equivalent to approximately 7.8 million ADSs, to affiliates of Hillhouse Capital and STT GDC at a purchase price of US\$8.125 per share, equivalent to US\$65 per ADS (the "June 2020 Private Placement"). STT GDC purchased an aggregate of 12,923,080 Class A ordinary shares in the June 2020 Private Placement at the purchase price of US\$8.125 per share. On November 2, 2020, we completed our Hong Kong public offering, which forms part of the global offering of 160,000,000 Class A ordinary shares at a public offering price of HK\$80.88 per Class A ordinary share (the "November 2020 Global Offering"). STT GDC purchased an aggregate of 40,244,800 Class A ordinary shares in the November 2020 Global Offering at the public offering price. On March 8, 2022, we completed our offering of unsecured 0.25% convertible senior notes due 2029 (the "February 2022 Convertible Notes Offering"). STT GDC subscribed for and purchased US\$100 million principal amount of the unsecured 0.25% convertible senior notes due 2029. On May 29, 2024, in connection with an internal portfolio rationalization by STT GDC, all the Class A Shares and the unsecured 0.25% convertible senior notes due 2029 previously held by STT GDC were transferred to STT Garnet. The 445,288,484 Class A ordinary shares (directly or in the form of ADSs) currently owned by STT Garnet include 16,000,000 Class A ordinary shares which STT Garnet beneficially owns by virtue of holding US\$100 million principal amount of the unsecured 0.25% convertible senior notes due 2029.
- (4) The number of ordinary shares beneficially owned is as of December 31, 2025, as reported in Amendment No. 3 to Schedule 13G filed by GIC on February 17, 2026, and represents (i) 47,896,992 Class A ordinary shares, represented by (a) 5,467,924 ADSs and (b) 4,153,600 Class A ordinary shares, and (ii) 150,309,484 Class A ordinary shares, represented by (a) 51,200,000 Class A ordinary shares that GIC has the right to acquire upon conversion of US\$170,000,000 principal amount of 0.25% Convertible Senior Notes due 2029 ("2029 Senior Notes"), (b) 97,959,184 Ordinary Shares that GIC has the right to acquire upon conversion of US\$300,000,000 principal amount of 4.5% Convertible Senior Notes due 2030 ("2030 Senior Notes"), and (c) 1,150,300 Class A ordinary shares. GIC is a company organized under the laws of the Republic of Singapore. The address of the principal business office of GIC is 168 Robinson Road, #37-01 Capital Tower, Singapore 068912. Ceningan Investment Pte. Ltd. ("Ceningan") shares the power to vote and the power to dispose of 125,159,184 Class A ordinary shares that Ceningan has the right to acquire upon conversion of (i) US\$170,000,000 principal amount 2029 Senior Notes; and (ii) US\$300,000,000 principal amount 2030 Senior Notes held directly by it with GIC Special Investments Private Limited ("GIC SI") and GIC. GIC SI is wholly owned by GIC and is the private equity investment arm of GIC. GIC is a fund manager and only has two clients – the Government of Singapore ("GoS") and the Monetary Authority of Singapore ("MAS"). Under the investment management agreement with GoS, GIC has been given the sole discretion to exercise the voting rights attached to, and the disposition of, any shares managed on behalf of GoS. As such, GIC has the sole power to vote and power to dispose of the 5,467,924 ADSs, and 4,153,600 Class A ordinary shares, beneficially owned by it. GIC shares power to vote and dispose of 1,150,300 Class A ordinary shares beneficially owned by it with MAS. GIC is wholly owned by the GoS and was set up with the sole purpose of managing Singapore's foreign reserves. The GoS disclaims beneficial ownership of these shares.

In March 2019, Ping An Overseas Holdings made an investment in us, and we issued 150,000 Series A convertible preferred shares to an affiliate of Ping An Overseas Holdings for a total consideration of US\$150 million. Pursuant to the terms of the investment, during the first eight years from their issuance date, the convertible preferred shares accrue a minimum 5.0% per annum dividend, payable quarterly in arrears, in cash or in kind in the form of additional convertible preferred shares, at our option. As of the eighth anniversary of the issuance date, the convertible preferred shares accrue a 7.0% per annum minimum dividend, payable quarterly in arrears, in cash only, which dividend rate will further increase by 50 basis points per quarter thereafter for so long as any convertible preferred shares remain outstanding. If the aggregate amounts of dividend on its ordinary shares are higher than the cumulative preferred share dividends over the four consecutive quarters, the holders of preferred shares have the right to receive the dividend in an amount equal to the dividend paid to the holders of ordinary shares (treating each holder of convertible preferred shares as being the holder of the number of Class A ordinary shares into which such holder's convertible preferred shares would be converted if such shares were converted at the end of each period). The convertible preferred shares are convertible into 33,707,864 Class A ordinary shares at the option of their holder, at a conversion rate corresponding to a conversion price of US\$35.60 per ADSs, representing a premium of 13.3% to the volume weighted average price of our ADSs for the 30 trading days immediately preceding the date of signing the definitive agreement, subject to customary anti-dilution adjustments. Assuming conversion of all the Series A convertible preferred shares held by its affiliate, Ping An Overseas Holdings would have beneficially owned 2.1% of our Class A ordinary shares as of March 31, 2026. We have the right to trigger a mandatory conversion at our election, beginning on March 15, 2022, provided certain conditions are met, including our Class A ordinary shares achieving a specified price threshold of 150% of the conversion price for a specified period. Holders will not have any redemption right or put option over the convertible preferred shares, except upon (i) the occurrence of a change of control, or (ii) our ADSs ceasing to be listed for trading on any of the New York Stock Exchange, the Nasdaq Global Select Market or the Nasdaq. Assuming that either of the two foregoing events occurred on December 31, 2025 and that all holders exercised their redemption right to require our Company to purchase all of the convertible preferred shares, the total purchase price would have been RMB1.1 billion (US\$0.2 billion) and total cash would have been reduced by the same amount in the event of such redemption. After eight years, we will have certain rights in connection with the redemption of the convertible preference shares at 100% of their face value, plus accrued and unpaid dividends.

On March 8, 2022, we issued and sold US\$620 million in aggregate principal amount of convertible senior notes due in 2029, or the 2029 Notes, to Sequoia China Infrastructure Fund I, STT GDC, and an Asian sovereign wealth fund with which we have a strategic relationship. On May 29, 2024, in connection with an internal portfolio rationalization by STT GDC, all the 2029 Notes previously held by STT GDC were transferred to STT Garnet. The 2029 Notes bear interest at rate of 0.25% per year, payable on each March 8 and September 8, commencing on September 8, 2022. The 2029 Notes will mature on March 8, 2029, unless earlier redeemed, repurchased or converted in accordance with their terms. The 2029 Notes are subject to repurchase by us, at the option of the holders, on March 8, 2027 at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest. The 2029 Notes may be converted into our ADSs, at the initial conversion price of US\$50 per ADS, corresponding to an initial conversion rate of 20 ADSs (or 160 Class A ordinary shares) per US\$1,000 principal amount of the Notes, or approximately 12,400,000 ADSs, representing 99,200,000 Class A ordinary shares, assuming conversion of the entire US\$620 million aggregate principal amount at the initial conversion rate. Holders may convert their notes into our ADSs or Class A ordinary shares at their option 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.

On January 20, 2023, we completed a private placement of US\$580 million in aggregate principal amount of 4.50% convertible senior notes due in 2030 to various private equity funds and institutional investors, including a sovereign wealth fund. The notes will mature on January 31, 2030. The 2030 Notes are subject to repurchase by us, at the option of the holders, on January 31, 2028 at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest. Holders may convert their notes into our ADSs or Class A ordinary shares at their option 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. Upon conversion, we will cause to be delivered, for each US\$1,000 principal amount of converted notes, a number of ADSs or Class A ordinary shares calculated pursuant to the then effective conversion rate. The notes may be converted at an initial conversion rate of 40.8163 ADSs per US\$1,000 principal amount of notes (equivalent to an initial conversion price of approximately US\$24.50 per ADS), which rate is subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest.

On May 30, 2025, we completed our offering of US\$550 million aggregate principal amount of 2.25% convertible senior notes due 2032 (including full exercise of the initial purchasers' option to purchase additional notes), raising approximately US\$534.7 million in net proceeds to us after deducting underwriting commissions and other offering expenses. The notes were offered in a private offering to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act. The notes will mature on June 1, 2032, unless earlier redeemed, repurchased or converted in accordance with their terms prior to such date. The 2032 Notes are subject to repurchase by us, at the option of the holders, on June 1, 2029, at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest. Prior to the close of business on the business day immediately preceding December 1, 2031, the notes will be convertible only upon satisfaction of certain conditions and during certain periods. On or after December 1, 2031 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their notes at their option at any time. Upon conversion, we will pay or deliver, as the case may be, cash, the ADSs or a combination of cash and ADSs, at our election. Holders may also elect to receive Class A ordinary shares in lieu of any ADSs deliverable upon conversion, subject to certain procedures and conditions set forth in the terms of the notes. The notes may be converted at an initial conversion rate of 30.2343 ADSs per US\$1,000 principal amount of notes (equivalent to an initial conversion price of approximately US\$33.08 per ADS), which rate is subject to the occurrence of certain events.

In February 2026, we completed a private placement of 300,000 Series B convertible preferred shares to Huatai Capital Investment Limited for a total consideration of US\$300 million. Pursuant to the terms of the investment, during the first six years from their issuance date, the convertible preferred shares accrue a minimum 3.75% per annum dividend, payable quarterly in arrears, in cash or in kind in the form of additional convertible preferred shares, at our option. As of the sixth anniversary of the issuance date, the convertible preferred shares accrue a 6.75% per annum minimum dividend, payable quarterly in arrears, in cash only, which dividend rate will further increase by 50 basis points per quarter thereafter for so long as any convertible preferred shares remain outstanding. The convertible preferred shares will be convertible into our Class A ordinary shares at the option of their holder, at a conversion rate corresponding to a conversion price of approximately US\$54.43 per ADS, subject to customary anti-dilution adjustments, such as the issuance of ordinary shares as dividend or a subdivision or combination of ordinary shares. Prior to conversion, the holders of the convertible preferred shares are entitled to the number of votes per convertible preferred share equal to the number of Class A ordinary shares into which each such convertible preferred share is convertible into. Therefore, such holders of the convertible preferred shares will be able to vote on all matters at general meetings of our shareholders, voting together with the holders of ordinary shares as a single class. Upon exercise in full of the conversion rights attached to the convertible preferred shares at the conversion price, a total of approximately 5,512,072 ADSs (or 44,096,580 ordinary shares) will be issued. Assuming conversion of all the Series B convertible preferred shares, Huatai Capital Investment Limited would have beneficially owned 2.7% of our Class A ordinary shares as of March 31, 2026. The convertible preferred shares will not be convertible at any time on or prior to March 31, 2027. From April 1, 2027 until September 30, 2031, if the last closing price for twenty of thirty days at the end of the calendar quarter is greater than 130% of the conversion price, the holder shall have the right to convert in the following calendar quarter. We may redeem the convertible preferred shares at our election, beginning on February 13, 2029, provided certain conditions are met, including our ADS trading price achieving a specified price threshold of 150% of the conversion price for at least twenty trading days in any period of thirty consecutive trading days. The convertible preferred shares will not be redeemable before February 6, 2032, except in connection with certain trigger events as described above. On or after February 6, 2032, we may redeem all but not part of the convertible preferred shares at our option, at a redemption price per share equal to 100% of their face value, and including accrued and unpaid dividends. The holder of the convertible preferred shares has the option to require us to repurchase any convertible preferred shares held in the event of a fundamental change (as defined in the terms of the convertible preferred shares and including delisting or change of control), at a repurchase price per share equal to 100% of their face value, and including accrued and unpaid dividends. If the holder elects to convert the convertible preferred shares (instead of requiring us to repurchase) upon the occurrence of a fundamental change or other redemption rights of ours (other than the redemption right on or after February 6, 2032), the conversion rate will be subject to make-whole adjustments. Upon any voluntary or involuntary liquidation, dissolution or winding up of our company, after satisfaction of all liabilities and obligations to our creditors, holders of the Series B convertible preferred shares will enjoy a liquidation preference over our ordinary shareholders of the greater of (i) stated value of the shares plus accrued but unpaid dividends; and (ii) the payment the holder would have been entitled to had it converted into ordinary shares immediately prior to such liquidation. The holder shall not transfer title to the Series B convertible preferred shares for so long as it remains outstanding.

Except as stated in the footnotes to the table above, we are not aware of any of our shareholders being affiliated with a registered broker-dealer or being in the business of underwriting securities.

Except as otherwise disclosed in this annual report, none of our existing shareholders has voting rights that differ from the voting rights of other shareholders. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

None.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

See "Item 6. Directors, Senior Management and Employees—E. Share Ownership."

B. Related Party Transactions

Transactions with Our Shareholders

Prior to deconsolidation of DayOne, we charged STT Singapore DC Pte. Ltd. and STT DEFI 2 Pte. Ltd. agency commissions and marketing support fees through a subsidiary of DayOne. We no longer have such transactions from 2025.

Transactions with Our Associate

On September 2, 2022, we subscribed convertible bonds of US\$400 thousand issued by OnePro Cloud Inc, the entity over which we have significant influence. The convertible bond has a term of 12 months with interest rate of 8% per annum and is convertible into Series A Preferred Shares of OnePro Cloud Inc. at the option of holders under certain conditions.

Prior to our deconsolidation of DayOne, several intra-group arrangements existed between continuing and discontinued operations, which were eliminated as intercompany transactions and were not separately reflected in our previously issued financial statements. Such intercompany transactions mainly included sales commission, procurement services, license grant, guarantees and management support services. We continued to provide such services to DayOne after it was deconsolidated. In the year ended December 31, 2025, we charged DayOne procurement service fees of RMB79.7 million (US\$11.4 million), management support service fees of RMB27.6 million (US\$3.9 million) and sales commission of RMB21.3 million (US\$3.0 million). Upon our deconsolidation of DayOne, the intra-group balances with DayOne became related party balances. As of December 31, 2024 and 2025, amount due from DayOne mainly represents receivables for the service fees charged to DayOne, and the amount due to DayOne mainly represents payables for the data center service fees received from customer on its behalf. The service agreement with respect to procurement services and management support services was terminated in December 2025 and with respect to sale commission was terminated in March 2026.

Prior to our deconsolidation of DayOne, we provided certain guarantees and undertakings for DayOne in connection with certain DayOne's bank facilities, lease agreements and customer agreements, which would continue to exist after the deconsolidation. As of December 31, 2025, we provided the following major guarantees and undertakings for DayOne: (i) bank facility guarantees: as of December 31, 2025, we provided guarantees to DayOne for bank borrowing facilities with total amount of RMB1,490.3 million (US\$213.1 million), which mature in December 2027. Total outstanding principal balance of the borrowings under these facilities was RMB1,289.2 million (US\$184.4 million). We charged guarantee fees of RMB13.4 million (US\$1.9 million) on DayOne's outstanding bank borrowing balances in 2025. As of December 31, 2025, we also provided guarantees to DayOne for the bank facilities for issuance of letter of guarantee with total amount of RMB623.0 million (US\$89.1 million). The balance of outstanding letter of guarantees issued under such facilities was RMB590.7 million (US\$84.5 million); (ii) lease agreement guarantees: we provided unconditional and irrevocable guarantees to DayOne for the performance in certain lease agreements with landlords. These leases had lease terms of up to 30 years; and (iii) customer agreements guarantees: we provided guarantees for DayOne for its performance under certain data center service agreements with customers with term up to 25 years subject to extension. As of December 31, 2025, we estimated that our risks under the guarantees were remote. By the end of March 2026, the bank facility guarantees provided to DayOne had been fully terminated.

During the year ended December 31, 2025, we charged the ABS fees for operational services of RMB12.5 million (US\$1.8 million) and sales commission of RMB1.2 million (US\$0.2 million). As of December 31, 2025, amount due from the ABS mainly included present value of estimated equity consideration expected to be received from disposal of the project companies to the ABS, net off by the present value of estimated subscription price expected to be paid to the ABS, and the outstanding service fees receivable and the loans receivable as a result of transactions before deconsolidation of these project companies. As of December 31, 2025, amount due to the ABS mainly represented the service fees received from customers on behalf of the project companies of the ABS.

During the year ended December 31, 2025, we charged the GDS C-REIT fees for operational services of RMB7.8 million (US\$1.1 million). As of December 31, 2025, amount due from the GDS C-REIT mainly represents the outstanding service fees receivable.

Contractual Arrangements with Affiliated Consolidated Entities and their Shareholders

See "Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with Affiliated Consolidated Entities."

Securities Issuances

The following is a summary of our or our subsidiary's securities issuances since January 1, 2023.

Ordinary Shares

On May 30, 2025, we completed our underwritten registered public offering of 5,980,000 ADSs, representing 47,840,000 Class A ordinary shares, at a public offering price of US\$24.50 per ADS, and reflecting the exercise in full by the underwriters of their option to purchase 780,000 additional ADSs, representing 6,240,000 Class A ordinary shares. We received net proceeds of approximately US\$141.4 million, after deducting underwriting commissions and offering expenses.

Also on May 30, 2025, we completed a registered public offering of 6,000,000 ADSs, representing 48,000,000 Class A ordinary shares, or the delta placement of borrowed ADSs at a public offering price of US\$24.50 per ADSs, which we lent to an affiliate of the underwriter in the abovementioned ADS offering, such affiliate being the ADS Borrower, pursuant to an ADS lending agreement with such ADS Borrower. The ADS Borrower or its affiliate received all of the proceeds from the sale of the borrowed ADSs. We did not receive any proceeds from the delta placement of borrowed ADSs but received from the ADS Borrower a nominal lending fee, which was applied to fully pay up the Class A ordinary shares underlying the borrowed ADSs. The borrowed ADSs were sold concurrently with the pricing of the belowmentioned offering of 2.25% convertible senior notes due 2032 and the abovementioned offering of 5,980,000 ADSs, which offerings also closed on May 30, 2025. We were informed by the ADS Borrower that it or its affiliates intended to use the short position resulting from the delta placement of the borrowed ADSs to facilitate privately negotiated derivatives transactions related to the notes.

Convertible Senior Notes

On January 20, 2023, we completed a private placement of US\$580 million in aggregate principal amount of 4.50% convertible senior notes due in 2030 to various private equity funds and institutional investors, including a sovereign wealth fund. The notes will mature on January 31, 2030. The 2030 Notes are subject to repurchase by us, at the option of the holders, on January 31, 2028 at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest. Holders may convert their notes into our ADSs or Class A ordinary shares at their option 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. Upon conversion, we will cause to be delivered, for each US\$1,000 principal amount of converted notes, a number of ADSs or Class A ordinary shares calculated pursuant to the then effective conversion rate. The notes may be converted at an initial conversion rate of 40.8163 ADSs per US\$1,000 principal amount of notes (equivalent to an initial conversion price of approximately US\$24.50 per ADS), which rate is subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest.

On May 30, 2025, we completed our offering of US\$550 million aggregate principal amount of 2.25% convertible senior notes due 2032 (including full exercise of the initial purchasers' option to purchase additional notes), raising approximately US\$534.7 million in net proceeds to us after deducting underwriting commissions and other offering expenses. The notes were offered in a private offering to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act. The notes will mature on June 1, 2032, unless earlier redeemed, repurchased or converted in accordance with their terms prior to such date. The 2032 Notes are subject to repurchase by us, at the option of the holders, on June 1, 2029 at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest. Prior to the close of business on the business day immediately preceding December 1, 2031, the notes will be convertible only upon satisfaction of certain conditions and during certain periods. On or after December 1, 2031 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their notes at their option at any time. Upon conversion, we will pay or deliver, as the case may be, cash, the ADSs or a combination of cash and ADSs, at our election. Holders may also elect to receive Class A ordinary shares in lieu of any ADSs deliverable upon conversion, subject to certain procedures and conditions set forth in the terms of the notes. The notes may be converted at an initial conversion rate of 30.2343 ADSs per US\$1,000 principal amount of notes (equivalent to an initial conversion price of approximately US\$33.08 per ADS), which rate is subject to the occurrence of certain events.

Series B Convertible Preferred Shares

In February 2026, we completed a private placement of 300,000 Series B convertible preferred shares to Huatai Capital Investment Limited for a total consideration of US\$300 million. Pursuant to the terms of the investment, during the first six years from their issuance date, the convertible preferred shares accrue a minimum 3.75% per annum dividend, payable quarterly in arrears, in cash or in kind in the form of additional convertible preferred shares, at our option. As of the sixth anniversary of the issuance date, the convertible preferred shares accrue a 6.75% per annum minimum dividend, payable quarterly in arrears, in cash only, which dividend rate will further increase by 50 basis points per quarter thereafter for so long as any convertible preferred shares remain outstanding.

The convertible preferred shares will be convertible into our Class A ordinary shares at the option of their holder, at a conversion rate corresponding to a conversion price of approximately US\$54.43 per ADS, subject to customary anti-dilution adjustments, such as the issuance of ordinary shares as dividend or a subdivision or combination of ordinary shares. Prior to conversion, the holders of the convertible preferred shares are entitled to the number of votes per convertible preferred share equal to the number of Class A ordinary shares into which each such convertible preferred share is convertible into. Therefore, such holders of the convertible preferred shares will be able to vote on all matters at general meetings of our shareholders, voting together with the holders of ordinary shares as a single class. Upon exercise in full of the conversion rights attached to the convertible preferred shares at the conversion price, a total of approximately 5,512,072 ADSs (or 44,096,580 ordinary shares) will be issued. The convertible preferred shares will not be convertible at any time on or prior to March 31, 2027. From April 1, 2027 until September 30, 2031, if the last closing price for twenty of thirty days at the end of the calendar quarter is greater than 130% of the conversion price, the holder shall have the right to convert in the following calendar quarter. We may redeem the convertible preferred shares at our election, beginning on February 13, 2029, provided certain conditions are met, including our ADS trading price achieving a specified price threshold of 150% of the conversion price for at least twenty trading days in any period of thirty consecutive trading days. The convertible preferred shares will not be redeemable before February 6, 2032, except in connection with certain trigger events as described above. On or after February 6, 2032, we may redeem all but not part of the convertible preferred shares at our option, at a redemption price per share equal to 100% of their face value, and including accrued and unpaid dividends. The holder of the convertible preferred shares has the option to require us to repurchase any convertible preferred shares held in the event of a fundamental change (as defined in the terms of the convertible preferred shares and including delisting or change of control), at a repurchase price per share equal to 100% of their face value, and including accrued and unpaid dividends. If the holder elects to convert the convertible preferred shares (instead of requiring us to repurchase) upon the occurrence of a fundamental change or other redemption rights of ours (other than the redemption right on or after February 6, 2032), the conversion rate will be subject to make-whole adjustments. Upon any voluntary or involuntary liquidation, dissolution or winding up of our company, after satisfaction of all liabilities and obligations to our creditors, holders of the Series B convertible preferred shares will enjoy a liquidation preference over our ordinary shareholders of the greater of (i) stated value of the shares plus accrued but unpaid dividends; and (ii) the payment the holder would have been entitled to had it converted into ordinary shares immediately prior to such liquidation. The holder shall not transfer title to the Series B convertible preferred shares for so long as it remains outstanding.

Series A Convertible Preferred Shares issued by DayOne

In March 2024, our then-consolidated subsidiary, DigitalLand Holdings Limited (now known as “DayOne”), that acted as the holding company for GDS’s international data center assets and operations, entered into definitive agreements for certain institutional private equity investors (the “Series A Investors”) to subscribe for US\$587 million of Series A convertible preferred shares (the “Series A”) newly issued by DayOne. In June 2024, DayOne entered into amendments to the definitive agreements for the Series A convertible preferred shares new issue initially announced in March 2024, as a result of which the new issue has been upsized from US\$587 million to US\$672 million at the same pre-money equity valuation. The Series A subscription price implies a pre-money equity valuation for DayOne of US\$750 million. Post-closing and on an as-converted basis, GDS owned approximately 52.7% of the equity interest of DayOne in the form of ordinary shares. The remaining 47.3% equity interest was held in the form of Series A shares by the Series A Investors, including Hillhouse, Rava Partners, Boyu, Princeville Capital, Tekne Capital, among others. DayOne established an equity incentive plan which provides for the grant of options exercisable for such number of ordinary shares representing up to 15% of its issued share capital as of the closing at the Series A subscription price. GDS and certain Series A Investors have the right to appoint directors to the Board of DayOne proportionate with their ownership. Each Series A share is entitled to one vote and will be convertible into one ordinary share of DayOne at any time at the holder’s option. All Series A shares will automatically convert into ordinary shares of DayOne at, or following, completion of DayOne’s IPO, subject to certain conditions.

Series B Convertible Preferred Shares issued by DayOne

In October 2024, our then consolidated subsidiary, DayOne further entered into definitive agreements for certain institutional private equity investors, including Coatue Management and The Baupost Group, to subscribe for US\$1.0 billion of Series B convertible preferred shares newly issued by DayOne. In December 2024, DayOne entered into amendments to the definitive agreements for the Series B convertible preferred shares initially announced in October 2024, as a result of which the new issue was upsized from US\$1.0 billion to US\$1.2 billion at the same pre-money equity valuation. The upsized issue was mainly committed by renowned new investors, including the SoftBank Vision Fund and Kenneth Griffin, CEO of Citadel. The Series B subscription price implies a pre-money equity valuation for DayOne of approximately US\$2.5 billion. The Series B subscription price per share represented a 75% premium to the subscription price for the Series A new issue which DayOne entered into during March 2024. As of December 31, 2025, following the initial closing of DayOne's Series C equity financing, we owned an equity interest in DayOne of 30.1%. As of the date of this annual report, following the closing of the upsizing of DayOne's series C equity financing and DayOne's repurchase of a portion of our shares in DayOne, we owned an equity interest in DayOne of approximately 19.9%. DayOne established an additional equity incentive plan which, together with its existing equity incentive plan, provides for the grant of options exercisable for such number of ordinary shares representing up to 15% of DayOne's share capital in issue at closing. GDS and certain Series B investors have the right to appoint directors to the Board of DayOne proportionate with their ownership. Each Series B share is entitled to one vote and will be convertible into one ordinary share of DayOne at any time at the holder's option. All Series B shares will automatically convert into ordinary shares of DayOne at, or following, completion of DayOne's IPO, subject to certain conditions.

Share Options and Restricted Shares

See "Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plan."

Members (Shareholders) Agreements

Pursuant to our amended members agreement entered into on May 19, 2016, we granted the holders of our registrable securities certain preferential rights, including registration rights, information and inspection rights, drag-along rights and pre-emptive rights. The amended members agreement also provides that our board of directors consists of nine directors, including (i) four directors appointed by STT GDC, (ii) two directors appointed by holders of 75% of our then outstanding preferred shares other than the Series C preferred shares, such holders voting together as a separate class on an as-converted basis, and (iii) three directors appointed by holders of a majority of our then outstanding ordinary shares, such holders voting as a separate class. The board composition arrangements under the amended members agreement will terminate immediately prior to the effectiveness of the registration statement of our initial public offering. In addition, pursuant to our amended voting agreement entered into on May 19, 2016, the holders of our registrable securities have agreed to exercise voting rights so as to maintain the composition of the board of directors as set forth in the amended members agreement and described above. The amended voting agreement terminated on the date of the closing of our initial public offering.

The drag-along rights terminated effective upon the closing of our initial public offering. The pre-emptive rights terminated immediately prior to the closing of our initial public offering. All registration rights terminated on the fifth anniversary of the consummation of our initial public offering.

On November 7, 2016, we entered into an information rights agreement with STT GDC, pursuant to which we granted certain information rights to STT GDC for so long as it has the right to appoint directors under our Articles of Association. A copy of the information rights agreement has been filed as Exhibit 4.31 with this annual report. On May 29, 2024, an investor rights assignment agreement was entered among STT GDC, STT Garnet and us, pursuant to which we agreed to grant certain information rights to STT Garnet for so long as it has the right to appoint one or more directors under our Articles of Association, as well as registration rights, in connection with the transfer by STT GDC of all of its interest in the Company to STT Garnet.

Investor Rights Agreement

In February 2022, we entered into a second amendment of our June 2020 investment rights agreement with STT GDC, or Amendment No. 2, to (i) extend their preemptive rights to cover any allotment and issuance of equity or equity-linked securities we conduct anytime on or before June 25, 2023, whereby STT GDC has the right to subscribe for up to 35% of any such future offerings, and (ii) grant STT GDC certain registration rights until such time that their registrable securities can be sold pursuant to Rule 144 under the Securities Act without volume limitations. A copy of this Amendment No. 2 has been filed with this annual report.

On May 29, 2024, in connection with an internal portfolio rationalization by STT GDC, STT GDC entered into an investor rights assignment agreement to transfer all of its beneficial interest in the Company to STT Garnet, including all the Class A Shares and the unsecured 0.25% convertible senior notes due 2029 previously held by STT GDC. The investor rights assignment agreement has been filed as Exhibit 4.89 and the joinder agreement has been filed as Exhibit 4.90 with this annual report.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Please refer to Item 18 for a list of our annual consolidated financial statements filed as part of this annual report.

Legal Proceedings

See “Item 4. Information on the Company—B. Business Overview—Legal Proceedings.”

Dividend Policy and Distributions

Since our inception, except for the US\$50.8 million preference dividend paid to our preferred shareholders upon completion of our initial public offering, of which US\$11.4 million was paid in cash and US\$39.4 million was paid in the form of 31,490,164 Class A ordinary shares based on the initial public offering price of US\$10.00 per ADS and dividends on our preferred shares issued on March 19, 2019, we have not declared or paid any dividends on our shares. We do not have any present plan to pay any dividends on our Class A ordinary shares or ADSs in the foreseeable future. We intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

The holder of our convertible preferred shares, i.e., an affiliate of Ping An Overseas Holdings, is entitled to receive cumulative preferred dividends which began to accrue and accumulate from the date the convertible preferred shares were issued, regardless of whether any funds of our company are legally available for the payment of such dividends. The cumulative preferred dividends generally accrue (i) during the first eight years from the issuance date, at a minimum rate of 5% per annum of a specified value for each convertible preferred share, payable quarterly in arrears, in cash or in kind in the form of additional convertible preferred shares, at our option, and (ii) as of the eighth anniversary of the issuance date, at a minimum rate of 7% per annum of a specified value for each convertible share, payable quarterly in arrears, in cash only, which rate shall be further increased by 50 basis points per quarter thereafter for so long as any convertible preferred shares remain outstanding. If the aggregate amounts of dividend on its ordinary shares are higher than the cumulative preferred share dividends over the four consecutive quarters, the holders of preferred shares have the right to receive the dividend in an amount equal to the dividend paid to the holders of ordinary shares (treating each holder of convertible preferred shares as being the holder of the number of Class A ordinary shares into which such holder’s convertible preferred shares would be converted if such shares were converted at the end of each period).

Any future determination to pay dividends will be made at the discretion of our board of directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. If we pay any dividends, we will pay our ADS holders to the same extent as holders of our Class A ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

We are an exempted company incorporated in the Cayman Islands. In order for us to distribute any dividends to our shareholders and ADS holders, we may rely on dividends distributed by our mainland China subsidiaries. Certain payments from our mainland China subsidiaries to us may be subject to PRC withholding income tax. In addition, regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in mainland China. Each of our mainland China subsidiaries is required to set aside at least 10% of its after-tax profit based on PRC accounting standards every year to a statutory common reserve fund until the aggregate amount of such reserve fund reaches 50% of the registered capital of such subsidiary. Such statutory reserves are not distributable as loans, advances or cash dividends.

B. Significant Changes

We have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our ADSs have been listed on the Nasdaq since November 2, 2016 under the ticker symbol “GDS.” Each ADS represents eight of our Class A ordinary shares.

Our ordinary shares have been listed on the Hong Kong Stock Exchange since November 2, 2020 under the stock code “9698.”

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs have been trading on the Nasdaq since November 2, 2016 under the ticker symbol “GDS.” Each ADS represents eight of our Class A ordinary shares.

Our ordinary shares have been listed on the Hong Kong Stock Exchange since November 2, 2020 under the stock code “9698.”

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

Pursuant to special resolutions approved by the shareholders at our annual general meeting of shareholders held on June 5, 2023, our Amended and Restated Memorandum of Association was approved and adopted in substitution for and to the exclusion of the then-existing memorandum of association, with immediate effect after the close of the annual general meeting of shareholders held on June 5, 2023. For a description of our currently effective Amended and Restated Memorandum of Association, incorporated by reference to [Exhibit 3.1](#) to our current report on Form 6-K for June 2023 (File No. 001-37925) furnished to the SEC on June 5, 2023, please see the Description of Securities Registered under Section 12 of the U.S. Exchange Act, which has been filed as Exhibit 2.4 to this annual report.

Pursuant to special resolutions approved (i) by the shareholders at our extraordinary general meeting, or EGM, held on March 10, 2026, and (ii) by respective holders of the class A ordinary shares, Series A preferred shares, Series B preferred shares and class B ordinary shares at additional meetings of shareholders held on March 10, 2026, our current Amended and Restated Articles of Association, or the New Articles, were approved and adopted in substitution for and to the exclusion of the then-existing articles of association, or the Old Articles, with immediate effect after the close of the respective EGM and additional meetings of shareholders held on March 10, 2026. For a description of our currently effective Amended and Restated Articles of Association, incorporated by reference to [Exhibit 3.1](#) to our current report on Form 6-K for March 2026 (File No. 001-37925) furnished to the Securities and Exchange Commission on March 10, 2026, please see the Description of Securities Registered under Section 12 of the U.S. Exchange Act, which has been filed as Exhibit 2.4 to this annual report.

C. Material Contracts

In the past three fiscal years, we have not entered into any material contracts other than in the ordinary course of business or other than those described elsewhere in this annual report.

D. Exchange Controls

See “Item 4. Information on the Company—B. Business Overview—Regulatory Matters Related to Our Business—People’s Republic of China Regulations—Regulations Related to Foreign Currency Exchange and Dividend Distribution.”

E. Taxation

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty or withholding tax applicable to us or to any holder of our ADSs and ordinary shares. There are no other taxes likely to be material to us levied by the Government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of the Cayman Islands. No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands. The Cayman Islands is a party to a double tax treaty entered with the United Kingdom in 2010 but is otherwise not party to any double tax treaties. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Pursuant to Section 6 of the Tax Concessions Act (1999 Revision) of the Cayman Islands, we have obtained an undertaking from the Governor-in-Council:

- (i) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to us or our operations; and
- (ii) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on our shares, debentures or other obligations.

The undertaking for us is for a period of twenty years from December 19, 2006.

People's Republic of China Taxation

In March 2007, the National People's Congress of China enacted the Enterprise Income Tax Law, which became effective on January 1, 2008 and was amended on December 29, 2018. The Enterprise Income Tax Law provides that enterprises organized under the laws of jurisdictions outside China with their "de facto management bodies" located within China may be considered PRC resident enterprises and therefore subject to PRC enterprise income tax at the rate of 25% on their worldwide income. The Implementation Rules of the Enterprise Income Tax Law further defines the term "de facto management body" as the management body that exercises substantial and overall management and control over the business, personnel, accounts and properties of an enterprise. While we do not currently consider our company or any of our overseas subsidiaries to be a PRC resident enterprise, there is a risk that the PRC tax authorities may deem our company or any of our overseas subsidiaries as a PRC resident enterprise since a substantial majority of the members of our management team as well as the management team of some of our overseas subsidiaries are located in China, in which case we or the overseas subsidiaries, as the case may be, would be subject to the PRC enterprise income tax at the rate of 25% on worldwide income. If the PRC tax authorities determine that GDS Holdings is a "resident enterprise" for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. One example is a 10% withholding tax would be imposed on dividends we pay to our non-PRC enterprise shareholders and with respect to gains derived by our non-PRC enterprise shareholders from transferring our shares or ADSs. It is unclear whether, if we are considered a PRC resident enterprise, holders of our shares or ADSs would be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas.

Hong Kong Taxation

Our subsidiaries incorporated in Hong Kong were subject to Hong Kong profits tax at a rate of 16.5% in the fiscal years ended December 31, 2023, 2024 and 2025. GDS Holdings was subject to Hong Kong profits tax at a rate of 16.5% in the fiscal years ended December 31, 2023, 2024 and 2025.

Our principal register of members is maintained by our Principal Share Registrar in the Cayman Islands, and our Hong Kong register of members is maintained by the Hong Kong Share Registrar in Hong Kong.

Dealings in our Class A ordinary shares registered on our Hong Kong share register are subject to Hong Kong stamp duty. The stamp duty is charged to each of the seller and purchaser at the rate of 0.1% of the consideration for, or (if greater) the value of, our Class A ordinary shares transferred. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of our Class A ordinary shares. In addition, a fixed duty of HK\$5.00 is charged on each instrument of transfer (if required).

To facilitate ADS-Class A ordinary share conversion and trading between the Nasdaq and the Hong Kong Stock Exchange, we have moved a portion of our issued ordinary shares from our Cayman share register to our Hong Kong share register. It is unclear whether, as a matter of Hong Kong law, the trading or conversion of ADSs constitutes a sale or purchase of the underlying Hong Kong-registered ordinary shares that is subject to Hong Kong stamp duty. We advise investors to consult their own tax advisors on this matter. See "Item 3. Key Information — D. Risk Factors — Risks Related to Our ADSs and Class A Ordinary Shares — There is uncertainty as to whether Hong Kong stamp duty will apply to the trading or conversion of our ADSs."

Material United States Federal Income Tax Considerations

The following summary describes the material United States federal income tax consequences of the ownership and disposition of our ADSs and Class A ordinary shares. This summary is only applicable to ADSs and Class A ordinary shares held as capital assets by a United States Holder (as defined below).

As used herein, the term "United States Holder" means a beneficial owner of our ADSs or Class A ordinary shares that is for United States federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (i) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (ii) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

The discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended, or the Code, regulations, rulings and judicial decisions thereunder as of the date hereof, and the current income tax treaty between the United States and the PRC, or the Treaty. Such authorities may be replaced, revoked or modified so as to result in United States federal income tax consequences different from those discussed below. In addition, this summary assumes that the deposit agreement, and all other related agreements, will be performed in accordance with their terms.

This summary does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a tax-exempt organization;
- a person holding our ADSs or Class A ordinary shares as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a person who owns or is deemed to own 10% or more of our stock (by vote or value);
- a partnership or other pass-through entity for United States federal income tax purposes;
- a person required to accelerate the recognition of any item of gross income with respect to our ADSs or Class A ordinary shares as a result of such income being recognized on an applicable financial statement; or
- a person whose “functional currency” is not the U.S. dollar.

If a partnership (or other entity or arrangement treated as a partnership for United States federal income tax purposes) holds our ADSs or Class A ordinary shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our ADSs or Class A ordinary shares, you should consult your tax advisors.

This summary does not contain a detailed description of all the United States federal income tax consequences to you in light of your particular circumstances and does not address the Medicare tax on net investment income, United States federal estate and gift taxes or the effects of any state, local or non-United States tax laws. If you are considering the purchase of our ADSs or Class A ordinary shares, you should consult your own tax advisors concerning the United States federal income tax consequences to you in light of your particular situation as well as any consequences arising under other United States federal tax laws and the laws of any other taxing jurisdiction.

ADSs

If you hold ADSs, for United States federal income tax purposes, you generally will be treated as the owner of the underlying Class A ordinary shares that are represented by such ADSs. Accordingly, deposits or withdrawals of Class A ordinary shares for ADSs will not be subject to United States federal income tax.

Taxation of Dividends

Subject to the discussion under “—Passive Foreign Investment Company” below, the gross amount of any distributions (other than certain pro rata distributions of our shares) on the ADSs or Class A ordinary shares (including any amounts withheld to reflect PRC withholding taxes) will be taxable as dividends, to the extent paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Such income (including withheld taxes) will be includable in your gross income as ordinary income on the day actually or constructively received by you, in the case of the Class A ordinary shares, or by the depository, in the case of ADSs. Such dividends will not be eligible for the dividends received deduction generally allowed to corporations under the Code.

Subject to applicable limitations (including a minimum holding period requirement), dividends received by non-corporate United States Holders from a qualified foreign corporation may be treated as “qualified dividend income” that is subject to reduced rates of taxation. A foreign corporation is generally treated as a qualified foreign corporation with respect to dividends paid by that corporation on ordinary shares (or ADSs backed by such shares) that are readily tradable on an established securities market in the United States. United States Treasury Department guidance indicates that our ADSs, which are listed on the Nasdaq, are readily tradable on an established securities market in the United States. Thus, subject to the discussion under “—Passive Foreign Investment Company” below, we believe that dividends we pay on our ADSs will be eligible for the reduced tax rates. Since we do not expect that our Class A ordinary shares will be listed on an established securities market in the United States, we do not believe that dividends that we pay on our Class A ordinary shares that are not represented by ADSs will meet the conditions required for these reduced tax rates. There also can be no assurance that our ADSs will continue to be readily tradable on an established securities market in the United States in later years. Consequently, there can be no assurance that our ADSs will continue to be eligible for the reduced tax rates. A qualified foreign corporation also generally includes a foreign corporation that is eligible for the benefits of certain income tax treaties with the United States. In the event that we are deemed to be a PRC resident enterprise under the PRC tax law (see “—People’s Republic of China Taxation” above), we may be eligible for the benefits of the Treaty. In that case, dividends we pay on our Class A ordinary shares would be eligible for the reduced rates of taxation whether or not the shares are readily tradable on an established securities market in the United States, and whether or not the shares are represented by ADSs. You should consult your own tax advisors regarding the application of these rules given your particular circumstances.

Notwithstanding the foregoing, we will not be treated as a qualified foreign corporation, and non-corporate United States Holders will not be eligible for reduced rates of taxation, for any dividends that we pay if we are a passive foreign investment company, or PFIC, in the taxable year in which such dividends are paid or in the preceding taxable year (see “—Passive Foreign Investment Company” below).

In the event that we are deemed to be a PRC resident enterprise under the PRC tax law, you may be subject to PRC withholding taxes on dividends paid to you with respect to the ADSs or Class A ordinary shares. See “—People’s Republic of China Taxation.” In that case, subject to certain conditions and limitations (including a minimum holding period requirement), PRC withholding taxes on dividends may be treated as foreign taxes eligible for credit against your United States federal income tax liability. For purposes of calculating the foreign tax credit, dividends paid on the ADSs or Class A ordinary shares will be treated as foreign-source income and will generally constitute passive category income. However, if you are eligible for Treaty benefits, any PRC withholding taxes on dividends will not be creditable against your United States federal income tax liability to the extent withheld at a rate exceeding any applicable Treaty rate. In addition, Treasury regulations addressing foreign tax credits, or the Foreign Tax Credit Regulations, impose additional requirements for foreign taxes to be eligible for a foreign tax credit, and unless you are eligible for and elect to claim the benefits of the Treaty, there can be no assurance that those requirements will be satisfied. The Department of the Treasury and the Internal Revenue Service, or the IRS, are considering proposing amendments to the Foreign Tax Credit Regulations. In addition, notices from the IRS provide temporary relief by allowing taxpayers that comply with applicable requirements to apply many aspects of the foreign tax credit regulations as they previously existed (before the release of the current Foreign Tax Credit Regulations) for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). Instead of claiming a foreign tax credit, you may be able to deduct PRC withholding taxes in computing your taxable income, subject to generally applicable limitations under United States law (including that a United States Holder is not eligible for a deduction for otherwise creditable foreign income taxes paid or accrued in a taxable year if such United States Holder claims a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year). The rules governing the foreign tax credit and deductions for foreign taxes are complex. You are urged to consult your tax advisors regarding the availability of the foreign tax credit or a deduction under your particular circumstances.

To the extent that the amount of any distribution exceeds our current and accumulated earnings and profits, as determined under United States federal income tax principles, the distribution ordinarily would be treated, first, as a tax-free return of capital, causing a reduction in the adjusted basis of the ADSs or Class A ordinary shares (thereby increasing the amount of gain, or decreasing the amount of loss, to be recognized by you on a subsequent disposition of the ADSs or Class A ordinary shares), and, second, the balance in excess of adjusted basis ordinarily would be taxed as capital gain recognized on a sale or exchange. However, we do not expect to determine our earnings and profits in accordance with United States federal income tax principles. Therefore, you should expect that distributions will generally be reported to the IRS and taxed to you as dividends (as discussed above), even if they might ordinarily be treated as a tax-free return of capital or as capital gain.

Passive Foreign Investment Company

Based on the past and projected composition of our income and assets and the valuation of our assets, we do not believe we were a PFIC for our taxable year ended December 31, 2025 and we do not expect to be a PFIC for our taxable year ending December 31, 2026 or in the foreseeable future, although there can be no assurance in this regard, since the determination of our PFIC status cannot be made until the end of a taxable year and depends significantly on the composition of our assets and income throughout the year.

In general, we will be a PFIC for any taxable year in which:

- at least 75% of our gross income is passive income, or
- at least 50% of the value (generally based on a quarterly average) of our assets is attributable to assets that produce or are held for the production of passive income.

For this purpose, passive income generally includes dividends, interest, royalties and rents (other than royalties and rents derived in the active conduct of a trade or business and not derived from a related person), as well as gains from the sale of assets (such as stock) that produce passive income, foreign currency gains, and certain other categories of income. In addition, cash and other assets readily convertible into cash are generally considered passive assets. If we own at least 25% (by value) of the stock of another corporation, we will be treated, for purposes of determining whether we are a PFIC, as owning our proportionate share of the other corporation's assets and receiving our proportionate share of the other corporation's income. However, it is not entirely clear how the contractual arrangements between us and the VIEs will be treated for purposes of the PFIC rules. For United States federal income tax purposes, we consider ourselves to own the stock of the VIEs. If it is determined, contrary to our view, that we do not own the stock of the VIEs for United States federal income tax purposes (for instance, because the relevant PRC authorities do not respect these arrangements), that would alter the composition of our income and assets for purposes of testing our PFIC status, and may cause us to be treated as a PFIC.

The determination of whether we are a PFIC is made annually. Accordingly, it is possible that we may become a PFIC in the current or any future taxable year due to changes in our asset or income composition. The calculation of the value of our assets will be based, in part, on the quarterly market value of our ADSs, which is subject to change.

If we are a PFIC for any taxable year during which you hold our ADSs or Class A ordinary shares and you do not make a timely mark-to-market election, as described below, you will be subject to special—and generally very unfavorable—tax rules with respect to any “excess distribution” received and any gain realized from a sale or other disposition, including a pledge, of ADSs or Class A ordinary shares. Distributions received in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or your holding period for the ADSs or Class A ordinary shares will be treated as excess distributions. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the ADSs or Class A ordinary shares,
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a PFIC, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year for individuals or corporations, as applicable, and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

Although the determination of whether we are a PFIC is made annually, if we are a PFIC for any taxable year in which you hold our ADSs or Class A ordinary shares, you will generally be subject to the special tax rules described above for that year and for each subsequent year in which you hold the ADSs or Class A ordinary shares (even if we do not qualify as a PFIC in any subsequent years). However, if we cease to be a PFIC, you can avoid the continuing impact of the PFIC rules by making a special election to recognize gain as if your ADSs or Class A ordinary shares had been sold on the last day of the last taxable year during which we were a PFIC. You are urged to consult your own tax advisor about this election.

In certain circumstances, in lieu of being subject to the special tax rules discussed above, you may make a mark-to-market election with respect to your ADSs or Class A ordinary shares, provided such ADSs or Class A ordinary shares are treated as “marketable stock.” The ADSs or Class A ordinary shares generally will be treated as marketable stock if the ADSs or Class A ordinary shares are “regularly traded” on a “qualified exchange or other market” (each within the meaning of the applicable Treasury regulations). Under current law, the mark-to-market election may be available to ADS holders as the ADSs are listed on the Nasdaq, which constitutes a qualified exchange, although there can be no assurance that the ADSs will be “regularly traded” for purposes of the mark-to-market election. The Class A ordinary shares are listed on the Hong Kong Stock Exchange, which must meet certain trading, listing, financial disclosure and other requirements to be treated as a qualified exchange for these purposes. There also can be no assurance that the Class A ordinary shares will be “regularly traded” for purposes of the mark-to-market election.

If you make an effective mark-to-market election, for each taxable year that we are a PFIC, you will include as ordinary income the excess of the fair market value of your ADSs or Class A ordinary shares at the end of the year over your adjusted basis in the ADSs or Class A ordinary shares. You will be entitled to deduct as an ordinary loss in each such year the excess of your adjusted basis in the ADSs or Class A ordinary shares over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. If you make an effective mark-to-market election, any gain you recognize upon the sale or other disposition of your ADSs or Class A ordinary shares in a year that we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election, and thereafter will be capital loss.

Your adjusted basis in the ADSs or Class A ordinary shares will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules. If you make a mark-to-market election, it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the ADSs or Class A ordinary shares are no longer regularly traded on a qualified exchange or other market, or the IRS consents to the revocation of the election. You are urged to consult your tax advisor about the availability of the mark-to-market election, and whether making the election would be advisable in your particular circumstances.

A different election, known as the “qualified electing fund,” or “QEF” election, is generally available to holders of PFIC stock, but requires that the corporation provide the holders with a “PFIC Annual Information Statement” containing certain information necessary for the election, including the holder’s pro rata share of the corporation’s earnings and profits and net capital gain for each taxable year, computed according to United States federal income tax principles. We do not intend, however, to determine our earnings and profits or net capital gain under United States federal income tax principles, nor do we intend to provide United States Holders with a PFIC Annual Information Statement. Therefore, you should not expect to be eligible to make this election.

If we are a PFIC for any taxable year during which you hold our ADSs or Class A ordinary shares and any of our non-United States subsidiaries is also a PFIC, you will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. You will not, however, be able to make the mark-to-market election described above in respect of any lower-tier PFIC. You are urged to consult your tax advisors about the application of the PFIC rules to any of our subsidiaries.

You will generally be required to file IRS Form 8621 if you hold our ADSs or Class A ordinary shares in any year in which we are classified as a PFIC. You are urged to consult your tax advisors concerning the United States federal income tax consequences of holding ADSs or Class A ordinary shares if we are considered a PFIC in any taxable year.

Taxation of Capital Gains

For United States federal income tax purposes, you will recognize taxable gain or loss on any sale, exchange or other taxable disposition of ADSs or Class A ordinary shares in an amount equal to the difference between the amount realized for the ADSs or Class A ordinary shares (net of any Hong Kong stamp duty imposed on such proceeds) and your adjusted basis in the ADSs or Class A ordinary shares (which should similarly take into account any Hong Kong stamp duty paid in connection with the acquisition of the ADSs or Class A ordinary shares), both as determined in U.S. dollars. Subject to the discussion under “—Passive Foreign Investment Company” above, such gain or loss will generally be capital gain or loss and will generally be long-term capital gain or loss if you have held the ADSs or Class A ordinary shares for more than one year. Long-term capital gains of non-corporate United States Holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Any gain or loss recognized by you will generally be treated as United States source gain or loss. However, if we are treated as a PRC resident enterprise for PRC tax purposes and PRC tax is imposed on any gain, and if you are eligible for the benefits of the Treaty, you may elect to treat such gain as PRC source gain under the Treaty. If you are not eligible for the benefits of the Treaty or you fail to make the election to treat any gain as PRC source, then you generally would not be able to use a foreign tax credit for any PRC tax imposed on the disposition of our ADSs or Class A ordinary shares unless such credit can be applied (subject to applicable limitations) against United States federal income tax due on other income derived from foreign sources in the same income category (generally, the passive category). However, pursuant to the Foreign Tax Credit Regulations, if you do not claim the benefits of the Treaty, any such PRC tax would generally not be a foreign income tax eligible for a foreign tax credit (regardless of any other income that you may have that is derived from foreign sources). In such case, the non-creditable PRC tax may reduce the amount realized on the sale, exchange or other taxable disposition of the ADSs or Class A ordinary shares. As discussed above, however, notices from the IRS provide temporary relief by allowing taxpayers that comply with applicable requirements to apply many aspects of the foreign tax credit regulations as they previously existed (before the release of the current Foreign Tax Credit Regulations) for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). If any PRC tax is imposed on the sale, exchange or other taxable disposition of the ADSs or Class A ordinary shares and you apply such temporary relief, such PRC tax may be eligible for a foreign tax credit or deduction, subject to the applicable conditions and limitations. You are urged to consult your tax advisors regarding the tax consequences if any PRC tax is imposed on gain on a disposition of our Class A ordinary shares or ADSs, including the availability of the foreign tax credit or a deduction and the election to treat any gain as PRC source, under your particular circumstances.

Information Reporting and Backup Withholding

In general, information reporting will apply to dividends in respect of our ADSs or Class A ordinary shares and the proceeds from the sale, exchange or other disposition of our ADSs or Class A ordinary shares that are paid to you within the United States (and in certain cases, outside the United States), unless you establish that you are an exempt recipient such as a corporation. A backup withholding tax may apply to such payments if you fail to provide a correct taxpayer identification number and a certification that you are not subject to backup withholding or if you fail to report in full dividend and interest income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is furnished to the IRS in a timely manner.

Certain United States Holders are required to report information relating to our ADSs or Class A ordinary shares, subject to certain exceptions (including an exception for ADSs or Class A ordinary shares held in accounts maintained by certain financial institutions), by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax returns for each year in which they hold ADSs or Class A ordinary shares. Significant penalties can apply if you are required to file this form and you fail to do so. You are urged to consult your own tax advisor regarding this and other information reporting requirements relating to your ownership of the ADSs or Class A ordinary shares.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We have filed this annual report, including exhibits, with the SEC. As allowed by the SEC, in Item 19 of this annual report, we incorporate by reference certain information we filed with the SEC. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this annual report.

You may read and copy this annual report, including the exhibits incorporated by reference in this annual report, at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 and at the SEC's regional offices in New York, New York, and Chicago, Illinois. You can also request copies of this annual report, including the exhibits incorporated by reference in this annual report, upon payment of a duplicating fee, by writing to the SEC's Public Reference Room for information.

The SEC also maintains a website that contains reports, proxy statements and other information about issuers, such as us, who file electronically with the SEC. The address of that website is <http://www.sec.gov>. The information on that website is not a part of this annual report.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

We intend to submit in electronic format, as an exhibit to a Current Report on Form 6-K, our annual report provided to security holders that we are required to submit to, and which was published on the website of, the Hong Kong Stock Exchange pursuant to the Hong Kong Listing Rules.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our exposure to interest rate risk primarily relates to interest expenses incurred in respect of bank borrowings, bonds payable and capital lease and other financing obligations and interest income generated by excess cash, which is mostly held in interest-bearing bank deposits. We have not used derivative financial instruments in our investment portfolio. Interest earning instruments and interest-bearing obligations carry a degree of interest rate risk. We have not been exposed to material risks due to changes in market interest rates. However, our future interest income and interest expenses may fluctuate due to changes in market interest rates.

Foreign Exchange Risk

Almost all of our revenue and substantially all of our expenses are denominated in Renminbi. We do not believe that we currently have any significant direct foreign exchange risk and have not used any derivative financial instruments to hedge exposure to such risk. Although in general our exposure to foreign exchange risks should be limited, the value of your investment in our ADSs will be affected by the exchange rate between the U.S. dollar and the Renminbi because the value of our business is effectively denominated in Renminbi, while our ADSs are traded in U.S. dollars.

In particular, the conversion of Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the PBOC. On July 21, 2005, the PRC government changed its policy of pegging the value of the Renminbi to the U.S. dollar. The PRC government allowed the Renminbi to appreciate by more than 20% against the U.S. dollar between July 2005 and July 2008. Between July 2008 and June 2010, the exchange rate between the Renminbi and the U.S. dollar had been stable and traded within a narrow band. Since June 2010, the Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. On November 30, 2015, the Executive Board of the International Monetary Fund (IMF) completed the regular five-year review of the basket of currencies that make up the Special Drawing Right, or the SDR, and decided that with effect from October 1, 2016, Renminbi is determined to be a freely usable currency and will be included in the SDR basket as a fifth currency, along with the U.S. dollar, the Euro, the Japanese yen and the British pound. The RMB depreciated approximately 2.9% and 2.8% against the U.S. dollar in 2023 and 2024 respectively, and appreciated approximately 4.2% against the U.S. dollar in 2025. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future. It remains unclear what further fluctuations may occur or what impact this will have on our results of operations.

To the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amounts available to us.

Inflation

Since our inception, inflation in mainland China has not materially affected our results of operations. According to the National Bureau of Statistics of China, the consumer price index in mainland China was 0.2%, 0.2% and 0.0% in 2023, 2024 and 2025, respectively. Although we have not been materially affected by inflation in the past, we may be affected if mainland China experiences higher rates of inflation in the future.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**A. Debt Securities**

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares**Fees and Charges**

As an ADS holder, you will be required to pay the following service fees to the depositary bank:

Service:	Fee:
Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property	\$5.00 for each 100 ADSs (or portion thereof) issued
Cancellation of ADSs, including in the case of termination of the deposit agreement	\$5.00 for each 100 ADSs (or portion thereof) cancelled
Distribution of cash dividends or other cash distributions	Up to \$0.05 per ADS held
Distribution of ADSs pursuant to share dividends, free share distributions or exercise of rights	Up to \$0.05 per ADS held
Distribution of securities other than ADSs or rights to purchase ADSs or additional ADSs	A fee being in an amount equal to the fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities
Depository services	An aggregate fee of \$0.05 per ADS per calendar year (or portion thereof) for services performed by the depositary bank in administering the ADRs
Transfer of ADRs	\$1.50 per certificate presented for transfer

As an ADS holder, you will also be responsible to pay certain fees and expenses incurred by the depositary bank and certain taxes and governmental charges such as:

Fees for the transfer and registration of ordinary shares charged by the Principal Share Registrar in the Cayman Islands (i.e., upon deposit and withdrawal of ordinary shares).

- Expenses incurred for converting foreign currency into U.S. dollars.
- Expenses for cable, telex and fax transmissions and for delivery of securities.

- Taxes and duties upon the transfer of securities, including any applicable stamp duties, any stock transfer charges or withholding taxes (i.e., when ordinary shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of ordinary shares on deposit.
- Fees and expenses incurred in connection with complying with exchange control regulations and other regulatory requirements applicable to ordinary shares, deposited securities, ADSs and ADRs.
- Any applicable fees and penalties thereon.

The depositary fees payable upon the issuance and cancellation of ADSs are typically paid to the depositary bank by the brokers (on behalf of their clients) receiving the newly issued ADSs from the depositary bank and by the brokers (on behalf of their clients) delivering the ADSs to the depositary bank for cancellation. The brokers in turn charge these fees to their clients. Depositary fees payable in connection with distributions of cash or securities to ADS holders and the depositary services fee are charged by the depositary bank to the holders of record of ADSs as of the applicable ADS record date.

The depositary fees payable for cash distributions are generally deducted from the cash being distributed or by selling a portion of distributable property to pay the fees. In the case of distributions other than cash (i.e., share dividends, rights), the depositary bank charges the applicable fee to the ADS record date holders concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or uncertificated in direct registration), the depositary bank sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via DTC), the depositary bank generally collects its fees through the systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the fees paid to the depositary banks.

In the event of refusal to pay the depositary fees, the depositary bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to the ADS holder.

The depositary has agreed to reimburse us for a portion of certain expenses we incur that are related to establishment and maintenance of the ADR program, including investor relations expenses. There are limits on the amount of expenses for which the depositary will reimburse us, but the amount of reimbursement available to us is not related to the amounts of fees the depositary collects from investors. Further, the depositary has agreed to reimburse us certain fees payable to the depositary by ADS holders. Neither the depositary nor we can determine the exact amount to be made available to us because (i) the number of ADSs that will be issued and outstanding, (ii) the level of service fees to be charged to ADS holders and (iii) our reimbursable expenses related to the program are not known at this time.

Payments by Depositary

In 2025, we received total payment of US\$1.0 million from JPMorgan Chase Bank, N.A., the depositary bank for our ADR program, for reimbursement of investor relations expenses and other program related expenses.

Conversion between ADSs and Class A Ordinary Shares

In connection with our initial public offering of Class A ordinary shares in Hong Kong, or the Hong Kong IPO, we have established a branch register of members in Hong Kong, or the Hong Kong share register, which is maintained by the Hong Kong Share Registrar. Our Cayman share register continues to be maintained by the Principal Share Registrar.

All Class A ordinary shares offered in the Hong Kong IPO are registered on the Hong Kong share register in order to be listed and traded on the Hong Kong Stock Exchange. As described in further detail below, holders of Class A ordinary shares registered on the Hong Kong share register are able to convert these shares into ADSs, and vice versa.

In connection with the Hong Kong public offering, and to facilitate fungibility and conversion between ADSs and Class A ordinary shares and trading between the Nasdaq and the Hong Kong Stock Exchange, we moved a portion of our issued Class A ordinary shares that are represented by ADSs from our Cayman share register to our Hong Kong share register.

Our ADSs

Our ADSs representing our Class A ordinary shares are traded on the Nasdaq. Dealings in our ADSs on Nasdaq are conducted in U.S. Dollars.

ADSs may be held either:

- directly, by having a certificated ADS, or an ADR, registered in the holder's name, or by holding in the direct registration system, pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements issued by the depositary to the ADS holders entitled thereto; or
- indirectly, by holding a security entitlement in ADSs through a broker or other financial institution that is a direct or indirect participant in The Depository Trust Company.

The depositary for our ADSs is JPMorgan Chase Bank, N.A., whose office is located at 270 Park Avenue, Floor 8, New York, NY 10017.

Converting Class A Ordinary Shares Trading in Hong Kong into ADSs

An investor who holds ordinary shares registered in Hong Kong and who intends to convert them to ADSs to trade on Nasdaq must deposit or have his or her broker deposit the Class A ordinary shares with the depositary's Hong Kong custodian, JP Morgan Chase Bank, N.A., Hong Kong Branch, or the custodian, in exchange for ADSs.

A deposit of Class A ordinary shares trading in Hong Kong in exchange for ADSs involves the following procedures:

- If Class A ordinary shares have been deposited with CCASS, the investor must transfer Class A ordinary shares to the depositary's account with the custodian within CCASS by following the CCASS procedures for transfer and submit and deliver a duly completed and signed conversion form to the depositary via his or her broker.
- If Class A ordinary shares are held outside CCASS, the investor must arrange to deposit his or her Class A ordinary shares into CCASS for delivery to the depositary's account with the custodian within CCASS, submit and deliver a request for conversion form to the custodian and after duly completing and signing such conversion form, and deliver such conversion form to the custodian.
- Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable, the depositary will issue the corresponding number of ADSs in the name(s) requested by an investor and will deliver the ADSs to the designated DTC account of the person(s) designated by an investor or his or her broker.

For Class A ordinary shares deposited in CCASS, under normal circumstances, the above steps generally require two business days. For Class A ordinary shares held outside CCASS in physical form, the above steps may take 14 business days, or more, to complete. Temporary delays may arise. For example, the transfer books of the depositary may from time to time be closed to ADS issuances. The investor will be unable to trade the ADSs until the procedures are completed.

Converting ADSs to Class A Ordinary Shares Trading in Hong Kong

An investor who holds ADSs and who intends to convert his/her ADSs into Class A ordinary shares to trade on the Hong Kong Stock Exchange must cancel the ADSs the investor holds and withdraw Class A ordinary shares from our ADS program and cause his or her broker or other financial institution to trade such ordinary shares on the Hong Kong Stock Exchange.

An investor that holds ADSs indirectly through a broker should follow the broker's procedure and instruct the broker to arrange for cancellation of the ADSs, and transfer of the underlying ordinary shares from the depositary's account with the custodian within the CCASS system to the investor's Hong Kong stock account.

For investors holding ADSs directly, the following steps must be taken:

- To withdraw Class A ordinary shares from our ADS program, an investor who holds ADSs may turn in such ADSs at the office of the depositary (and the applicable ADR(s) if the ADSs are held in certificated form), and send an instruction to cancel such ADSs to the depositary.
- Upon payment or net of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable, the depositary will instruct the custodian to deliver Class A ordinary shares underlying the canceled ADSs to the CCASS account designated by an investor.
- If an investor prefers to receive Class A ordinary shares outside CCASS, he or she must receive Class A ordinary shares in CCASS first and then arrange for withdrawal from CCASS. Investors can then obtain a transfer form signed by HKSCC Nominees Limited (as the transferor) and register Class A ordinary shares in their own names with the Hong Kong Share Registrar.

For Class A ordinary shares to be received in CCASS, under normal circumstances, the above steps generally require two business days. For Class A ordinary shares to be received outside CCASS in physical form, the above steps may take 14 business days, or more, to complete. The investor will be unable to trade the Class A ordinary shares on the Hong Kong Stock Exchange until the procedures are completed.

Temporary delays may arise. For example, the transfer books of the depositary may from time to time be closed to ADS cancellations. In addition, completion of the above steps and procedures is subject to there being a sufficient number of Class A ordinary shares on the Hong Kong share register to facilitate a withdrawal from the ADS program directly into the CCASS system. We are not under any obligation to maintain or increase the number of Class A ordinary shares on the Hong Kong share register to facilitate such withdrawals.

Depository Requirements

Before the depositary issues ADSs or permits withdrawal of ordinary shares, the depositary may require:

- production of satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with procedures it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The depositary may refuse to deliver, transfer, or register issuances, transfers and cancellations of ADSs generally when the transfer books of the depositary or register of members maintained by our Hong Kong Share Registrar or Cayman Share Registrar are closed or at any time if the depositary or we determine it advisable to do so or if it would violate any applicable law or the Depositary's policies and procedures.

All costs attributable to the transfer of Class A ordinary shares to effect a withdrawal from or deposit of ordinary shares into our ADS program will be borne by the investor requesting the transfer. In particular, holders of ADSs and ordinary shares should note that the Hong Kong Share Registrar will charge between HK\$2.50 to HK\$20, depending on the speed of service (or such higher fee as may from time to time be permitted under the Hong Kong Listing Rules), for each transfer of ordinary shares from one registered owner to another, each share certificate canceled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong. In addition, holders of ADSs and Class A ordinary shares must pay up to US\$5.00 (or less) per 100 ADSs for each issuance of ADSs and each cancellation of ADSs, as the case may be, in connection with the deposit of Class A ordinary shares into, or withdrawal of Class A ordinary shares from, our ADS program.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None of these events occurred in any of the years ended December 31, 2023, 2024 and 2025.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

A. Modifications of Rights

On May 29, 2024, in connection with an internal portfolio rationalization by STT GDC, STT GDC entered into an investor rights assignment agreement with STT Garnet and us to transfer all of its beneficial interest in the Company to STT Garnet, including all the Class A Shares and the unsecured 0.25% convertible senior notes due 2029 previously held by STT GDC.

B. Use of Proceeds

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this annual report, an evaluation has been carried out under the supervision and with the participation of our management, including our chief executive officer and our chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined under Rules 13a-15(e) and 15d-15(e) promulgated under the U.S. Exchange Act. Based on that evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures are effective in ensuring that material information required to be disclosed in this annual report is recorded, processed, summarized and reported to them for assessment, and required disclosure is made within the time period specified in the rules and forms of the SEC.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended, for our company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with generally accepted accounting principles and includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with U.S. GAAP and that a company's receipts and expenditures are being made only in accordance with authorizations of our management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our consolidated financial statements.

As required by Section 404 of the Sarbanes-Oxley Act of 2002 and related rules as promulgated by the Securities and Exchange Commission, our management including our Chief Executive Officer and Chief Financial Officer assessed the effectiveness of internal control over financial reporting as of December 31, 2025 using the criteria set forth in the report "Internal Control—Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission (known as COSO). Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2025.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance with respect to consolidated financial statements preparation and presentation and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our independent registered public accounting firm, KPMG Huazhen LLP, has audited the effectiveness of our internal control over financial reporting as of December 31, 2025, as stated in its report, which appears on page F-2 of this annual report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that each of Lim Ah Doo and Bin Yu, who are independent directors, satisfies the criteria of an audit committee financial expert as defined in Item 16A of the instruction to Form 20-F.

ITEM 16B. CODE OF ETHICS

We have adopted a code of business conduct that applies to our directors, employees, advisors and officers, including our Chief Executive Officer and Chief Financial Officer. No changes have been made to the code of business conduct since its adoption and no waivers have been granted therefrom to our directors or employees. We have filed our code of business conduct as an exhibit to our F-1 registration statement (File No. 333-213951), as amended, initially filed with the SEC on October 4, 2016, and a copy is available to any shareholder upon request. This code of business conduct is also available on our website at investors.gds-services.com.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

KPMG Huazhen LLP has served as our independent public accountant for each of the fiscal years in the three-year period ended December 31, 2025, for which audited financial statements appear in this annual report.

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by KPMG Huazhen LLP, for the years indicated.

	For the Year Ended December 31,	
	2024	2025
	(In thousands of US dollars)	
Audit Fees ⁽¹⁾	3,313	3,300
Audit-related Fees ⁽²⁾	148	224
Tax Fees ⁽³⁾	332	344
All Other Fees ⁽⁴⁾	—	—
Total	3,793	3,868

- (1) "Audit Fees" represents the aggregate fees billed or to be billed for each of the fiscal years listed for professional services rendered by our auditor for the audit of our annual financial statements, interim reviews in connection with securities offering, statutory audits, issue of comfort letters in connection with our registration statements, prospectuses and offering memoranda, review of documents filed with the SEC and other statutory and regulatory filings.
- (2) "Audit-related Fees" represents the aggregate fees billed or to be billed for each of the fiscal years listed for the assurance and related services rendered by our auditor that are reasonably related to the performance of the audit or review of our financial statements and not reported under "Audit Fees."
- (3) "Tax Fees" represents the aggregate fees billed for each of the fiscal years listed for the professional tax services rendered by our principal auditors.
- (4) "All Other Fees" represents the aggregate fees for services rendered by our auditor other than services reported under "Audit Fees," "Audit-related Fees" and "Tax Fees."

Pre-Approval Policies and Procedures

Our audit committee is responsible for the oversight of our independent public accountants' work. The policy of our audit committee is to pre-approve all audit and non-audit services provided by KPMG Huazhen LLP, including audit services, audit-related services, tax services and other services, as described above.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

None.

ITEM 16E. PURCHASE OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

We are a "foreign private issuer" (as such term is defined in Rule 3b-4 under the U.S. Exchange Act), and our ADSs, each representing eight ordinary shares, are listed on the Nasdaq. Nasdaq Stock Market Rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the Nasdaq corporate governance listing standards. For instance, we are not required to:

- have a majority of the board be independent (although all of the members of the audit committee must be independent under the U.S. Exchange Act);
- have a compensation committee or a nominations or corporate governance committee consisting entirely of independent directors; or
- have regularly scheduled executive sessions with only independent directors each year.

We have relied on and intend to continue to rely on some of these exemptions.

Under Rule 19C.11 of the Hong Kong Listing Rules, we are exempt from certain corporate governance requirements of the Hong Kong Stock Exchange, including Appendix C1 of the Hong Kong Listing Rules (Corporate Governance Code) and Appendix D2 of the Hong Kong Listing Rules (Disclosure of Financial Information).

In connection with our listing on the Hong Kong Stock Exchange, the Hong Kong Stock Exchange and the SFC granted certain waivers and exemptions from strict compliance with the relevant provisions of the Hong Kong Listing Rules and the SFO, respectively, and the SFC also granted a ruling under the Takeovers Codes.

Not a Public Company in Hong Kong

Section 4.1 of the Introduction to the Takeovers Codes provides that the Takeovers Codes applies to takeovers, mergers and share buy-backs affecting public companies in Hong Kong, companies with a primary listing of their equity interests in Hong Kong. According to the Note to Section 4.2 of the Introduction to the Takeovers Codes, a Grandfathered Greater China Issuer within the meaning of Rule 19C.01 of the Hong Kong Listing Rules with a secondary listing on the Hong Kong Stock Exchange will not normally be regarded as a public company in Hong Kong under Section 4.2 of the Introduction to the Takeovers Codes.

The SFC granted a ruling that we are not a “public company in Hong Kong” for the purposes of the Takeovers Codes. Therefore, the Takeovers Codes does not apply to us. In the event that the bulk of trading in our Shares migrates to Hong Kong such that we would be treated as having a dual-primary listing pursuant to Rule 19C.13 of the Hong Kong Listing Rules, the Takeover Codes will apply to us.

Disclosure of Interests under Part XV of the SFO

Part XV of the SFO imposes duties of disclosure of interests in Shares. Under the U.S. Exchange Act, which we are subject to, any person (including directors and officers of the company concerned) who acquires beneficial ownership, as determined in accordance with the rules and regulations of the SEC and which includes the power to direct the voting or the disposition of the securities, of more than 5% of a class of equity securities registered under Section 12 of the U.S. Exchange Act must file beneficial owner reports with the SEC, and such person must promptly report any material change in the information provided (including any acquisition or disposition of 1% or more of the class of equity securities concerned), unless exceptions apply. Therefore, compliance with Part XV of the SFO would subject our corporate insiders to a second level of reporting, which would be unduly burdensome to them, would result in additional costs and would not be meaningful, since the statutory disclosure of interest obligations under the U.S. Exchange Act that apply to us and our corporate insiders would provide our investors with sufficient information relating to the shareholding interests of our significant shareholders.

The SFC granted a relevant partial exemption under section 309(2) of the SFO to us, our Substantial Shareholders, directors and chief executives from strict compliance with the provisions of Part XV of the SFO (other than Divisions 5, 11 and 12 of Part XV of the SFO), on the conditions that (i) the bulk of trading in the Shares is not considered to have migrated to Hong Kong on a permanent basis in accordance with Rule 19C.13 of the Hong Kong Listing Rules; (ii) all disclosures of interests filed with the SEC are also filed with the Hong Kong Stock Exchange as soon as practicable, which will then publish such disclosures in the same manner as disclosures made under Part XV of the SFO; and (iii) we will advise the SFC if there is any material change to any of the information which has been provided to the SFC, including any significant changes to the disclosure requirements in the U.S. and any significant changes in the volume of our worldwide share turnover that takes place on the Hong Kong Stock Exchange. This exemption may be reconsidered by the SFC in the event there is a material change in information provided to the SFC.

The U.S. Exchange Act and the rules and regulations promulgated thereunder require disclosure of interests by shareholders that are broadly equivalent to Part XV of the SFO. For relevant disclosure in respect of the substantial shareholder’s interests, see “Item 6. Directors, Senior Management and Employees—E. Share Ownership.”

Corporate Communications

Rule 2.07A of the Hong Kong Listing Rules provides that a listed issuer may send or otherwise make available to the relevant holders of its securities any corporate communication by electronic means, provided that either the listed issuer has previously received from each of the relevant holders of its securities an express, positive confirmation in writing or the shareholders of the listed issuer have resolved in a general meeting that the listed issuer may send or supply corporate communications to shareholders by making them available on the listed issuer’s own website or the listed issuer’s constitutional documents contain provision to that effect, and certain conditions are satisfied.

Since our listing on the Hong Kong Stock Exchange, we made the following arrangements:

- We issue all future corporate communications as required by the Hong Kong Listing Rules on our own website in English and Chinese, and on the Hong Kong Stock Exchange’s website in English and Chinese;
- We continue to provide printed copies of notices of general meetings of shareholders including the proxy materials in English and Chinese to our shareholders at no costs; and
- We have added to the “Investor Relations” page of our website which will direct investors to all of our future filings with the Hong Kong Stock Exchange.

The Hong Kong Stock Exchange granted us a waiver from strict compliance with the corporate communication requirements under Rule 2.07A of the Hong Kong Listing Rules.

Monthly Returns

Rule 13.25B of the Hong Kong Listing Rules requires a listed issuer to publish a monthly return in relation to movements in its equity securities, debt securities and any other securitized instruments, as applicable, during the period to which the monthly return relates. Pursuant to the Joint Policy Statement Regarding the Listing of Overseas Companies, or Joint Policy Statement, companies applying for a secondary listing may seek a waiver from Rule 13.25B subject to satisfying the waiver condition that the SFC has granted a partial exemption from strict compliance with Part XV of the SFO (other than Divisions 5, 11 and 12 of Part XV of the SFO) in respect of disclosure of shareholders' interests. As we have obtained a partial exemption from the SFC, the Hong Kong Stock Exchange granted a waiver from strict compliance with Rule 13.25B of the Hong Kong Listing Rules. We will disclose information about share repurchases, if any, in our quarterly earnings releases and annual reports on Form 20-F which are furnished or filed with the SEC in accordance with applicable U.S. rules and regulations.

ITEM 16H. MINE SAFETY

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

Our board of directors has established insider trading policies and procedures to provide guidance on the purchases, sales, and other dispositions of our securities by our directors, officers, employees and other relevant persons, with the goal of promoting compliance with applicable insider trading laws, rules and regulations, and the listing standards of Nasdaq and the Hong Kong Stock Exchange.

Our insider trading policies are filed as Exhibit 11.2 to this annual report on Form 20-F.

ITEM 16K. CYBERSECURITY

Cybersecurity Risk Management and Strategy

We have adopted a risk management and internal control system to manage the various risks that we face. Cybersecurity risk management is an important component of our overall risk management framework. We have designed and implemented a process for categorizing, classifying and handling cybersecurity incidents to enhance our cybersecurity risk management.

We have established an information security working mechanism, which is responsible for cybersecurity risk management, including information security, data security, privacy protection and supply chain cybersecurity risks, the assessment and management of significant risks posed by cybersecurity threats, as well as the prevention, monitoring, response and remediation of cybersecurity incidents. We have an independent information security team in our Information Technology Department that is dedicated to managing cybersecurity and data security risks. We have also engaged third-party service providers to conduct independent cybersecurity audits and assessments periodically and on an ad hoc basis.

We have established management systems such as an information security management system, a privacy information management system and a business continuity system. We have also established a data security management system covering the full life cycle of data to effectively improve our data security risk management posture.

We have implemented various technical measures to timely identify and address cybersecurity threats. We have also established a Cybersecurity Operations Center and a team of professionals to monitor, analyze and mitigate potential cyber threats.

Although we believe we have a robust program to protect against cybersecurity risks, we may not be able to prevent a cybersecurity incident that could have a material adverse effect on us. See "Item 3. Key Information—D. Risk Factors" for further discussion of cybersecurity risks.

Cybersecurity Governance

Our board of directors has delegated to our audit committee the responsibility for participating in and overseeing our efforts to monitor, assess and manage risks associated with cybersecurity threats or incidents. Our audit committee is responsible for receiving reports from management on any significant cybersecurity risks and incidents and for discussing improvement plans with management. In addition, our audit committee is responsible for receiving regular reports from management on cybersecurity risk governance, management and strategy and for discussing these with our internal audit team and our third-party service providers to fulfil the committee's function of overseeing cybersecurity risks.

Our management understands and oversees the prevention, monitoring, response and remediation of cybersecurity risks and incidents, make decisions on matters related to cybersecurity risks, approve policies and procedures, and conduct regular cybersecurity risk meetings.

Our management meets regularly to be briefed on cybersecurity risk work and to report on such work to our audit committee. Our senior vice president of information technology is in charge of our information security working mechanism. He has extensive experience in cybersecurity risk. Before joining our company, he worked for several well-known large companies and was deeply involved in the establishment and management of cybersecurity risk frameworks in these companies.

PART III

ITEM 17. FINANCIAL STATEMENTS

The Registrant has elected to provide the financial statements and related information specified in Item 18.

ITEM 18. FINANCIAL STATEMENTS

The consolidated financial statements of GDS Holdings Limited are included at the end of this annual report.

ITEM 19. EXHIBIT INDEX

Exhibit Number	Description of Exhibit
1.1	<u>Amended and Restated Memorandum of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's current report on Form 6-K for June 2023 (File No. 001-37925) furnished to the Securities and Exchange Commission on June 5, 2023)</u>
1.2	<u>Amended and Restated Articles of Association of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's current report on Form 6-K for March 2026 (File No. 001-37925) furnished to the Securities and Exchange Commission on March 10, 2026)</u>
2.1	<u>Registrant's Specimen American Depositary Receipt evidencing American Depositary Shares (included in Exhibit 4.2) (incorporated by reference to Exhibit 4.3 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
2.2	<u>Registrant's Specimen Class A Ordinary Share Certificate (incorporated by reference to Exhibit 4.1 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
2.3	<u>Form of Deposit Agreement, among the Registrant, JPMorgan Chase Bank, N.A., as depositary and holders of the American Depositary Receipts (incorporated by reference to Exhibit (a) to our Registration Statement on Form F-6 (File No. 333-249704) with respect to American depositary shares representing our Class A ordinary shares, filed with the SEC on October 28, 2020)</u>
*2.4	<u>Description of Securities Registered under Section 12 of the U.S. Exchange Act</u>
2.5	<u>Registrant's Form of Class A Ordinary Share Certificate (incorporated by reference to Exhibit 4.1 to our Current Report on Form 6-K for October 2020 (File No. 001-37925), initially filed with the SEC on October 27, 2020)</u>
4.1	<u>Sixth Amended and Restated Members Agreement, dated May 19, 2016 (incorporated by reference to Exhibit 4.5 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.2	<u>Sixth Amended and Restated Voting Agreement, dated May 19, 2016 (incorporated by reference to Exhibit 4.6 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.3	<u>Sixth Amended and Restated Right of First Refusal And Co-sale Agreement, dated May 19, 2016 (incorporated by reference to Exhibit 4.7 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.4	<u>Agreement Dated September 29, 2016 Between Shanghai Waigaoqiao EDC Technology Co., Ltd. and Shanghai Yungang EDC Technology Co. Ltd. as Borrowers and GDS Holdings Limited as Ultimate Parent, arranged by Credit Agricole Corporate and Investment Bank, United Overseas Bank (China) Limited Shanghai Pilot Free Trade Zone Sub-Branch, DBS Bank (China) Ltd, Shanghai Branch, Shanghai HuaRui Bank Co., Ltd. and Australia and New Zealand Bank (China) Company Limited, Shanghai Branch as Mandated Lead Arrangers with United Overseas Bank (China) Limited Shanghai Pilot Free Trade Zone Sub-Branch acting as Facility Agent and Security Agent and United Overseas Bank (China) Limited Shanghai Pilot Free Trade Zone Sub-Branch acting as Account Bank, and Credit Agricole Corporate and Investment Bank and United Overseas Bank Limited acting as Coordinating Banks relating to Term Loan Facilities (incorporated by reference to Exhibit 4.9 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.5	<u>Agreement Dated December 6, 2017 Between EDC (Chengdu) Industry Co., Ltd. as Borrower and Jiangsu International Trust Co., Ltd. acting as Lender relating to Term Loan Facilities (incorporated by reference to Exhibit 4.5 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2018 (File No. 001-37925), initially filed with the SEC on March 13, 2019)</u>

Exhibit Number	Description of Exhibit
4.6	<u>Share Swap Agreement among the Registrant, EDC Holding and the shareholders of EDC Holding, dated June 12, 2014 (incorporated by reference to Exhibit 10.1 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.7	<u>Subscription Agreement for up to US\$250,000,000 10% Convertible and Redeemable Bond due 2019 convertible into shares in GDS Holdings, among GDS Holdings, Perfect Success Limited and STT GDC Pte. Ltd., dated December 30, 2015 (incorporated by reference to Exhibit 10.2 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.8	<u>Equity Interest Pledge Agreement concerning GDS Beijing, among William Wei Huang, Qiuping Huang and GDS Investment Company, dated April 13, 2016 (English Translation) (incorporated by reference to Exhibit 10.3 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.9	<u>Shareholder Voting Rights Proxy Agreement concerning GDS Beijing, among GDS Investment Company, GDS Beijing, William Wei Huang and Qiuping Huang, dated April 13, 2016 (English Translation) (incorporated by reference to Exhibit 10.4 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.10	<u>Exclusive Call Option Agreement concerning GDS Beijing, among William Wei Huang, Qiuping Huang and GDS Investment Company, dated April 13, 2016 (English Translation) (incorporated by reference to Exhibit 10.5 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.11	<u>Loan Agreement between William Wei Huang, Qiuping Huang and GDS Investment Company, dated April 13, 2016 (English Translation) (incorporated by reference to Exhibit 10.6 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.12	<u>Exclusive Technology License and Service Agreement between GDS Beijing and GDS Investment Company, dated April 13, 2016 (English Translation) (incorporated by reference to Exhibit 10.7 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.13	<u>Equity Interest Pledge Agreement concerning GDS Shanghai, among William Wei Huang, Qiuping Huang and GDS Investment Company, dated April 13, 2016 (English Translation) (incorporated by reference to Exhibit 10.8 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.14	<u>Shareholder Voting Rights Proxy Agreement concerning GDS Shanghai, among GDS Investment Company, GDS Shanghai, William Wei Huang and Qiuping Huang, dated April 13, 2016 (English Translation) (incorporated by reference to Exhibit 10.9 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.15	<u>Intellectual Property Rights License Agreement between GDS Shanghai and GDS Investment Company, dated April 13, 2016 (English Translation) (incorporated by reference to Exhibit 10.10 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.16	<u>Exclusive Call Option Agreement concerning GDS Shanghai, among William Wei Huang, Qiuping Huang, GDS Shanghai and GDS Investment Company, dated April 13, 2016 (English Translation) (incorporated by reference to Exhibit 10.11 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.17	<u>Exclusive Technology License and Service Agreement between GDS Shanghai and GDS Investment Company, dated April 13, 2016 (English Translation) (incorporated by reference to Exhibit 10.12 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>

Exhibit Number	Description of Exhibit
4.18	<u>Loan Agreement among William Wei Huang, Qiuping Huang and GDS Investment Company, dated April 13, 2016 (English Translation) (incorporated by reference to Exhibit 10.13 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.19	<u>Form of Indemnification Agreement between the Registrant and its directors and executive officers (incorporated by reference to Exhibit 10.14 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.20	<u>Forms of Employment Agreements between the Registrant and its executive officers (incorporated by reference to Exhibit 10.15 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.21	<u>Data Center Outsourcing Service Agreement (English Translation) (incorporated by reference to Exhibit 10.17 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.22†	<u>Premises and Warehouse Lease Agreement dated December 26, 2008 (English Translation) (incorporated by reference to Exhibit 10.18 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.23†	<u>Premises and Warehouse Lease Agreement dated April 15, 2011 (English Translation) (incorporated by reference to Exhibit 10.19 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.24†	<u>Premise Lease Agreement dated July 16, 2012 (English Translation) (incorporated by reference to Exhibit 10.20 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.25†	<u>Premise Lease Agreement dated March 9, 2015 (English Translation) (incorporated by reference to Exhibit 10.21 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.26†	<u>Premise Lease Agreement dated July 6, 2015 (English Translation) (incorporated by reference to Exhibit 10.22 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.27†	<u>Tenement Lease Agreement dated April 1, 2015 (English Translation) (incorporated by reference to Exhibit 10.23 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.28†	<u>Premise Lease Agreement dated November 27, 2013 (English Translation) (incorporated by reference to Exhibit 10.24 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.29†	<u>Premise Lease Agreement dated August 1, 2015 (English Translation) (incorporated by reference to Exhibit 10.25 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)</u>
4.30	<u>GDS Holdings Limited 2016 Equity Incentive Plan (as amended on August 6, 2020) (incorporated by reference to Exhibit 4.30 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2020 (File No. 001-37925), initially filed with the SEC on April 12, 2021)</u>
4.31	<u>Information Rights Letter dated November 7, 2016 from the Registrant to STT GDC (incorporated by reference to Exhibit 4.33 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2016 (File No. 001-37925), initially filed with the SEC on April 19, 2017)</u>
4.32	<u>Investor Rights Agreement, dated October 23, 2017, between the Registrant, Cheetah Asia Holdings LLC, CyrusOne LLC and Mr. Huang (only with respect to Article I (insofar as and only to the extent to which such Definitions are used in the other sections with respect to which Mr. Huang is entering into this Agreement), Section 2.2, and Article VI) (incorporated by reference to Exhibit 99.2 to our report on Form 6-K (File No. 001-37925), initially filed with the SEC on October 24, 2017)</u>

Exhibit Number	Description of Exhibit
4.33	<u>Investor Rights Agreement, dated October 23, 2017, between the Registrant and STT GDC Pte. Ltd. (incorporated by reference to Exhibit 99.3 to our report on Form 6-K (File No. 001-37925), initially filed with the SEC on October 24, 2017)</u>
4.34	<u>Investor Rights Agreement, dated October 23, 2017, between the Registrant, SBCVC Fund II, L.P., SBCVC Company Limited, SBCVC Fund II-Annex, L.P., SBCVC Venture Capital and SBCVC Fund III, L.P. (incorporated by reference to Exhibit 99.4 to our report on Form 6-K (File No. 001-37925), initially filed with the SEC on October 24, 2017)</u>
4.35	<u>Indenture, dated June 5, 2018, between the Registrant and The Bank of New York Mellon, as Trustee, relating to the issuance of Registrant's 2% Convertible Senior Notes due 2025 in the aggregate principal amount of US\$300 million (incorporated by reference to Exhibit 4.36 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2018 (File No. 001-37925), initially filed with the SEC on March 13, 2019)</u>
4.36	<u>Terms of Series A Convertible Preferred Shares, par value US\$0.00005 per share, of the Registrant (incorporated by reference to Exhibit 99.3 to our Current Report on Form 6-K for March 2019 (File No. 001-37925), initially filed with the SEC on March 13, 2019)</u>
4.37	<u>Investor Rights Agreement, dated March 27, 2019, by and among the Registrant and PA Goldilocks Limited (incorporated by reference to Exhibit 99.4 to our Current Report on Form 6-K for March 2019 (File No. 001-37925), initially filed with the SEC on March 13, 2019)</u>
4.38	<u>Form of Amendment No. 1 to Investor Rights Agreement between the Registrant and STT GDC Pte. Ltd. (incorporated by reference to Exhibit 99.3 to the Amendment No. 7 to Schedule 13D of Singapore Technologies Telemedia Pte Ltd (File No. 005-89829), initially filed with the SEC on March 19, 2019)</u>
4.39††	<u>Share Purchase Agreement by and between GDS (Shanghai) Investment Co., Ltd., Beijing Zhong Cheng Fu Jing Technology Co., Ltd., Beijing Lan Ting Data Technology Co., Ltd., Beijing Zheng He Tian Ye Economic and Trade Co., Ltd., Jun He, Lanting (Beijing) Information Science and Technology Co., Ltd., and Lanting Xuntong (Beijing) Science and Technology Co., Ltd. dated December 4, 2019 (English Translation) (incorporated by reference to Exhibit 10.1 to our Current Report on Form 6-K for December 2019 (File No. 001-37925), initially filed with the SEC on December 5, 2019)</u>
4.40	<u>Amendment No. 2 to Investor Rights Agreement, dated December 10, 2019, between the Registrant and STT GDC Pte. Ltd. (incorporated by reference to Exhibit 99.3 to the Amendment No. 8 to Schedule 13D of Singapore Technologies Telemedia Pte Ltd (File No. 005-89829), initially filed with the SEC on December 10, 2019)</u>
4.41	<u>Equity Pledge Agreement with regards to Beijing Wanguo Chang'an Science & Technology Co., Ltd., dated December 16, 2019, between Shanghai Xinwan Enterprise Management Co., Ltd. and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.41 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)</u>
4.42	<u>Voting Proxy Agreement with regards to Beijing Wanguo Chang'an Science & Technology Co., Ltd., dated December 16, 2019, among GDS (Shanghai) Investment Co., Ltd., Beijing Wanguo Chang'an Science & Technology Co., Ltd. and Shanghai Xinwan Enterprise Management Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.42 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)</u>
4.43	<u>Exclusive Call Option Agreement with regards to Beijing Wanguo Chang'an Science & Technology Co., Ltd., dated December 16, 2019, among Shanghai Xinwan Enterprise Management Co., Ltd., Beijing Wanguo Chang'an Science & Technology Co., Ltd. and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.43 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)</u>

Exhibit Number	Description of Exhibit
4.44	<u>Loan Agreement, dated December 16, 2019, between Shanghai Xinwan Enterprise Management Co., Ltd., Huang Wei, Huang Qiuping and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.44 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020).</u>
4.45	<u>Exclusive Technology License and Service Agreement, dated December 16, 2019, between Beijing Wanguo Chang'an Science & Technology Co., Ltd. and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.45 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020).</u>
4.46	<u>Intellectual Property Rights License Agreement, dated December 16, 2019, between Beijing Wanguo Chang'an Science & Technology Co., Ltd. and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.46 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020).</u>
4.47	<u>Equity Pledge Agreement with regards to Shanghai Shu'an Data Services Co., Ltd., dated December 18, 2019, between Shanghai Xinwan Enterprise Management Co., Ltd. and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.47 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020).</u>
4.48	<u>Voting Proxy Agreement with regards to Shanghai Shu'an Data Services Co., Ltd., dated December 18, 2019, among GDS (Shanghai) Investment Co., Ltd., Shanghai Shu'an Data Services Co., Ltd. and Shanghai Xinwan Enterprise Management Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.48 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020).</u>
4.49	<u>Exclusive Call Option Agreement with regards to Shanghai Shu'an Data Services Co., Ltd., dated December 18, 2019, among Shanghai Xinwan Enterprise Management Co., Ltd., Shanghai Shu'an Data Services Co., Ltd. and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.49 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020).</u>
4.50	<u>Loan Agreement, dated December 18, 2019, between Shanghai Xinwan Enterprise Management Co., Ltd., Huang Wei, Huang Qiuping and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.50 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020).</u>
4.51	<u>Exclusive Technology License and Service Agreement, dated December 18, 2019, between Shanghai Shu'an Data Services Co., Ltd. and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.51 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020).</u>
4.52	<u>Intellectual Property Rights License Agreement, dated December 18, 2019, between Shanghai Shu'an Data Services Co., Ltd. and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.52 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020).</u>
4.53	<u>Equity Pledge Agreement with regards to Shanghai Xinwan Enterprise Management Co., Ltd., dated December 16, 2019, between Li Wenfeng and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.53 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020).</u>
4.54	<u>Equity Pledge Agreement with regards to Shanghai Xinwan Enterprise Management Co., Ltd., dated December 16, 2019, between Liang Yan and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit</u>

Exhibit Number	Description of Exhibit
	4.54 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)
4.55	Equity Pledge Agreement with regards to Shanghai Xinwan Enterprise Management Co., Ltd., dated December 16, 2019, between Wang Qi and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.55 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)
4.56	Voting Proxy Agreement with regards to Shanghai Xinwan Enterprise Management Co., Ltd., dated December 16, 2019, among GDS (Shanghai) Investment Co., Ltd., Shanghai Xinwan Enterprise Management Co., Ltd. and Li Wenfeng (English Translation) (incorporated by reference to Exhibit 4.58 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)
4.57	Voting Proxy Agreement with regards to Shanghai Xinwan Enterprise Management Co., Ltd., dated December 16, 2019, among GDS (Shanghai) Investment Co., Ltd., Shanghai Xinwan Enterprise Management Co., Ltd. and Liang Yan (English Translation) (incorporated by reference to Exhibit 4.59 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)
4.58	Voting Proxy Agreement with regards to Shanghai Xinwan Enterprise Management Co., Ltd., dated December 16, 2019, among GDS (Shanghai) Investment Co., Ltd., Shanghai Xinwan Enterprise Management Co., Ltd. and Wang Qi (English Translation) (incorporated by reference to Exhibit 4.60 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)
4.59	Exclusive Call Option Agreement with regards to Shanghai Xinwan Enterprise Management Co., Ltd., dated December 16, 2019, among Li Wenfeng, Shanghai Xinwan Enterprise Management Co., Ltd. and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.63 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)
4.60	Exclusive Call Option Agreement with regards to Shanghai Xinwan Enterprise Management Co., Ltd., dated December 16, 2019, among Liang Yan, Shanghai Xinwan Enterprise Management Co., Ltd. and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.64 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)
4.61	Exclusive Call Option Agreement with regards to Shanghai Xinwan Enterprise Management Co., Ltd., dated December 16, 2019, among Wang Qi, Shanghai Xinwan Enterprise Management Co., Ltd. and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.65 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)
4.62	Loan Agreement, dated December 16, 2019, between Li Wenfeng and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.68 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)
4.63	Loan Agreement, dated December 16, 2019, between Liang Yan and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.69 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)
4.64	Loan Agreement, dated December 16, 2019, between Wang Qi and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.70 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)
4.65	Exclusive Technology License and Service Agreement, dated December 16, 2019, between Shanghai Xinwan Enterprise Management Co., Ltd. and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to

Exhibit Number	Description of Exhibit
	Exhibit 4.73 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)
4.66	Intellectual Property Rights License Agreement, dated December 16, 2019, between Shanghai Xinwan Enterprise Management Co., Ltd. and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.74 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2019 (File No. 001-37925), initially filed with the SEC on April 17, 2020)
4.67	Amendment No. 1 to Investor Rights Agreement, dated June 26, 2020, between the Registrant and PA Goldilocks Limited (incorporated by reference to Exhibit 4.11 to our Registration Statement on Form F-3 (File No. 333-252680), initially filed with the SEC on February 3, 2021)
4.68	Investor Rights Agreement, dated June 26, 2020, by and among the Registrant, Gaoling Fund, L.P. and YHG Investment, L.P. (incorporated by reference to Exhibit 4.12 to our Registration Statement on Form F-3 (File No. 333-252680), initially filed with the SEC on February 3, 2021)
4.69	Investor Rights Agreement, dated June 26, 2020, between the Registrant and STT GDC Pte. Ltd. (incorporated by reference to Exhibit 4.13 to our Registration Statement on Form F-3 (File No. 333-252680), initially filed with the SEC on February 3, 2021)
4.70	Amendment No. 1 to Investor Rights Agreement, dated August 4, 2020, between the Registrant and STT GDC Pte. Ltd. (incorporated by reference to Exhibit 99.2 to the Amendment No. 10 to Schedule 13D of Singapore Technologies Telemedia Pte Ltd (File No. 005-89829), initially filed with the SEC on August 6, 2020)
4.71††	Share Purchase Agreement by and between Beijing Yize Data Science & Technology Co., Ltd., Shanghai Rongyu Investment Management Center (Limited Partnership), Shuntou (Tianjin) Technology Development Partnership (Limited Partnership), Tianjin Rongxin Business Management Partnership (Limited Partnership), Tibet Lingyu Venture Capital Management Co., Ltd., Zhongyunxin Science & Technology Co., Ltd., Beijing Zhongyunxin Shunyi Data Science & Technology Co., Ltd. and Tianjin Zhongyunxin Data Co., Ltd., dated February 26, 2021 (incorporated by reference to Exhibit 4.78 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2020 (File No. 001-37925), initially filed with the SEC on April 12, 2021)
4.72††	Share Purchase Agreement by and between Beijing Wanguo Chang'an Science & Technology Co., Ltd., Shanghai Rongyu Investment Management Center (Limited Partnership), Shuntou (Tianjin) Technology Development Partnership (Limited Partnership), Tianjin Rongxin Business Management Partnership (Limited Partnership), Tibet Lingyu Venture Capital Management Co., Ltd., Shaoyan Gao and Tianjin Zhongyunxin Science & Technology Co., Ltd., dated February 26, 2021 (incorporated by reference to Exhibit 4.79 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2020 (File No. 001-37925), initially filed with the SEC on April 12, 2021)
4.73	Amendment No. 2 to Investor Rights Agreement, dated February 20, 2022, between the Registrant and STT GDC Pte. Ltd. (incorporated by reference to Exhibit 4.1 to our Current Report on Form 6-K for February 2022 (File No. 001-37925), initially filed with the SEC on February 22, 2022)
4.74	Convertible Note Purchase Agreement, dated February 21, 2022, among the Registrant, SCC Infrastructure I 2021-A (BVI), L.P., SCC Infrastructure I Holdco A, Ltd., Reco Millennium Pte Ltd and Ceningan Investment Pte Ltd, relating to the issuance of the Registrant's 0.25% Convertible Senior Notes due 2029 in the aggregate principal amount of US\$520 million (incorporated by reference to Exhibit 4.2 to our Current Report on Form 6-K for February 2022 (File No. 001-37925), initially filed with the SEC on February 22, 2022)
4.75	Form of Indenture between the Registrant and The Bank of New York Mellon, London Branch as Trustee, relating to the issuance of Registrant's 0.25% Convertible Senior Notes due 2029 in the aggregate principal amount of US\$520 million (incorporated by reference to Exhibit 4.3 to our Current Report on Form 6-K for February 2022 (File No. 001-37925), initially filed with the SEC on February 22, 2022)

Exhibit Number	Description of Exhibit
4.76	<u>Convertible Note Purchase Agreement, dated February 21, 2022, between the Registrant and STT GDC Pte. Ltd., relating to the issuance of the Registrant's 0.25% Convertible Senior Notes due 2029 in the aggregate principal amount of US\$100 million (incorporated by reference to Exhibit 4.4 to our Current Report on Form 6-K for February 2022 (File No. 001-37925), initially filed with the SEC on February 22, 2022)</u>
4.77	<u>Form of Convertible Note Instrument between the Registrant and STT GDC Pte. Ltd., relating to the issuance of the Registrant's 0.25% Convertible Senior Notes due 2029 in the aggregate principal amount of US\$100 million (incorporated by reference to Exhibit 4.5 to our Current Report on Form 6-K for February 2022 (File No. 001-37925), initially filed with the SEC on February 22, 2022)</u>
4.78	<u>Note Purchase Agreement, dated January 11, 2023, among the Registrant and the Persons Listed in Schedule I, relating to the issuance of the Registrant's 4.50% Convertible Senior Notes due 2030 in the aggregate principal amount of US\$580 million (incorporated by reference to Exhibit 4.1 to our Current Report on Form 6-K for January 2023 (File No. 001-37925), initially filed with the SEC on January 31, 2023)</u>
4.79	<u>Indenture, dated January 20, 2023, between the Registrant and The Bank of New York Mellon, London Branch as Trustee, relating to the issuance of Registrant's 4.50% Convertible Senior Notes due 2030 in the aggregate principal amount of US\$580 million (incorporated by reference to Exhibit 4.2 to our Current Report on Form 6-K for January 2023 (File No. 001-37925), initially filed with the SEC on January 31, 2023)</u>
4.80	<u>Equity Pledge Agreement with regards to Shanghai Xinwan Enterprise Management Co., Ltd., dated August 1, 2022, between Zhang Kejing and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.83 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2022 (File No. 001-37925), initially filed with the SEC on April 4, 2023)</u>
4.81	<u>Voting Proxy Agreement with regards to Shanghai Xinwan Enterprise Management Co., Ltd., dated August 1, 2022, among GDS (Shanghai) Investment Co., Ltd., Shanghai Xinwan Enterprise Management Co., Ltd. and Zhang Kejing (English Translation) (incorporated by reference to Exhibit 4.84 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2022 (File No. 001-37925), initially filed with the SEC on April 4, 2023)</u>
4.82	<u>Exclusive Call Option Agreement with regards to Shanghai Xinwan Enterprise Management Co., Ltd., dated August 1, 2022, among Zhang Kejing, Shanghai Xinwan Enterprise Management Co., Ltd. and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.85 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2022 (File No. 001-37925), initially filed with the SEC on April 4, 2023)</u>
4.83	<u>Loan Agreement, dated August 1, 2022, among Zhang Kejing, Chen Liang and GDS (Shanghai) Investment Co., Ltd. (English Translation) (incorporated by reference to Exhibit 4.86 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2022 (File No. 001-37925), initially filed with the SEC on April 4, 2023)</u>
4.84	<u>Form of Series A Preferred Share Subscription Agreement among DigitalLand Holdings Limited, GDS Holdings Limited and The Investors Named Herein (incorporated by reference to Exhibit 99.1 to our Current Report on Form 6 - K for March 2024 (File No. 001 - 37925), initially filed with the SEC on March 28, 2024)</u>
4.85	<u>Form of Series B Preferred Share Subscription Agreement among DigitalLand Holdings Limited and The Investors Named Herein (incorporated by reference to Exhibit 99.1 to our Current Report on Form 6-K for October 2024 (File No. 001-37925), initially filed with the SEC on October 31, 2024)</u>
4.86††	<u>Investor Rights Assignment Agreement, dated May 29, 2024, among the Registrant, STT GDC Pte. Ltd. and STT Garnet Pte. Ltd. (incorporated by reference to Exhibit 4.89 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2024 (File No. 001-37925), initially filed with the SEC on April 28, 2025)</u>

Exhibit Number	Description of Exhibit
4.87††	Joinder Agreement, dated May 29, 2024, entered into by STT Garnet Pte. Ltd. and acknowledged and agreed by the Registrant (incorporated by reference to Exhibit 4.90 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2024 (File No. 001-37925), initially filed with the SEC on April 28, 2025)
*4.88	Indenture, dated May 30, 2025, between the Registrant and The Bank of New York Mellon as Trustee, relating to the issuance of the Registrant's 2.25% Convertible Senior Notes due 2032 in the aggregate principal amount of US\$550 million
*4.89	Exclusive Call Option Agreement with regards to Langfang Shengman Technology Co., Ltd., dated September 30, 2025, among Beijing Wanguo Chang'an Science & Technology Co., Ltd., Langfang Shengman Technology Co., Ltd. and Langfang Zhouyu Electronic & Technology Co., Ltd. (English Translation)
*4.90	Equity Pledge Agreement with regards to Langfang Shengman Technology Co., Ltd., dated September 30, 2025, between Beijing Wanguo Chang'an Science & Technology Co., Ltd. and Langfang Zhouyu Electronic & Technology Co., Ltd. (English Translation)
*4.91	Voting Proxy Agreement with regards to Langfang Shengman Technology Co., Ltd., dated September 30, 2025, among Beijing Wanguo Chang'an Science & Technology Co., Ltd., Langfang Shengman Technology Co., Ltd. and Langfang Zhouyu Electronic & Technology Co., Ltd. (English Translation)
*4.92	Exclusive Call Option Agreement with regards to Changshu Yuntu Huichuang Data Technology Co., Ltd., dated September 30, 2025, among Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd., Global Data Solutions Co., Ltd. and Changshu Yuntu Huichuang Data Technology Co., Ltd. (English Translation)
*4.93	Exclusive Technology and Consulting Services Agreement, dated September 30, 2025, between Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd. and Changshu Yuntu Huichuang Data Technology Co., Ltd. (English Translation)
*4.94	Equity Pledge Agreement with regards to Changshu Yuntu Huichuang Data Technology Co., Ltd., dated September 30, 2025, between Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd. and Global Data Solutions Co., Ltd. (English Translation)
*4.95	Voting Proxy Agreement with regards to Changshu Yuntu Huichuang Data Technology Co., Ltd., dated September 30, 2025, among Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd., Changshu Yuntu Huichuang Data Technology Co., Ltd. and Global Data Solutions Co., Ltd. (English Translation)
4.96	Terms of Series B Convertible Preferred Shares, par value US\$0.00005 per share, of the Registrant (incorporated by reference to Exhibit 4.1 to our Current Report on Form 6-K for February 2026 (File No. 001-37925), initially filed with the SEC on February 6, 2026)
*4.97	Equity Pledge Agreement with regards to Shanghai Xinwan Enterprise Management Co., Ltd., dated March 24, 2026, between Hui Zhou and GDS (Shanghai) Investment Co., Ltd. (English Translation)
*4.98	Voting Proxy Agreement with regards to Shanghai Xinwan Enterprise Management Co., Ltd., dated March 24, 2026, among GDS (Shanghai) Investment Co., Ltd., Shanghai Xinwan Enterprise Management Co., Ltd. and Hui Zhou (English Translation)
*4.99	Exclusive Call Option Agreement with regards to Shanghai Xinwan Enterprise Management Co., Ltd., dated March 24, 2026, among Hui Zhou, Shanghai Xinwan Enterprise Management Co., Ltd. and GDS (Shanghai) Investment Co., Ltd. (English Translation)
*4.100	Loan Agreement, dated March 24, 2026, between Hui Zhou and GDS (Shanghai) Investment Co., Ltd. (English Translation)

Exhibit Number	Description of Exhibit
*8.1	List of Subsidiaries of the Registrant
11.1	Code of Business Conduct of the Registrant (incorporated by reference to Exhibit 99.1 to our Registration Statement on Form F-1 (File No. 333-213951), initially filed with the SEC on October 4, 2016)
11.2	Insider Trading Policies (incorporated by reference to Exhibit 11.2 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2024 (File No. 001-37925), initially filed with the SEC on April 28, 2025)
*12.1	Certification of our Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*12.2	Certification of our Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
**13.1	Certification of our Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
**13.2	Certification of our Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*15.1	Consent of Independent Registered Public Accounting Firm
*15.2	Consent of King & Wood
97.1	Incentive Compensation Clawback Policy of the Registrant (incorporated by reference to Exhibit 97.1 to our Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2023 (File No. 001-37925), initially filed with the SEC on April 29, 2024)
*101.INS	Inline XBRL Instance Document
*101.SCH	Inline XBRL Taxonomy Extension Schema Document
*101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
*101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
*101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document
*101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
*104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

** Furnished herewith.

As permitted by Item 601(b)(4)(iii)(A) of Regulation S-K, our company has not filed with this annual report certain instruments defining the rights of holders of long-term debt of our company and its subsidiaries because the total amount of securities authorized under any such instruments does not exceed 10% of the total assets of our company and its subsidiaries on a consolidated basis. The Company agrees to furnish a copy of any such agreement to the SEC upon request.

† Confidential treatment has been granted for portions of this document.

†† Portions of this exhibit have been omitted in accordance with Item 601(b)(10) of Regulation S-K.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

GDS Holdings Limited

By: /s/ William Wei Huang

Name: William Wei Huang

Title: Chief Executive Officer

Date: April 29, 2026

GDS HOLDINGS LIMITED AND SUBSIDIARIES

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Report of Independent Registered Public Accounting Firm

**To the Board of Directors and Shareholders
GDS Holdings Limited:**

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of GDS Holdings Limited and subsidiaries (“the Company”) as of December 31, 2024 and 2025, the related consolidated statements of operations, comprehensive (loss) income, changes in shareholders’ equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively, the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2025, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s consolidated financial statements and an opinion on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Realizability of deferred tax assets associated with the Company's net operating losses carry forwards

As discussed in Note 2(x) and Note 22 to the consolidated financial statements, as of December 31, 2025, the Company's deferred tax assets for net operating losses carry forwards and related valuation allowance were RMB1,259,651 thousand and RMB967,677 thousand, respectively. The Company evaluated the realizability of deferred tax assets associated with the Company's net operating losses carry forwards to determine whether there was more than a 50% likelihood that these deferred tax assets would be realized. The evaluation was based on the Company's estimate of the future taxable income. The future taxable income incorporates the Company's best estimates of utilization rates of relevant data centers based on historical utilization rates and the Company's business plans.

We identified the realizability of deferred tax assets associated with the Company's net operating losses carry forwards as a critical audit matter. A high degree of auditor judgment was required in assessing the utilization rates of certain data centers used to evaluate the future taxable income.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the determination of the utilization rates used in the future taxable income forecast. We evaluated the utilization rates of certain data centers, by comparing the utilization rates of such data centers to the historical utilization rates, the Company's business plans and data derived from publicly available industry reports. We performed sensitivity analysis over the utilization rates used to determine the amount and the timing of forecasted taxable income to assess the impact of changes in utilization rates on the Company's realizability assessment of deferred tax assets.

Assessment of impairment of long-lived assets of certain data centers

As discussed in Notes 2(o), 7, 8 and 14 to the consolidated financial statements, as of December 31, 2025, the Company's property and equipment, net, intangible assets, net, prepaid land use rights, net and operating lease right-of-use assets were RMB38,053,824 thousand, RMB273,341 thousand, RMB16,119 thousand and RMB4,831,624 thousand, respectively. These assets included the long-lived assets of the Company's data centers. The Company tests long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. If the carrying amount of an asset group exceeds its estimated undiscounted future cash flows, an impairment loss is recognized in the amount of the excess of the asset group's carrying value over its fair value. The Company determines the fair value of the data center assets based on the higher of the forecasted discounted cash flows expected to result from the data center assets' operations and eventual disposition and the price market participants would pay to sub-lease and acquire the remaining data center assets. The Company recognized impairment losses for data centers' long-lived assets of RMB1,561,235 thousand for the year ended December 31, 2025.

We identified the impairment of long-lived assets of certain data centers as a critical audit matter. A high degree of auditor judgment was required in assessing the utilization rates used to estimate the forecasted undiscounted cash flows expected to result from the data center assets' operations. In addition, specialized skills and knowledge were needed to assess the Company's discount rate used to estimate the forecasted discounted cash flows expected to result from the data center assets' operations.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's long-lived assets impairment assessment process, including controls over the estimates of the utilization rates and the discount rate. We evaluated the utilization rates of certain data centers used in the development of the forecasted undiscounted cash flows, by comparing the utilization rates of such data centers to the historical utilization rates, the Company's business plans and data derived from publicly available industry reports. We performed sensitivity analysis over the utilization rates of certain data centers to assess the impact of changes in utilization rates on the Company's estimated undiscounted future cash flows. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the discount rate by comparing it against a discount rate range that was independently developed using publicly available information and data for comparable entities.

/s/ KPMG Huazhen LLP

We have served as the Company's auditor since 2015.

Shanghai, China
April 29, 2026

GDS HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands of RMB, except share data and per share data, or otherwise noted)

		As of December 31,	
		2024	2025
Assets			
Current assets			
Cash and cash equivalents	4	7,867,659	14,305,958
Restricted cash	4	67,419	130,295
Time deposits		—	667,736
Accounts receivable, net of allowance for credit losses	5	3,021,956	2,467,358
Value-added-tax ("VAT") recoverable		240,506	284,967
Amount due from related parties, current	28	54,282	278,597
Other current assets	6	361,249	412,546
Total current assets		11,613,071	18,547,457
Non-current assets			
Restricted cash	4	158,452	4,774
Amount due from related parties, non-current	28	—	214,760
VAT recoverable		1,489,532	1,777,272
Property and equipment, net	7	40,204,133	38,053,824
Intangible assets, net	8	481,114	273,341
Prepaid land use rights, net		21,774	16,119
Operating lease right-of-use assets	14	5,193,408	4,831,624
Goodwill	9	5,886,379	5,187,717
Deferred tax assets	22	381,274	391,219
Long-term investments in equity investees	10	7,544,555	10,052,348
Other non-current assets		674,936	648,043
Total non-current assets		62,035,557	61,451,041
Total assets		73,648,628	79,998,498
Liabilities, Mezzanine Equity and Shareholders' Equity			
Current liabilities			
Short-term borrowings and current portion of long-term borrowings (including amounts of the consolidated VIEs without recourse to GDS Holdings of RMB254,176 and RMB152,230 as of December 31, 2024 and 2025, respectively)	11	4,341,649	2,951,734
Convertible bonds payable, current	12	575	—
Accounts payable (including amounts of the consolidated VIEs without recourse to GDS Holdings of RMB502,672 and RMB390,791 as of December 31, 2024 and 2025, respectively)	13	2,593,305	1,932,177
Amount due to related parties (including amounts of the consolidated VIEs without recourse to GDS Holdings of nil and RMB62,252 as of December 31, 2024 and 2025, respectively)	28	9,491	117,889
Accrued expenses and other payables (including amounts of the consolidated VIEs without recourse to GDS Holdings of RMB253,236 and RMB330,923 as of December 31, 2024 and 2025, respectively)	13	1,288,606	1,205,452
Deferred revenue (including amounts of the consolidated VIEs without recourse to GDS Holdings of RMB82,633 and RMB106,277 as of December 31, 2024 and 2025, respectively)	5	90,975	113,832
Operating lease liabilities, current (including amounts of the consolidated VIEs without recourse to GDS Holdings of RMB33,563 and RMB26,005 as of December 31, 2024 and 2025, respectively)	14	117,345	110,133
Finance lease and other financing obligations, current (including amounts of the consolidated VIEs without recourse to GDS Holdings of RMB45,153 and RMB48,986 as of December 31, 2024 and 2025, respectively)	14	636,152	697,142
Total current liabilities		9,078,098	7,128,359
Non-current liabilities			
Long-term borrowings, excluding current portion (including amounts of the consolidated VIEs without recourse to GDS Holdings of RMB2,230 and nil as of December 31, 2024 and 2025, respectively)	11	21,905,985	23,363,213
Convertible bonds payable, non-current	12	8,576,583	12,144,371
Operating lease liabilities, non-current (including amounts of the consolidated VIEs without recourse to GDS Holdings of RMB81,881 and RMB70,464 as of December 31, 2024 and 2025, respectively)	14	1,279,726	1,203,487
Finance lease and other financing obligations, non-current (including amounts of the consolidated VIEs without recourse to GDS Holdings of RMB851,192 and RMB802,388 as of December 31, 2024 and 2025, respectively)	14	7,601,651	7,053,979
Deferred tax liabilities (including amounts of the consolidated VIEs without recourse to GDS Holdings of RMB32,746 and RMB24,122 as of December 31, 2024 and 2025, respectively)	22	1,240,731	1,144,426
Other long-term liabilities (including amounts of the consolidated VIEs without recourse to GDS Holdings of RMB57,766 and RMB64,801 as of December 31, 2024 and 2025, respectively)	15	297,221	223,602
Total non-current liabilities		40,901,897	45,133,078
Total liabilities		49,979,995	52,261,437
Mezzanine Equity			
Redeemable preferred shares (US\$0.00005 par value; 150,000 shares authorized, issued and outstanding as of December 31, 2024 and 2025; Redemption value of RMB1,080,656 and RMB1,056,663 as of December 31, 2024 and 2025, respectively; Liquidation preference of RMB1,080,656 and RMB1,056,663 as of December 31, 2024 and 2025, respectively)	16	1,080,656	1,056,663
Total mezzanine equity		1,080,656	1,056,663
GDS Holdings Limited Shareholders' Equity			
Ordinary shares (US\$0.00005 par value; 3,500,000,000 shares authorized as of December 31, 2024 and 2025; 1,511,590,567 and 1,607,430,567 Class A ordinary shares issued and outstanding as of December 31, 2024 and 2025, respectively; 43,590,336 Class B ordinary shares issued and outstanding as of December 31, 2024 and 2025)	19	527	562
Additional paid-in capital		29,596,268	31,706,498
Accumulated other comprehensive loss		(1,094,377)	(829,319)
Accumulated deficit		(5,044,372)	(4,044,729)
Total GDS Holdings Limited shareholders' equity		22,458,046	25,783,012
Non-controlling interests		129,931	897,386
Total equity		22,587,977	26,680,398
Commitments and contingencies	27		
Total liabilities, mezzanine equity and equity		73,648,628	79,998,498

See accompanying notes to consolidated financial statements.

GDS HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of RMB, except share data and per share data, or otherwise noted)

	Note	Years ended December 31,		
		2023	2024	2025
Net revenue	21	9,782,448	10,322,068	11,432,274
Cost of revenue		(7,831,222)	(8,099,439)	(8,846,859)
Gross profit		1,951,226	2,222,629	2,585,415
Operating expenses				
Selling and marketing expenses		(140,890)	(116,440)	(149,363)
General and administrative expenses		(965,982)	(917,877)	(897,867)
Research and development expenses		(38,159)	(36,319)	(32,700)
Impairment losses of long-lived assets	2(o)	(3,013,416)	—	(1,561,235)
(Loss) income from continuing operations		(2,207,221)	1,151,993	(55,750)
Other income (expenses):				
Interest income		94,008	89,780	154,041
Interest expenses	2(v)	(1,936,537)	(1,924,631)	(1,788,898)
Foreign currency exchange (loss) gain, net		(1,573)	18,942	1,489
Government grants	2(u)	84,410	27,253	30,944
Others, net		25,319	21,804	7,221
Gain on deconsolidation of subsidiaries	10	—	—	2,364,104
(Loss) income from continuing operations before income taxes and share of results of equity method investees		(3,941,594)	(614,859)	713,151
Income tax benefits (expenses)	22	15,577	(156,053)	(469,717)
Share of results of equity method investees	10	—	—	715,928
Net (loss) income from continuing operations		(3,926,017)	(770,912)	959,362
Discontinued operations				
Loss from operations of discontinued operations, net of income taxes	3	(359,376)	(400,796)	—
Gain on deconsolidation of subsidiaries, net of nil income taxes	3	—	4,475,539	—
(Loss) income from discontinued operations		(359,376)	4,074,743	—
Net (loss) income		(4,285,393)	3,303,831	959,362
Net (loss) income from continuing operations		(3,926,017)	(770,912)	959,362
Net income from continuing operations attributable to non-controlling interests		(5,026)	(6,209)	(9,719)
Net (loss) income from continuing operations attributable to GDS Holdings Limited shareholders		(3,931,043)	(777,121)	949,643
(Loss) income from discontinued operations		(359,376)	4,074,743	—
Net loss from discontinued operations attributable to non-controlling interests		366	7,317	—
Net loss from discontinued operations attributable to redeemable non-controlling interests	17	—	120,447	—
Net (loss) income from discontinued operations attributable to GDS Holdings Limited shareholders		(359,010)	4,202,507	—
Net (loss) income attributable to GDS Holdings Limited shareholders		(4,290,053)	3,425,386	949,643
Cumulative dividend on redeemable preferred shares	16	(53,625)	(54,232)	(54,305)
Net (loss) income attributable to GDS Holdings Limited ordinary shareholders		(4,343,678)	3,371,154	895,338
(Loss) income per Class A and Class B ordinary share				
Basic				
Continuing operations	24	(2.71)	(0.52)	0.59
Discontinued operations	24	(0.25)	2.79	—
Total	24	(2.96)	2.27	0.59
Diluted				
Continuing operations	24	(2.71)	(0.52)	0.55
Discontinued operations	24	(0.25)	2.79	—
Total	24	(2.96)	2.27	0.55
Weighted average number of ordinary share outstanding				
Basic	24	1,468,187,956	1,475,079,754	1,520,535,019
Diluted	24	1,468,187,956	1,475,079,754	1,644,556,988

See accompanying notes to consolidated financial statements.

GDS HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(In thousands of RMB, except share data and per share data, or otherwise noted)

	Note	Years ended December 31,		
		2023	2024	2025
Net (loss) income		(4,285,393)	3,303,831	959,362
Other comprehensive (loss) income				
Foreign currency translation adjustments, net of nil tax		(125,118)	74,741	222,024
Defined benefit plan, net of nil tax		—	(41)	—
Amounts reclassified from accumulated other comprehensive loss	10	—	(96,957)	(21,175)
Other comprehensive income from share of results of equity method investees	10	—	—	64,642
Comprehensive (loss) income		(4,410,511)	3,281,574	1,224,853
Comprehensive income attributable to non-controlling interests		(5,575)	(1,076)	(10,152)
Comprehensive loss attributable to redeemable non-controlling interests		—	24,904	—
Comprehensive (loss) income attributable to GDS Holdings Limited shareholders		(4,416,086)	3,305,402	1,214,701

See accompanying notes to consolidated financial statements.

GDS HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands of RMB, except share data and per share data, or otherwise noted)

	Note	Ordinary Shares		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total GDS Holdings Limited shareholders' equity	Non-controlling interests	Total equity
		Number	Amount						
Balance at January 1, 2023		1,524,432,991	516	29,048,598	(848,360)	(5,179,705)	23,021,049	116,594	23,137,643
Loss for the year		—	—	—	—	(4,290,053)	(4,290,053)	4,660	(4,285,393)
Other comprehensive loss		—	—	—	(126,033)	—	(126,033)	915	(125,118)
Total comprehensive loss		—	—	—	(126,033)	(4,290,053)	(4,416,086)	5,575	(4,410,511)
Redeemable preferred shares dividends	16	—	—	(53,625)	—	—	(53,625)	—	(53,625)
Capital contribution from non-controlling interests	—	—	—	2,039	—	—	2,039	42,146	44,185
Change in non-controlling interest of a subsidiary	—	—	—	(9,447)	—	—	(9,447)	9,447	—
Disposal of a subsidiary	—	—	—	—	—	—	—	(8,185)	(8,185)
Share-based compensation	20	—	—	336,616	—	—	336,616	—	336,616
Vesting of restricted shares	20	3,752,472	—	—	—	—	—	—	—
Settlement of liability-classified restricted shares award	20	1,035,704	—	12,914	—	—	12,914	—	12,914
Settlement of restricted share awards with shares held by depository bank	—	(4,788,176)	—	—	—	—	—	—	—
Balance at December 31, 2023		1,524,432,991	516	29,337,095	(974,393)	(9,469,758)	18,893,460	165,577	19,059,037
Balance at December 31, 2023 and January 1, 2024		1,524,432,991	516	29,337,095	(974,393)	(9,469,758)	18,893,460	165,577	19,059,037
Income (loss) for the year (Note i)	—	—	—	—	—	3,425,386	3,425,386	(1,108)	3,424,278
Other comprehensive loss (Note ii)	—	—	—	—	(119,984)	—	(119,984)	2,184	(117,800)
Total comprehensive (loss) income		—	—	—	(119,984)	3,425,386	3,305,402	1,076	3,306,478
Shares issued to depository bank	24	30,747,912	11	(11)	—	—	—	—	—
Redeemable preferred shares dividends	16	—	—	(54,232)	—	—	(54,232)	—	(54,232)
Capital contribution from non-controlling interests	—	—	—	—	—	—	—	274,445	274,445
Deconsolidation of subsidiaries	3	—	—	—	—	—	—	(311,167)	(311,167)
Share-based compensation	20	—	—	296,487	—	—	296,487	—	296,487
Vesting of restricted shares	20	17,068,048	—	—	—	—	—	—	—
Settlement of liability-classified restricted shares award	20	1,839,320	—	16,929	—	—	16,929	—	16,929
Settlement of restricted share awards with shares held by depository bank	—	(18,907,368)	—	—	—	—	—	—	—
Balance at December 31, 2024		1,555,180,903	527	29,596,268	(1,094,377)	(6,044,372)	22,458,046	129,931	22,587,977
Balance at December 31, 2024 and January 1, 2025		1,555,180,903	527	29,596,268	(1,094,377)	(6,044,372)	22,458,046	129,931	22,587,977
Income for the year	—	—	—	—	—	949,643	949,643	9,719	959,362
Other comprehensive income	—	—	—	—	265,058	—	265,058	433	265,491
Total comprehensive income		—	—	—	265,058	949,643	1,214,701	10,152	1,224,853
Issuance of ordinary shares	19	47,840,000	17	1,015,676	—	—	1,015,693	—	1,015,693
Share issued under share-lending arrangement in connection with issuance of convertible bonds	12	48,000,000	18	36,948	—	—	36,966	—	36,966
Redeemable preferred shares dividends	16	—	—	(54,305)	—	—	(54,305)	—	(54,305)
Capital contribution from non-controlling interests	—	—	—	—	—	—	—	776,650	776,650
Acquisition of non-controlling interests	—	—	—	(48,709)	—	—	(48,709)	(19,347)	(68,056)
Effect of share award plan of equity investee	10	—	—	866,274	—	—	866,274	—	866,274
Share-based compensation	20	—	—	283,376	—	—	283,376	—	283,376
Vesting of restricted shares	20	15,483,832	—	—	—	—	—	—	—
Settlement of liability-classified restricted shares award	20	405,120	—	10,970	—	—	10,970	—	10,970
Settlement of restricted share awards with shares held by depository bank	—	(15,888,952)	—	—	—	—	—	—	—
Balance at December 31, 2025		1,651,020,903	562	31,706,498	(829,319)	(5,094,729)	25,783,012	897,386	26,680,398

Note i: Exclude net loss attributable to redeemable non-controlling interests of RMB120,447 for the year ended December 31, 2024.

Note ii: Exclude other comprehensive income attributable to redeemable non-controlling interests of RMB95,543 for the year ended December 31, 2024.

See accompanying notes to consolidated financial statements.

GDS HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of RMB, except share data and per share data, or otherwise noted)

	Note	Years ended December 31,		
		2023	2024	2025
Cash flows from operating activities:				
Net (loss) income		(4,285,393)	3,303,831	959,362
Net loss (income) from discontinued operations		359,376	(4,074,743)	—
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Amortization of debt issuance and commitment cost		140,625	110,724	96,654
Depreciation and amortization		3,368,474	3,243,004	3,459,294
Operating lease cost relating to prepaid land use rights		106,964	110,126	108,435
Net gain on disposal of property and equipment		(12,051)	(31,665)	(38,585)
Share-based compensation expenses	20	336,616	296,487	283,376
Impairment losses of long-lived assets	2(o)	3,013,416	—	1,561,235
Share of results of equity method investees		(110)	347	(715,928)
Gains on disposal of equity investments and subsidiaries		(5,010)	—	(2,364,104)
Allowance for (reversal of) credit losses	5 / 6	18,294	(13,173)	18,797
Deferred tax benefit	22	(295,931)	(181,576)	(97,264)
Changes in operating assets and liabilities, net of effects of acquisitions and disposals:				
Accounts receivable		(106,484)	(665,882)	502,003
VAT recoverable		(388,279)	(115,809)	(388,864)
Amount due from related parties		—	—	3,410
Other current assets		39,508	109,813	(119,360)
Other non-current assets		18,684	70,769	18,010
Accounts payable		(1,629)	(15,632)	5,430
Amount due to related parties		—	—	46,904
Accrued expenses and other payables		36,889	104,011	(11,151)
Deferred revenue		2,202	(45,721)	23,883
Other long-term liabilities		8,785	10,504	10,456
Operating leases		4,330	4,247	3,261
Net cash provided by operating activities from continuing operations		2,359,276	2,219,662	3,365,254
Net cash used in operating activities from discontinued operations		(294,019)	(281,297)	—
Net cash provided by operating activities		2,065,257	1,938,365	3,365,254
Cash flows from investing activities:				
Payments for purchase of property and equipment and land use rights		(3,193,971)	(3,169,287)	(4,691,137)
Cash paid for the asset acquisitions	9	(231,850)	(85,191)	(1,958)
Cash paid for equity investments	10	(3,000)	—	(794,794)
Cash paid for investments and loans to discontinued operations		(1,017,266)	(553,490)	—
Receipts of loan repayments from discontinued operations		—	1,722,304	—
Receipts from disposal of equity investments and subsidiaries		23,630	39,000	3,036,977
Deposits and prepayments for potential acquisitions		(133,805)	—	—
Refund of deposits for potential acquisitions		22,107	2,400	5,280
Proceeds from disposal of property and equipment		18,565	203,903	80,543
Purchases of time deposits		—	—	(674,910)
Net cash used in investing activities from continuing operations		(4,515,590)	(1,840,361)	(3,039,999)
Net cash used in investing activities from discontinued operations		(2,827,863)	(6,920,177)	—
Net cash used in investing activities		(7,343,453)	(8,760,538)	(3,039,999)

See accompanying notes to consolidated financial statements.

GDS HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED
(In thousands of RMB, except share data and per share data, or otherwise noted)

	Note	Years ended December 31,		
		2023	2024	2025
Cash flows from financing activities:				
Proceeds from short-term borrowings		371,329	1,893,432	1,942,588
Proceeds from long-term borrowings		5,873,121	4,762,498	10,604,058
Repayment of short-term borrowings		(1,328,639)	(394,817)	(3,325,680)
Repayment of long-term borrowings		(4,418,188)	(5,631,958)	(7,986,089)
Payment of issuance cost and commitment cost of debts		(187,058)	(54,780)	(80,392)
Proceeds from issuance of ordinary shares, net off underwriting commission	19	—	—	1,023,697
Payment of issuance cost of ordinary shares	19	—	—	(8,004)
Proceeds from issuance of convertible bonds	12	3,926,667	—	3,852,867
Repayment of convertible bonds	12	(2,128,311)	—	(575)
Payment of redeemable preferred shares dividends	16	(53,923)	(54,169)	(54,124)
Capital contribution from non-controlling shareholders		—	—	776,650
Payment under finance leases and other financing obligations	14	(986,888)	(545,911)	(626,670)
Proceeds from other financing arrangements		220,000	200,000	180,000
Payment for purchase of property and equipment through vendor financing		—	—	(113,135)
Payment of contingent consideration for the acquisition of subsidiaries	9	(21,174)	—	(11,119)
Payment for acquisition of non-controlling interests		—	—	(68,056)
Net cash provided by financing activities from continuing operations		1,266,936	174,295	6,106,016
Net cash provided by financing activities from discontinued operations		2,892,824	16,883,042	—
Net cash provided by financing activities		4,159,760	17,057,337	6,106,016
Effect of exchange rate changes on cash and cash equivalents and restricted cash		154,302	(13,592)	(83,774)
Net (decrease) increase in cash and cash equivalents and restricted cash		(964,134)	10,221,572	6,347,497
Cash and cash equivalents and restricted cash at beginning of year		8,882,066	7,917,932	8,093,530
Cash and cash equivalents and restricted cash at end of year		7,917,932	18,139,504	14,441,027
Less: Cash and cash equivalents and restricted cash of discontinued operations at end of year or deconsolidation date		(420,610)	(10,045,974)	—
Cash and cash equivalents and restricted cash of continuing operations at end of year		7,497,322	8,093,530	14,441,027
Supplemental disclosures of cash flow information				
Interest paid		2,061,889	2,096,087	1,680,654
Income tax paid		302,717	389,837	561,920
Supplemental disclosures of non-cash investing and financing activities				
Non-cash effect of acquisitions of subsidiaries	9	100,000	53,551	—
Non-cash effect of issuance cost of convertible debts in connection with share-lending arrangement	12	—	—	36,966
Settlement of liability-classified restricted share award	20	12,914	16,929	10,970

See accompanying notes to consolidated financial statements.

GDS HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of RMB, except share data and per share data, or otherwise noted)

1 DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

(a) Description of business

GDS Holdings Limited (“GDS Holdings”) was incorporated in the Cayman Islands on December 1, 2006. GDS Holdings and its consolidated subsidiaries and consolidated variable interest entities (collectively referred to as “the Company”) are principally engaged in providing colocation, managed hosting and managed cloud services in the People’s Republic of China (the “PRC” excluding Taiwan, the Hong Kong Special Administrative Region (the “Hong Kong SAR”) and the Macau Special Administrative Region (the “Macau SAR”)) for the purposes of these consolidated financial statements only), Hong Kong SAR and Macau SAR and serves customers who primarily are cloud service providers, large internet, financial institution and enterprise customers.

The Company’s business outside the PRC were mainly operated through DayOne Data Centers Limited, previously known as DigitalLand Holdings Limited, and its subsidiaries (collectively, “DayOne”), which was deconsolidated on December 31, 2024 (Note 3).

(b) Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”).

The consolidated financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation

The accompanying consolidated financial statements include the financial statements of GDS Holdings Limited, its subsidiaries and consolidated variable interest entities and variable interest entities’ subsidiaries in which GDS Holdings has a controlling financial interest.

The Company’s data center related operations are mainly conducted through Shanghai Xinwan Enterprise Management Co., Ltd. (“Management HoldCo”), Beijing Wanguo Chang’an Science and Technology Co., Ltd. (“GDS Beijing”), GDS Beijing’s subsidiaries and Shanghai Shu’an Data Services Co., Ltd. (“GDS Shanghai”) (referred to as the “VIEs”) to comply with the PRC laws and regulations, which prohibit foreign investments in companies that are engaged in data center related business. Individuals acting as nominee equity holders ultimately hold the legal equity interests of the VIEs on behalf of GDS Holdings.

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Prior to December 2019, the equity holders of GDS Beijing and GDS Shanghai were William Wei Huang, CEO of GDS Holdings, and his relative. In order to enhance corporate governance and facilitate administration of the VIEs, in December 2019, GDS Holdings completed transfer of ownership of the 100% equity interest of GDS Beijing and GDS Shanghai from William Wei Huang and his relative to a newly established holding company, Management HoldCo. The entire equity interest in Management HoldCo is held by a number of management personnel designated by the board of directors of GDS Holdings. In conjunction with the transfer of legal ownership, GDS (Shanghai) Investment Co., Ltd. (“GDS Investment Company”), a subsidiary of GDS Holdings, entered into a series of contractual arrangements with Management HoldCo, its shareholders, GDS Beijing and GDS Shanghai to replace the previous contractual arrangements with GDS Beijing and GDS Shanghai on substantially the same terms under such previous contractual arrangements. The previous contractual arrangements were terminated simultaneously when the current contractual arrangements came into effect, and the subsidiary of GDS Holdings under the previous and current contractual arrangements is the same entity, namely GDS Investment Company. GDS Holdings also replaced the sole director of GDS Shanghai and certain subsidiaries of GDS Beijing with a board of three directors. William Wei Huang acts as the Chairman of the board of directors of Management HoldCo, GDS Investment Company, GDS Beijing and GDS Shanghai and their subsidiaries respectively. Other management members of GDS and board appointee serve as directors and officers of Management HoldCo., GDS Investment Company, GDS Beijing and GDS Shanghai and their subsidiaries.

This restructuring could reduce risk by allocating ownership of the VIEs among a larger number of individual management shareholders, and strengthen corporate governance with the establishment of the board of directors of the VIEs and their subsidiaries. This restructuring could also create a more stable ownership structure by avoiding reliance on a single or small number of natural persons, and by buffering the ownership of the VIEs with an additional layer of legal entities.

A series of contractual arrangements, including equity interest pledge agreements, shareholder voting rights proxy agreements, exclusive technology license and service agreements, intellectual property rights license agreements, exclusive call option agreements and loan agreements (collectively, referred to as “VIE Agreements”) were entered into among GDS Beijing, GDS Shanghai, Management HoldCo, its shareholders and GDS Investment Company.

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 in favor of GDS Investment Company, as applicable, to respectively guarantee Management HoldCo’s and its shareholders’ performance of their obligations under the relevant contractual arrangement, and Management HoldCo has pledged all of its equity interest in GDS Beijing and GDS Shanghai as a continuing first priority security interest in favor of GDS Investment Company, as applicable, to respectively guarantee their performance of their obligations under the relevant contractual arrangement, which include the exclusive technology license and service agreement, loan agreement, exclusive call option agreement, and shareholder voting rights proxy agreement, and intellectual property rights license agreement. If GDS Beijing or GDS Shanghai or 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, GDS Beijing and GDS Shanghai in accordance with PRC law. Management HoldCo and each of its shareholders agrees that, during the term of the equity interest pledge agreements, it or 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 GDS Beijing and GDS Shanghai and Management HoldCo and its shareholders discharge all their obligations under the contractual arrangements. The equity pledge has been registered by Management HoldCo, 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 relevant PRC laws and regulations.

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Shareholder Voting Rights Proxy Agreements. Pursuant to the shareholder voting rights proxy agreements, each of GDS Beijing, GDS Shanghai, Management HoldCo and each of its shareholders has irrevocably appointed the PRC citizen(s) as designated by GDS Investment Company to act as GDS Beijing's, GDS Shanghai's, Management HoldCo's and GDS Beijing's, GDS Shanghai's, Management HoldCo's shareholder's exclusive attorney-in-fact to exercise all shareholder rights, including, but not limited to, voting on all matters of Management HoldCo, GDS Beijing, GDS Beijing's subsidiaries, GDS Shanghai and GDS Shanghai's 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 GDS Beijing, GDS Shanghai, Management HoldCo and its shareholders with prior notice to Management HoldCo or its such shareholders. 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 and the shareholder remains a shareholder of Management HoldCo, as applicable.

Exclusive Technology License and Service Agreements. Under the exclusive technology license and service agreements, GDS Investment Company licenses certain technology to each of Management HoldCo, GDS Beijing and GDS Shanghai and GDS Investment Company has the exclusive right to provide Management HoldCo, GDS Beijing and GDS Shanghai with technical support, consulting services and other services. Without GDS Investment Company's prior written consent, each of Management HoldCo, GDS Beijing and GDS Shanghai agrees not to accept the same or any similar services provided by any third party. Each of Management HoldCo, GDS Beijing and GDS Shanghai agrees to pay service fees in an amount of substantially all of their profits to GDS Investment Company. GDS Investment Company owns the intellectual property rights arising out of its performance of these agreements. In addition, each of Management HoldCo, 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 Management HoldCo, 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 Agreements. Pursuant to an intellectual property rights license agreement between GDS Investment Company and each of Management HoldCo, GDS Beijing and GDS Shanghai, Management HoldCo, 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, Management HoldCo, 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 Management HoldCo, 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 of whether such development is dependent on any of the intellectual property rights owned by Management HoldCo, 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.

Exclusive Call Option Agreements. Pursuant to the exclusive call option agreements, Management HoldCo and each of its shareholders 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 or its such shareholders' equity interests in Management HoldCo. The purchase price should 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 and its shareholders have agreed that each of Management HoldCo, 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 Management HoldCo, GDS Beijing and GDS Shanghai held by their shareholders have been transferred or assigned to GDS Investment Company or its designated person(s).

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Loan Agreements. Pursuant to the loan agreements between GDS Investment Company and Management HoldCo or its shareholders, GDS Investment Company has agreed to extend loans in an aggregate amount of RMB310,100 to Management HoldCo solely for the capitalization of GDS Beijing and GDS Shanghai and RMB1,000 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 thirty-day's prior notice to Management HoldCo or its shareholders, as applicable, and Management HoldCo or its shareholders can repay the loans by either sale of their equity interests in GDS Beijing and GDS Shanghai or Management HoldCo, as applicable, 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.

Under the terms of the VIE Agreements, GDS Holdings has (i) the right to receive service fees on a yearly basis at an amount equivalent to all of the net profits of the VIEs under the exclusive technology license and services agreements when such services are provided; (ii) the right to receive all dividends declared by the VIEs and the right to all undistributed earnings of the VIEs; (iii) the right to receive the residual benefits of the VIEs through its exclusive option to acquire 100% of the equity interests in the VIEs, to the extent permitted under PRC law; and (iv) the right to require each of the shareholder of the VIEs to appoint the PRC citizen(s) as designated by GDS Investment Company to act as such shareholder's exclusive attorney-in-fact to exercise all shareholder rights, including, but not limited to, voting on all matters of the VIEs requiring shareholder approval, disposing of all or part of the shareholder's equity interest in the VIEs, and appointing directors and executive officers.

In accordance with Accounting Standards Codification ("ASC") 810-10-25-38A, GDS Holdings has a controlling financial interest in the VIEs because GDS Holdings has (i) the power to direct activities of the VIEs that most significantly impact the economic performance of the VIEs; and (ii) the right to receive expected residual return of the VIEs that could potentially be significant to the VIEs. There is currently no contractual arrangement that would require GDS Holdings to provide additional financial support to the VIEs. As GDS Holdings is conducting certain businesses mainly through the VIEs, GDS Holdings may provide such support on a discretionary basis in the future, which could expose GDS Holdings to a loss. The terms of the VIE Agreements and financial support from GDS Holdings to the VIEs were considered in determining that GDS Holdings is the primary beneficiary of the VIEs. Accordingly, the financial statements of the VIEs are consolidated in GDS Holdings's consolidated financial statements.

Under the terms of the VIE Agreements, the VIEs' equity holders have no rights to the net assets nor have the obligations to fund the deficit, and such rights and obligations have been vested to GDS Holdings. All of the equity (net assets) or deficits (net liabilities) and net income (loss) of the VIEs are attributed to GDS Holdings.

The Company has been advised by its PRC legal counsel that each of the VIE agreements is valid, legally binding and enforceable in accordance with its terms and applicable PRC laws and the ownership structure of the VIEs does not violate applicable PRC Laws. However, there are uncertainties regarding the interpretation and application of PRC laws and future PRC laws and regulations. There can be no assurance that the PRC authorities will take a view that is not contrary to or otherwise different. If the current ownership structure of the Company and the VIE Agreements are determined to be in violation of any existing or future PRC laws and regulations, the PRC government could:

- Levy fines on the Company or confiscate income of the Company;
- Revoke or suspend the VIEs' business or operating licenses;
- Discontinue or place restrictions or onerous conditions on VIE's operations;
- Require the Company to discontinue their operations in the PRC;
- Require the Company to undergo a costly and disruptive restructuring;
- Take other regulatory or enforcement actions that could be harmful to the Company's business.

The imposition of any of these government actions could result in the termination of the VIE agreements, which would result in GDS Holdings losing the (i) ability to direct the activities of the VIEs and (ii) rights to receive substantially all the economic benefits and residual returns from the VIEs and thus result in the deconsolidation of the VIEs in GDS Holdings' consolidated financial statements. In the opinion of the Company, the likelihood of deconsolidation of the VIEs is remote based on current facts and circumstances.

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The following tables set forth the financial statement balances and amounts of the VIEs and their subsidiaries included in the consolidated financial statements after the elimination of intercompany balances and transactions among VIEs and their subsidiaries.

	As of December 31,	
	2024	2025
Assets		
Current assets		
Cash	1,858,820	4,541,442
Restricted cash	3,080	8,958
Accounts receivable, net of allowance for credit losses	2,996,660	2,428,590
VAT recoverable	170,726	188,590
Amount due from related parties, current	—	24,641
Other current assets	156,169	208,903
Total current assets	5,185,455	7,401,124
Non-current assets		
Restricted cash	46,322	4,572
VAT recoverable	48,976	58,105
Property and equipment, net	1,895,324	1,573,740
Intangible assets, net	55,393	43,520
Operating lease right-of-use assets	124,230	83,476
Deferred tax assets	58,970	103,381
Other non-current assets	113,728	102,716
Total non-current assets	2,342,943	1,969,510
Total assets	7,528,398	9,370,634
Liabilities		
Current liabilities		
Short-term borrowings and current portion of long-term borrowings	404,801	282,433
Accounts payable	502,672	390,791
Amount due to related parties	—	62,252
Accrued expenses and other payables	253,236	330,923
Deferred revenue	82,633	106,277
Operating lease liabilities, current	33,563	26,005
Finance lease and other financing obligations, current	45,153	48,986
Total current third-party liabilities	1,322,058	1,247,667
Non-current liabilities		
Long-term borrowings, excluding current portion	399,043	266,266
Operating lease liabilities, non-current	81,881	70,464
Finance lease and other financing obligations, non-current	851,192	802,388
Deferred tax liabilities	32,746	24,122
Other long-term liabilities	57,766	64,801
Total non-current third-party liabilities	1,422,628	1,228,041
Total third-party liabilities	2,744,686	2,475,708
Amounts due to GDS Holdings and its non-VIE subsidiaries, net	4,023,141	6,026,778
Total liabilities	6,767,827	8,502,486

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As of December 31, 2024 and 2025, accounts receivable of RMB77,129 and RMB20,437, respectively, other current assets of RMB17,018 and RMB21,836, respectively, other non-current assets of RMB4,049 and nil, respectively, and property and equipment of RMB27,731 and nil, respectively, of VIEs were pledged solely to secure banking borrowings of VIEs.

As of December 31, 2024 and 2025, long-term borrowings of the consolidated VIEs of RMB547,438 and RMB396,469, respectively, were guaranteed by GDS Holdings Limited and its subsidiaries.

Net revenue, net (loss) income, operating, investing and financing cash flows of the VIEs that were included in the Company's consolidated financial statements for the years ended December 31, 2023, 2024 and 2025 are as follows:

	Years ended December 31,		
	2023	2024	2025
Net revenue	9,489,505	9,919,021	11,142,122
Net (loss) income	(7,897)	214,697	107,577
Net cash provided by (used in) operating activities	235,448	(5,129)	844,806
Net cash (used in) provided by investing activities	(86,336)	(236,574)	2,177,111
Net cash used in financing activities	(25,567)	(332,573)	(375,167)

The unrecognized revenue-producing assets that are held by the VIEs comprise of internally developed software, intellectual property and trademarks which were not recorded on the Company's consolidated balance sheets as they do not meet all the capitalization criteria.

The Company deconsolidates a subsidiary when it no longer has a controlling financial interest in the subsidiary, in which case, the Company accounts for the deconsolidation of a subsidiary by recognizing a gain or loss in net income attributable to the parent, measured as the difference between:

- a. The aggregate of all of the following:
 1. The fair value of any consideration received;
 2. The fair value of any retained noncontrolling investment in the former subsidiary at the date the subsidiary is deconsolidated;
 3. The carrying amount of any noncontrolling interest in the former subsidiary (including any accumulated other comprehensive income attributable to the noncontrolling interest) at the date the subsidiary is deconsolidated.
- b. The carrying amount of the former subsidiary's assets and liabilities.

(b) Use of estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include, but are not limited to, the fair value of retained equity method investment upon deconsolidation, the fair value of consideration expected to be received and the subscription price expected to be paid related to ABS, the fair values of assets acquired and liabilities assumed and the consideration transferred in a business combination, the impairment of goodwill, the realizability of deferred income tax assets, the fair value of share-based compensation awards and the recoverability of long-lived assets. Changes in facts and circumstances may result in revised estimates. Actual results could differ from those estimates, and as such, differences may be material to the consolidated financial statements.

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(c) Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company has cash equivalents of RMB702,882 and RMB2,025,410 as of December 31, 2024 and 2025, respectively.

(d) Time deposits

Time deposits are fixed deposits in financial institutions with original maturities greater than three months, which are measured at amortized cost. Time deposits with remaining maturities less than twelve months are classified as short-term time deposits, and others are classified as long-term time deposits.

As of December 31, 2025, the Company's time deposits comprised of those in commercial banks with original maturities of between three months and one year, classified as held-to-maturity debt investments. In the year ended December 31, 2025, the Company recorded interest income from its time deposits of RMB7,894.

(e) Restricted cash

Restricted cash represents amounts held by banks, which are not available for the Company's use, primarily as security for bank borrowings, related interests and certain construction projects. Upon repayment of bank borrowings and the related interests and completion of construction projects, the deposits are released by the bank and available for general use by the Company. Restricted cash is classified as current asset if it is expected to be released for general use by the Company within one year. Otherwise, it is classified as non-current asset.

(f) Fair value of financial instruments

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels (Note 18 to the consolidated financial statements):

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

(g) Contract balances

The timing of revenue recognition, billings and cash collections result in accounts receivable, contract assets and contract liabilities (i.e. deferred revenue). Accounts receivable are recorded at the invoice amount, net of an allowance for credit losses and is recognized in the period when the Company has transferred products or provided services to its customers and when its right to consideration is unconditional. Amounts collected on accounts receivable are included in net cash provided by operating activities in the consolidated statements of cash flows.

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The provision of credit losses for accounts receivable is based upon the current expected credit losses (“CECL”) model. The CECL model requires an estimate of the credit losses expected over the life of accounts receivable since initial recognition, and accounts receivable with similar risk characteristics are grouped together when estimating CECL. In assessing the CECL, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical credit loss experience, adjusted for relevant factors impacting collectability and forward-looking information indicative of external market conditions. While the Company uses the best information available in making determination, the ultimate recovery of recorded receivables is also dependent upon future economic events and other conditions that may be beyond the Company’s control. Accounts receivable that are ultimately deemed to be uncollectible, and for which collection efforts have been exhausted, are written off against the allowance for credit losses. The Company does not have any off-balance-sheet credit exposure related to its customers.

A contract asset exists when the Company has transferred products or provided services to its customers but customer payment is contingent upon satisfaction of additional performance obligations. Contract assets are recorded in other current assets in the consolidated balance sheet.

Deferred revenue (a contract liability) is recognized when the Company has an unconditional right to a payment before it transfers goods or services to customers.

(h) Equity method investments

The Company’s investments in entities in which the Company can exercise significant influence but do not own a majority equity interest or control are generally accounted for under the equity method of accounting. Equity method investments are initially measured at cost, except for the retained investments in the common stock of an investee (including a joint venture) in a deconsolidation transaction which are initially measured at fair value. Key estimates and assumptions used to determine the fair value include the amount and timing of future expected cash flows and discount rate. Basis differences are the differences between the Company’s initial cost of the investment and its proportionate share of the individual assets and liabilities of the investee (historical carrying value). When an investee meets the definition of a business, any excess of the initial cost of the investment over the proportional fair value of the assets and liabilities of the investee is recognized as equity method goodwill, which is included in the equity method investment on the consolidated balance sheets. Equity method investments are subsequently adjusted for the Company’s share of the income and losses of the investees and adjustments related to (i) elimination of intra-entity profits and losses, (ii) amortization of any basis differences subject to amortization, (iii) the Company’s share of changes in the investee’s capital and other comprehensive income. The Company’s proportionate share of the income or loss from its equity method investment is recorded in others, net on the consolidated statement of operations as the amount is immaterial for the years ended December 31, 2023 and 2024. The Company’s proportionate share of the income or loss from its equity method investment is recorded in share of results of equity method investees on the consolidated statement of operations for the year ended December 31, 2025. The Company’s proportionate share of other comprehensive income is recorded in other comprehensive income. The Company reviews its investment periodically to determine if any investment may be impaired considering both qualitative and quantitative factors that may have a significant impact on the investees’ fair value. The Company did not record any impairment losses related to its equity method investment for the years ended December 31, 2023, 2024 and 2025.

(i) Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any recorded impairment. Property and equipment acquired under finance leases are initially recorded at the present value of minimum lease payments. Buildings and equipment under finance leases and leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the asset or improvement. Leasehold land is amortized on a straight-line basis over the lease term.

Gains or losses arising from the disposal of an item of property and equipment are determined based on the difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of disposal.

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The estimated useful lives of self-owned property and equipment are presented below.

Buildings	30 years
Data center equipment	
– Machinery	10 - 20 years
– Other equipment	3 - 5 years
Furniture and office equipment	3 - 5 years
Vehicles	5 years

Construction in progress primarily consists of the cost of data center buildings and the related construction expenditures that are required to prepare the data center buildings for their intended use.

No depreciation is provided in respect of construction in progress until it is substantially completed and ready for its intended use. Once a data center building is ready for its intended use and becomes operational, construction in progress is transferred to the respective category of property and equipment and is depreciated over the estimated useful life of the underlying assets.

Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets.

(j) Leases

The Company is a lessee in a number of non-cancellable operating leases and finance leases, primarily for data centers, lands, offices and other equipment.

The Company determines if an arrangement is or contains a lease at its inception.

The Company recognizes lease liabilities and right-of-use (“ROU”) assets at lease commencement date. Lease liabilities are measured at the present value of unpaid lease payments at the lease commencement date and is subsequently measured at amortized cost using the effective-interest method. Since most of the Company’s leases do not provide an implicit rate, the Company uses its own incremental borrowing rate in determining the present value of unpaid lease payments. The incremental borrowing rate was determined using a portfolio approach based on the rate of interest that the Company would have to borrow an amount equal to the lease payments on a collateralized basis over a similar term. The judgments used, which mainly include credit spread and credit rating of lessee, in the valuation of incremental borrowing rate of the leases are inherently subjective. Different assumptions or estimates could result in different accounting treatment for a lease.

ROU assets are initially measured at cost, which consist of (i) initial measurement of the lease liability; (ii) lease payments made to the lessor at or before the commencement date less any lease incentives received; and (iii) initial direct costs incurred by the Company. Variable lease payments are excluded from the measurement of ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred. For operating leases, the Company recognizes a single lease cost on a straight-line basis over the remaining lease term. For finance leases, the ROU assets are subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term. Amortization of the ROU assets are recognized and presented separately from interest expense on the lease liability. For leases acquired in business combinations or asset acquisitions, ROU assets are measured at the same amount as the lease liability as adjusted to reflect lease prepayments and favorable or unfavorable terms of the lease when compared with market terms.

Prior to the adoption of ASC 842, *Leases*, prepayment for land use rights are presented as prepaid land use rights on the consolidated balance sheet and are measured at cost and subsequently amortized using the straight-line method. Upon the adoption of ASC 842 on January 1, 2019, land use rights acquired are assessed in accordance with ASC 842 and recognized in operating lease ROU assets if they meet the definition of operating lease, or property and equipment if they meet the definition of finance lease.

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The Company has elected not to recognize ROU assets and lease liabilities for short-term leases (i.e. leases that, at the commencement date, have a lease term of 12 months or less and do not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise). As a practical expedient, the Company has elected that for all leases, where it is the lessee, not to separate non-lease components from lease components and instead to account for all lease and non-lease components associated with each lease as a single lease component.

The Company records an asset and related financing obligation for the estimated construction costs under build-to-suit lease arrangements where it controls the asset during construction. Upon completion of the construction and commencement of the lease terms, the Company assesses whether these arrangements qualify for sales recognition under the sale-leaseback transaction. If the arrangements do not qualify for sales recognition under the sale-leaseback accounting guidance, the Company continues to be the deemed owner of the build-to-suit assets for financial reporting purposes. The Company accounted for costs incurred relating to the construction of the underlying assets before the lease commencement dates in accordance with ASC 360 on its balance sheet. In addition, the financing liability is reduced by the non-interest portion of the lease payments.

If a lease is modified and that modification is not accounted for as a separate contract, the classification of the lease is reassessed as of the effective date of the modification based on its modified terms and conditions and the facts and circumstances as of that date.

(k) Asset retirement costs

The Company's asset retirement obligations are primarily related to certain data center buildings, which are required to be returned to the landlords in their original condition.

The fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred. The corresponding asset retirement costs are capitalized as part of the cost of leasehold improvements and are depreciated over the shorter of the estimated useful life of the asset or the term of the lease subsequent to the initial measurement. The Company accretes the liability in relation to the asset retirement obligations over time and the accretion expense is recorded in cost of revenue.

Asset retirement obligations are recorded in accrued expenses and other payables and other long-term liabilities. The following table summarizes the activity of the asset retirement obligation liability of continuing operations:

Asset retirement obligations as of January 1, 2023	111,811
Additions	602
Accretion expense	6,599
Foreign exchange impact	27
Derecognition upon disposal of a subsidiary	(1,360)
Revision in estimated cash flows as result of lease contracts modifications	(9,258)
Settlement	(2,103)
Asset retirement obligations as of December 31, 2023	106,318
Accretion expense	6,827
Foreign exchange impact	35
Revision in estimated cash flows as result of lease contracts modifications	(587)
Settlement	(490)
Asset retirement obligations as of December 31, 2024	112,103
Additions	2,918
Accretion expense	7,218
Foreign exchange impact	(24)
Settlement	(4,665)
Asset retirement obligations as of December 31, 2025	117,550

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(l) Intangible assets

Intangible assets acquired in the acquisitions comprised of customer contracts and licenses.

The weighted-average amortization period by major intangible asset class is as follows:

Customer contracts	5-15 years
Licenses	20 years
Software	5 years

The amortization period of customer contracts is determined based on the remaining contractual period of the contracts with the customers at the time of acquisition and an estimate of the contract renewal period.

Licenses are amortized using a straight-line method over the terms of those licenses.

(m) Prepaid land use rights

The land use rights represent the amounts paid and relevant costs incurred for the rights to use land in the PRC and Hong Kong SAR before the adoption of ASC 842, and are carried at cost less accumulated amortization. Amortization is provided on a straight-line basis over the remaining terms of the land use rights. As of December 31, 2025, the remaining terms of the land use rights range from 33 to 34 years.

(n) Business combinations and goodwill

The Company accounts for business combinations using the acquisition method of accounting in accordance with ASC Topic 805, *Business Combinations*.

The acquisition method of accounting requires the Company to estimate fair values of the separately identifiable assets acquired and liabilities assumed. The consideration transferred in an acquisition is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred, and equity instruments issued as well as the contingent considerations as of the acquisition date. The costs directly attributable to the acquisition are expensed as incurred. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date, irrespective of the extent of any non-controlling interests.

The determination of fair values of the identifiable assets acquired, liabilities assumed and non-controlling interests is based on various assumptions and valuation methodologies requiring considerable judgment from management. The most significant variables in these valuations are discount rates, the number of years on which to base the cash flow projections, as well as the assumptions and estimates used to determine the cash inflows and outflows. The Company determines discount rates to be used based on the risk inherent in the expected cash flows and industry comparisons.

Non-controlling interests for business combinations are measured at fair value at the acquisition date. The Company has elected an accounting policy to measure non-controlling interests in asset acquisition at carryover basis, which is based on the carrying amounts within the acquired entity.

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Goodwill is an asset representing the future economic benefits arising from other assets acquired in the acquisition that are not individually identified and separately recognized, which is the excess of the purchase price over the fair value of the net tangible and intangible assets acquired in the acquisition. Goodwill is not deductible for tax purposes. Goodwill acquired in a business combination is assigned to reporting units that are expected to benefit from the synergies of the combination. When the Company reorganizes its reporting structure in a manner that changes the composition of one or more of its reporting units, goodwill is reassigned to the reporting units affected using a relative fair value allocation approach. When a portion of a reporting unit that constitutes a business is to be disposed of, goodwill associated with that business is included in the carrying amount of the business in determining the gain or loss on disposal. The amount of goodwill to be included in that carrying amount is based on the relative fair values of the business to be disposed of and the portion of the reporting unit that will be retained.

Goodwill is not amortized but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is tested for impairment at the reporting unit level on an annual basis and between annual tests if an event occurs or circumstances change that would more-likely-than-not reduce the fair value of a reporting unit below its carrying value. These events or circumstances could include a significant change in macroeconomic conditions, the industry and market considerations, cost factors, overall financial performance, other relevant entity-specific events, and events affecting a reporting unit and share price. Application of the goodwill impairment test requires judgment, including the identification of the reporting unit, assignment of assets and liabilities to the reporting unit, assignment of goodwill to the reporting unit, and determination of the fair value of each reporting unit.

The Company has the option to perform a qualitative assessment to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value prior to performing the goodwill impairment test. If it is not more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the goodwill impairment test is not required. If the goodwill impairment test is required, the fair value of the reporting unit is compared with its carrying amount (including goodwill). If the fair value of the reporting unit is less than its carrying amount, an impairment loss shall be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. Due to the changing market conditions and fluctuations in the share price of the Company, the Company performed quantitative assessment for the years ended December 31, 2023. The Company estimated fair value using the income approach. The fair value determined using the income approach was compared with comparable market data and reconciled, as necessary. For the years ended December 31, 2024 and 2025, the Company performed qualitative assessments and evaluated all abovementioned factors to conclude that it was not more-likely-than-not the fair value was less than the carrying amount of the reporting unit. Therefore, no further quantitative impairment testing on goodwill was performed for the years ended December 31, 2024 and 2025. No impairment losses were recorded for goodwill for the years ended December 31, 2023, 2024 and 2025.

(o) Impairment of long-lived assets

The Company tests long-lived assets (including property and equipment, prepaid land use rights, operating lease ROU assets and intangible assets subject to amortization) for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. If the carrying amount of an asset group exceeds its estimated undiscounted future cash flows, an impairment loss is recognized in the amount of the excess of the asset group's carrying value over its fair value. The Company determines the fair value of the data center assets based on the higher of the forecasted discounted cash flows expected to result from the data center assets' operations and eventual disposition and the price market participants would pay to sub-lease and acquire the remaining data center assets. For the purposes of impairment testing of long-lived assets, the Company has concluded that an individual data center is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities.

When an impairment loss is recognized, the loss is allocated to the assets of the group on a pro rata basis using the relative carrying amounts of those assets, except that the loss allocated to an individual long-lived asset of the group shall not reduce the carrying amount of that asset below its fair value whenever that fair value is determinable without undue cost and effort.

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For the year ended December 31, 2023, impairment losses for the Company's data centers' long-lived assets of RMB3,013,416 were recognized. For the year ended December 31, 2025, impairment losses of RMB1,561,235 were recognized, which were mainly due to lower sales price and slower move-in of certain data centers with fixed lease terms. No impairment loss was recorded for the year ended December 31, 2024.

(p) Value-added-tax ("VAT")

Entities that are VAT general taxpayers are permitted to offset qualified input VAT paid to suppliers against their output VAT upon receipt of appropriate supplier VAT invoices on an entity-by-entity basis. When the output VAT exceeds the input VAT, the difference is remitted to tax authorities, usually on a monthly basis; whereas when the input VAT exceeds the output VAT, the difference is treated as VAT recoverable which can be carried forward indefinitely to offset future net VAT payables. VAT related to purchases and sales which have not been settled at the balance sheet date is disclosed separately as an asset and liability, respectively, in the consolidated balance sheets.

At each balance sheet date, the Company reviews the balance of VAT recoverable for recoverability, taking into consideration of the indefinite life of the VAT recoverable as well as the Company's forecasted operating results and capital spendings. The Company has not made an allowance for the recoverability of the VAT recoverable, as the balance is expected to be utilized to offset against VAT payables. The amount of VAT recoverable which is expected to be utilized by the Company within one year is classified as current asset, whereas the remaining balance is classified as non-current asset.

(q) Commitment and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. When a loss contingency is not both probable and estimable, the Company does not record an accrued liability but discloses the nature and the amount of the claim, if material. However, if the loss (or an additional loss in excess of the accrual) is at least reasonably possible, then the Company discloses an estimate of the loss or range of loss, unless it is immaterial, or an estimate cannot be made. The assessment of whether a loss is probable or reasonably possible, and whether the loss or a range of loss is estimable, often involves complex judgments about future events. Management is often unable to estimate the loss or a range of loss, particularly where (i) the damages sought are indeterminate, (ii) the proceedings are in the early stages, or (iii) there is a lack of clear or consistent interpretation of laws specific to the industry-specific complaints among different jurisdictions. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including eventual loss, fine, penalty or business impact, if any.

(r) Revenue recognition

The Company recognizes revenue as the Company satisfies a performance obligation by transferring control over goods or services to a customer. For each performance obligation satisfied over time, the Company recognizes revenue over time by measuring the progress toward complete satisfaction of that performance obligation. If the Company does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. Revenue is measured as the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

For contracts with customers that contain multiple performance obligations, the Company accounts for individual performance obligations separately if they are distinct or as a series of distinct obligations if the individual performance obligations meet the series criteria. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. The transaction price is allocated to the separate performance obligation on a relative standalone selling price basis. The standalone selling price is determined based on overall pricing objectives, taking into consideration market conditions, geographic locations and other factors.

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The Company derives substantially all of its revenue from the delivery of (i) colocation services; and (ii) managed services, including managed hosting services and managed cloud services.

Colocation services are services where the Company provides space, power and cooling to customers for housing and operating their IT system equipment in the Company's data centers.

Managed hosting services are services where the Company provides outsourced services to manage the customers' data center operations, including data migration, IT operations, security and data storage.

Managed cloud services are services where the Company offers direct private connection to major cloud platforms, an innovative service platform for managing hybrid clouds.

Contracts with customers for colocation services and managed services include i) those provide for variable considerations that are primarily based on the usage of such services. Revenues on such contracts are recognized based on the agreed usage-based fees as the actual services are rendered throughout the contract term; and ii) those provide for a fixed consideration over the contract service period. Revenue on such contracts is recognized on a straight-line basis over the term of the contract.

In certain colocation and managed hosting service contracts, the Company agrees to charge customers for their actual power consumption. Relevant revenue is recognized based on actual power consumption during each period. In certain other colocation and managed hosting service contracts, the Company specifies a fixed power consumption limit each month for customers. If a customer's actual power consumption is below the limit, no additional fee is charged. If the actual power consumption is above the limit, the Company charges the customer additional power consumption fees calculated based on the portion of actual power consumption exceeding the limit, multiplied by a fixed unit price, which is determined based on market price, without providing the customer with any rights to acquire additional goods or services. Accordingly, relevant revenue is recognized each month based on actual additional power consumption fees.

The Company's colocation service and managed service contracts with customers contain both lease and non-lease components. The Company elected to adopt the practical expedient which allows lessors to combine lease and non-lease components and account for them as one component if i) they have the same timing and pattern of transfer; and ii) the lease component, if accounted for separately, would be classified as an operating lease. In addition, the Company has performed a qualitative analysis to determine that the non-lease component is the predominant component of its revenue stream as the customer would ascribe more value to the services provided rather than to the lease component. Therefore, the combined component is accounted for in accordance with the current revenue accounting guidance ("ASC 606"). For contracts that do not meet the criteria for the practical expedient, the lease component is accounted for in accordance with the current lease accounting guidance ("ASC 842"), which is immaterial for the years ended December 31, 2023, 2024 and 2025.

Revenue recognized for colocation or managed hosting and cloud services delivered is recorded within accounts receivable if the Company has an unconditional right to the consideration. Otherwise, it is recorded as contract assets. The Company generally bills the customer on a monthly or quarterly basis in arrears.

Cash received in advance from customers prior to the transfer of the control of the colocation or managed hosting and cloud services is recorded as deferred revenue.

(s) Cost of revenues

Cost of revenues consists primarily of utility costs, depreciation of property and equipment, labor costs, lease costs and other costs directly attributable to the provision of the service revenue and sales of IT equipment.

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(t) Research and development costs

Research and development costs incurred during the application development stage of developing internal-use software are capitalized. Other research and development costs are expensed as incurred. Research and development costs consist primarily of payroll and related personnel costs for developing or significantly improving the Company's services and products.

(u) Government grants

Government grants are recognized when receivable and when all the conditions for their receipt have been met. Subsidies that compensate the Company for expenditures incurred are recognized as a reduction of such expenditures. Subsidies that are not directly associated with expenditures are recognized as government grants in other income.

The Company received government subsidies for acquisitions of property and equipment that required the Company to meet certain conditions. The subsidies are recorded as a liability until the conditions are met and then recognized as a deduction of property and equipment and depreciated over the useful life of the related assets as a reduction of the depreciation charges. The Company received government subsidies that required the Company to operate in a particular area for a certain period. The Company recorded the subsidies as a liability when the subsidies were received and subsequently recognized as government grants in other income ratably over the period the Company is required to operate in the area.

As of December 31, 2024 and 2025, deferred government grants are recorded as follow:

	As of December 31,	
	2024	2025
Accrued expenses and other payables	38	50
Other long-term liabilities	114,209	58,068
Deduction of property and equipment, net	9,909	91,647

Government grants for continuing operations were recognized as follows in the consolidated statements of operations:

	Years ended December 31,		
	2023	2024	2025
Reduction of cost of revenue	1,262	1,787	5,640
Reduction of general and administrative expenses	—	—	131
Reduction of interest expenses	4,310	3,250	—
Government grants	84,410	27,253	30,944
Total	89,982	32,290	36,715

There were no significant commitment, contingencies or provision for recapture conditions for the government subsidies received for the years ended December 31, 2023, 2024 and 2025.

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(v) Capitalized interest

A reconciliation of total interest costs to “Interest expenses” for continuing operations as reported in the consolidated statements of operations for the years ended December 31, 2023, 2024 and 2025 is as follows:

	Years ended December 31,		
	2023	2024	2025
Total interest costs	2,159,539	2,043,662	1,840,812
Less: interest costs capitalized	(223,002)	(119,031)	(51,914)
Interest expenses	1,936,537	1,924,631	1,788,898

Interest costs that are directly attributable to the construction of an asset which necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of that asset. The capitalization of interest costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, interest costs are being incurred and activities that are necessary to prepare the asset for its intended use are in progress. Capitalization of interest costs is ceased when the asset is substantially complete and ready for its intended use. Other interest costs are recognized as an expense in the period in which they are incurred.

(w) Debt issuance costs and commitment costs

Debt issuance costs are capitalized and are amortized over the life of the related debts based on the effective interest method. Debt commitment costs are capitalized and are amortized over the commitment period of the facility on a straight-line basis. Such amortization is included as a component of interest expense.

Unamortised debt issuance costs of RMB139,016 and RMB207,452 are presented as a reduction of debt as of December 31, 2024 and 2025, respectively.

Unamortised debt issuance costs consisted of following:

	As of December 31,	
	2024	2025
Short-term borrowings	3,789	3,238
Long-term borrowings	85,731	48,185
Convertible Bonds due 2029	12,480	6,634
Convertible Bonds due 2030	37,016	25,078
Convertible Bonds due 2032	—	124,317
Total	139,016	207,452

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(x) Income tax

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and net operating losses and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided for deferred tax assets for which it is more likely than not that the related tax benefits will not be realized. The evaluation is based on the Company's estimate of the future taxable income. The future taxable income incorporates the Company's best estimates of utilization rates of relevant data centers based on historical utilization rates and the Company's business plans. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expense and penalties in general and administrative expenses.

(y) Share-based compensation

The Company accounts for the compensation cost from share-based payment transactions with employees based on the grant-date fair value of the equity - classified awards. The grant-date fair value of the award is recognized as compensation expense, net of forfeitures, over the period during which an employee is required to provide service in exchange for the award, which is generally the vesting period. When no future services are required to be performed by the employee in exchange for an award of equity instruments, and if such award does not contain a performance or market condition, the cost of the award is expensed on the grant date. The Company recognizes compensation cost for an award with only service conditions that has a graded vesting schedule on a straight-line basis over the requisite service period for each separately vesting portion of the award, provided that the cumulative amount of compensation cost recognized at any date at least equals the portion of the grant-date value of such award that is vested at that date.

Awards granted to employees with performance conditions attached are measured at fair value on the grant date and are recognized as the compensation expenses, net of forfeitures, over the performance period when the performance goal becomes probable to achieve. The Company also adjusts the compensation cost based on the probability of performance goal achievement at the end of each reporting period. The rewards are earned upon attainment of identified performance goals.

Awards granted to employees with market conditions attached are measured at fair value on the grant date and are recognized as the compensation expenses, net of forfeitures, over the estimated requisite service period, regardless of whether the market condition has been satisfied if the requisite service period is fulfilled.

The Company accounts for forfeitures when they occur. Compensation cost previously recognized are reversed in the period the award is forfeited before completion of the requisite service period.

Share-based payment transactions with nonemployees in which goods or services are received in exchange for equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

Cancellation of an award accompanied by the concurrent grant of a replacement award is accounted for as a modification of the terms of the cancelled award ("modified award"). The incremental compensation cost is measured as the excess of the fair value of the modified award over the fair value of the original award at the modification date. Therefore, as result of the modification, the Company recognizes share-based compensation that comprising (i) the amortization of the incremental compensation cost resulting from the modification over the term of the modified award and (ii) the amortization of any unrecognized compensation cost of the original award over the term of the modified award.

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For further information on share-based compensation, see Note 20 below.

(z) Employee benefits

Pursuant to relevant PRC regulations, the Company is required to make contributions to various defined contribution plans organized by municipal and provincial PRC governments. The contributions are made for each PRC employee at rates ranging from 28% to 40% on a standard salary base as determined by local social security bureau. The Company has no further commitments beyond its monthly contributions. Contributions to the defined contribution plans are charged to the consolidated statements of operations when the related service is provided.

(aa) Foreign currency translation and foreign currency risks

The functional currency of GDS Holdings is the United States dollar (“USD”), whereas the functional currency of its PRC subsidiaries and consolidated VIEs in PRC, subsidiaries in Hong Kong SAR and Macau SAR, subsidiaries in Singapore is the RMB, Hong Kong dollar (“HKD”) and Singapore dollar (“SGD”), respectively. The reporting currency of the Company is RMB as the major operations of the Company are within the PRC.

Transactions denominated in currencies other than the functional currency are re-measured into the functional currency at the exchange rates prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are re-measured at the exchange rates prevailing at the balance sheet dates. Non-monetary items that are denominated in foreign currency are measured at the historical costs by using the exchange rates at the dates of the initial transactions. Exchange gains and losses are recognized in profit or loss and are reported in foreign currency exchange gain (loss) on a net basis.

The results of foreign operations are translated into RMB at the exchange rates as of the balance sheet date for assets and liabilities, the average daily exchange rate for each month for income and expense items and the historical exchange rates for equity accounts. Translation gains and losses are recorded in other comprehensive income and accumulated in the translation adjustment component of equity until the sale or liquidation of the foreign entity.

The RMB is not a freely convertible currency. The PRC State Administration for Foreign Exchange, under the authority of the PRC government, controls the conversion of RMB to foreign currencies. The value of the RMB is subject to changes of central government policies and international economic and political developments affecting supply and demand in the China foreign exchange trading system market. The Company’s cash and cash equivalents, restricted cash and time deposits denominated in RMB amounted to RMB6,258,846 and RMB11,098,019 as of December 31, 2024 and 2025, respectively.

As of December 31, 2025, the Company’s cash and cash equivalents, restricted cash and time deposits were deposited in major financial institutions located in PRC, Hong Kong SAR, Macau SAR, the United States of America (“US”) and Singapore and were denominated in the following currencies:

In thousands	RMB	USD	HKD	Japanese Yen	Euro	SGD
In PRC	11,046,705	506,552	—	—	—	—
In Hong Kong SAR	49,357	41,409	24,350	44,643	147	—
In Macau SAR	—	—	31,256	—	—	—
In US	—	106	—	—	—	—
In Singapore	1,957	7,230	—	—	—	9,963
Total in original currency	11,098,019	555,297	55,606	44,643	147	9,963
RMB equivalent	11,098,019	3,902,931	50,223	2,000	1,206	54,384

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(bb) Concentration of credit risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist principally of cash and cash equivalents, restricted cash, time deposits and accounts receivable. The Company's investment policy requires cash and cash equivalents, restricted cash and time deposits to be placed with high-quality financial institutions and to limit the amount of credit risk from any one issuer. The Company regularly evaluates the credit standing of the counterparties or financial institutions.

The Company conducts credit evaluations on its customers prior to transfer the control of goods or services. The assessment of customer creditworthiness is primarily based on historical collection records, research of publicly available information and customer on-site visits by senior management. Based on this analysis, the Company determines what credit terms, if any, to offer to each customer individually. If the assessment indicates a likelihood of collection risk, the Company will not deliver the services or sell the products to the customer. Otherwise the Company will require the customer to pay cash, post letters of credit to secure payment or to make significant down payments. Historically, credit losses on accounts receivable have been insignificant.

(cc) Earnings (loss) per share

Basic earnings (loss) per ordinary share is computed by dividing net income (loss) available to the Company's ordinary shareholders by the weighted average number of ordinary shares outstanding during the year using the two-class method. The liquidation and dividend rights of the holders of the Company's Class A and Class B ordinary shares are identical, except with respect to voting rights. As a result, under the two-class method in accordance with ASC 260, net income (loss) available to the Company's ordinary shareholders is allocated between Class A and Class B ordinary shares and other participating securities based on participating rights in undistributed earnings on a proportionate basis. The Company's redeemable preferred shares (Note 16) are participating securities since the holders of these securities have the right to participate in dividends together with ordinary shareholders, in addition to the cumulative preferential dividend they enjoy. These participating securities are not included in the computation of basic loss per ordinary share in periods when the Company reports net loss, because these participating security holders have no obligation to share in the losses of the Company.

Diluted earnings (loss) per share is calculated by dividing net income (loss) available to the Company's ordinary shareholders as adjusted for the effect of dilutive ordinary share equivalents, if any, by the weighted average number of ordinary and dilutive ordinary share equivalents outstanding during the year. Ordinary share equivalents include the ordinary shares issuable upon the exercise of the outstanding share options (using the treasury stock method) and conversion of redeemable preferred shares and convertible bonds (using the as-if-converted method). Potential dilutive securities are not included in the calculation of diluted earnings (loss) per share if the impact is anti-dilutive.

(dd) Changes in accounting principle

The Company adopted the amendments in Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* in its consolidated financial statements for fiscal year ended December 31, 2025 on a prospective basis. This ASU amended disclosure requirements for income tax, including rate reconciliation as well as information on income taxes paid. Certain of the Company's disclosures on income taxes have been expanded as a result of adopting this guidance.

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(ee) Recently issued accounting standards

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which required disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. It should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to any or all prior periods presented in the financial statements. The Company will adopt the disclosure requirements from annual reports for fiscal year ending December 31, 2027 and is currently in the process of evaluating the disclosure impact on the Company's consolidated financial statements.

In November 2024, the FASB issued ASU 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*, which clarified the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. Under the amendments, to account for a settlement of a convertible debt instrument as an induced conversion, an inducement offer is required to provide the debt holder with, at a minimum, the consideration (in form and amount) issuable under the conversion privileges provided in the terms of the instrument. This ASU also made additional clarifications to assist stakeholders in applying the guidance. This ASU also clarified that the induced conversion guidance applies to a convertible debt instrument that is not currently convertible as long as it had a substantive conversion feature as of both its issuance date and the date the inducement offer is accepted. This ASU is effective for all entities for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities that have adopted the amendments in ASU 2020-06. This ASU permits an entity to apply the new guidance on either a prospective or a retrospective basis. The Company adopted the standard in the first quarter of 2026, and the adoption of this standard did not have a significant impact on the Company's consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provide a practical expedient that in developing reasonable and supportable forecasts as part of estimating expected credit losses, all entities may elect a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. This ASU is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. An entity that elects the practical expedient and the accounting policy election, if applicable, should apply the amendments in this ASU prospectively. The Company adopted the standard in the first quarter of 2026, and the adoption of this standard did not have a significant impact on the Company's consolidated financial statements.

In December 2025, the FASB issued ASU 2025-10, *Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities*, to improve generally accepted accounting principles by establishing authoritative guidance on the accounting for government grants received by business entities. The amendments establish the accounting for a government grant received by a business entity, including guidance for (1) a grant related to an asset and (2) a grant related to income. The guidance is effective for fiscal years beginning after December 15, 2028, with early adoption permitted, and it can be applied using one of the following approaches: (1) a modified prospective approach; (2) a modified retrospective approach and (3) a retrospective approach to all government grants. The Company will adopt the standard from fiscal year ending December 31, 2029 and is currently in the process of evaluating the impact on the Company's consolidated financial statements.

3 DISCONTINUED OPERATIONS

DayOne Data Centers Limited was incorporated in the Cayman Islands on May 18, 2022 and is principally engaged in providing colocation outside PRC and serves customers who primarily are cloud service providers and large internet companies. Upon the closing of DayOne's Series B Preferred Shares issuance on December 31, 2024, GDS Holdings's equity interest in DayOne was diluted to 35.6% which resulted in GDS Holding's lost of control over DayOne. Accordingly, the Company deconsolidated DayOne and its subsidiaries (the "Deconsolidation") on December 31, 2024 and started to recognize DayOne as an equity method investee.

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Before the Deconsolidation, substantially all of the Company's business outside PRC, mainly including Malaysia, Indonesia, Hong Kong and Singapore, representing a major geographic area of the Company, was run by DayOne. The Deconsolidation of DayOne is a strategic shift for the Company to dispose its business outside PRC and has a major effect on the Company's operations. As a result, DayOne's operations that were deconsolidated qualify for reporting as discontinued operations.

Prior to the Deconsolidation, several intra-group arrangements existed between continuing and discontinued operations, which were eliminated as intercompany transactions and were not separately reflected in the Company's previously issued financial statements. Such intercompany transactions mainly included sales commission, procurement services, license grant, guarantees and management support services. Sales commission, procurement service fees and license fees are reinstated according to ASC 606 and included in net revenue in the consolidated statements of operations for all the years presented since they are expected to continue after Deconsolidation and become part of the Company's recurring revenue-generating activities. The Company reinstated net revenue of RMB1,684 and RMB34,404 for these services for the years ended December 31, 2023 and 2024, respectively. Guarantee fees and management support service fees are reinstated according to ASC 610-20 and included in others, net in the consolidated statements of operations for all the years presented since they are related to transition services which are not within core business of the continuing operations. The Company reinstated other income of RMB85,292 and RMB59,017 for these services for the years ended December 31, 2023 and 2024, respectively.

The elimination of unrealized profit for above-mentioned fees capitalized by DayOne in its property and equipment is included in the financial results of discontinued operations, which amounted to RMB7,476 and RMB25,450, respectively, for the years ended December 31, 2023 and 2024.

The transactions with DayOne after the Deconsolidation are disclosed in Note 28.

The financial results of DayOne presented in discontinued operations reflect the results of DayOne until the Deconsolidation, adjusted for the transactions discussed above. The following table presents the financial results of discontinued operations:

	Years ended December 31,	
	2023	2024
Net revenue	175,737	1,262,063
Cost of revenue	(194,570)	(859,254)
Operating expenses	(233,249)	(400,336)
(Loss) income from operations	(252,082)	2,473
Net interest expenses	(107,286)	(280,652)
Other income (expenses)	792	(65,493)
Loss from operations of discontinued operations before income taxes	(358,576)	(343,672)
Income tax expenses	(800)	(57,124)
Loss from operations of discontinued operations, net of income taxes	(359,376)	(400,796)
Gain on deconsolidation of subsidiaries, net of nil income taxes	—	4,475,539
(Loss) income from discontinued operations, net of income taxes	(359,376)	4,074,743

Loss before income taxes of DayOne for the year ended December 31, 2025 was US\$343,959 thousand (RMB2,442,205).

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4 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

A reconciliation of cash and cash equivalents and restricted cash in the consolidated balance sheets to the amounts in the consolidated statements of cash flows is as follows:

	As of December 31,	
	2024	2025
Cash and cash equivalents	7,867,659	14,305,958
Restricted cash - current assets	67,419	130,295
Restricted cash - non-current assets	158,452	4,774
Total cash and cash equivalents and restricted cash of continuing operations shown in the consolidated statements of cash flows	8,093,530	14,441,027

5 CONTRACT BALANCES

Accounts Receivable, Net

Accounts receivable, net consisted of the following:

	As of December 31,	
	2024	2025
Accounts receivable	3,048,182	2,492,387
Less: allowance for credit losses	(26,226)	(25,029)
Accounts receivable, net	3,021,956	2,467,358

Accounts receivable of RMB2,383,419 and RMB1,285,163 was pledged as security for bank loans (Note 11) as of December 31, 2024 and 2025, respectively. Accounts receivable of RMB133,788 and RMB89,166 was pledged as security for finance lease and other financing obligations (Note 14) as of December 31, 2024 and 2025, respectively.

The following table presents the movement of the allowance for credit losses:

	Years ended December 31,		
	2023	2024	2025
Balance at the beginning of the year	20,728	39,221	26,226
Allowance made (reversal of allowance) during the year	18,294	(13,173)	(989)
Foreign exchange impact	199	178	(208)
Balance at the end of the year	39,221	26,226	25,029

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Deferred Revenue

The opening and closing balances of the Company's deferred revenue, including current and non-current portion, are as following:

	<u>Deferred revenue</u>
Beginning balance as of January 1, 2025	141,844
Increase	23,971
Closing balance as of December 31, 2025	<u>165,815</u>

The difference between the opening and closing balances of the Company's deferred revenue primarily results from the timing difference between the satisfaction of the Company's performance obligation and the customer's payment. As of December 31, 2024 and 2025, the deferred revenue expected to be recognized as revenue after one year amounted to RMB50,869 and RMB51,983, respectively, were recorded in other long-term liabilities in the consolidated balance sheet. The amounts of revenue recognized during the years ended December 31, 2023, 2024 and 2025 from the opening deferred revenue balance was RMB161,391, RMB144,983 and RMB86,483, respectively.

Remaining performance obligations

The Company enters into certain usage-based contracts for colocation and managed services in which revenues are based on the agreed usage-based fees as the actual services are rendered throughout the contract term. The Company elected to apply the practical expedient under ASC606-10-50-14(b) that allows the Company not to disclose the remaining performance obligations for variable considerations, which are charged based on the agreed unit price and number of racks in usage, in connection with these contracts with remaining durations ranging from 1 year to 8 years.

As of December 31, 2025, the revenues, excluding any variable considerations, expected to be recognized in future periods related to remaining performance obligations that are unsatisfied were as follows:

Revenue expected to be recognized	<u>RMB</u>
Within 1 year	1,206,233
After 1 year but within 2 years	867,017
After 2 years but within 3 years	498,930
After 3 years but within 4 years	391,759
After 4 years but within 5 years	323,025
After 5 years	471,069
Total	<u>3,758,033</u>

6 OTHER CURRENT ASSETS

Other current assets mainly included short-term deposits, prepaid expenses and other receivables.

The following table presents the movement of the allowance for credit losses related to other current assets:

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	Years ended December 31,		
	2023	2024	2025
Balance at the beginning of the year	2,235	2,267	2,317
Allowance made during the year	—	—	19,786
Foreign exchange impact	32	50	(58)
Balance at the end of the year	2,267	2,317	22,045

7 PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following:

	Note	As of December 31,	
		2024	2025
At cost:			
Leasehold land		868,820	847,427
Buildings		16,125,870	16,880,123
Data center equipment		24,936,431	26,597,214
Leasehold improvement		9,103,258	9,169,312
Furniture and office equipment		105,371	111,107
Vehicles		4,506	4,345
		51,144,256	53,609,528
Less: Accumulated depreciation		(14,689,668)	(17,146,803)
		36,454,588	36,462,725
Construction in progress		6,564,474	5,640,294
		43,019,062	42,103,019
Less: Impairment losses	2(o)	(2,814,929)	(4,049,195)
Property and equipment, net		40,204,133	38,053,824

The carrying amounts of the Company's property and equipment acquired under finance leases and build-to-suit leases were RMB5,452,571 and RMB4,576,138 as of December 31, 2024 and 2025, respectively.

Depreciation of property and equipment (including assets acquired under finance leases and other financing arrangement) for continuing operations was RMB3,053,194, RMB3,027,954 and RMB3,262,039 for the years ended December 31, 2023, 2024 and 2025, respectively, and included in the following captions:

	Years ended December 31,		
	2023	2024	2025
Cost of revenue	2,960,711	2,937,193	3,196,952
General and administrative expenses	87,619	86,675	63,590
Research and development expenses	4,864	4,086	1,497
	3,053,194	3,027,954	3,262,039

Property and equipment with a net book value of RMB9,756,698 and RMB9,063,987 was pledged as security for bank loans (Note 11) and other financing obligations (Note 14) as of December 31, 2024 and 2025, respectively.

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8 INTANGIBLE ASSETS, NET

Intangible assets consisted of the following:

	Note	As of December 31,	
		2024	2025
Customer contracts		1,451,341	1,250,812
Software		77,180	91,562
Licenses		6,000	6,000
Others		464	464
		<u>1,534,985</u>	<u>1,348,838</u>
Less: accumulated amortization		(955,507)	(956,363)
Less: impairment losses	2(o)	(98,364)	(119,134)
Intangible assets, net		<u>481,114</u>	<u>273,341</u>

Amortization of intangible assets was RMB314,666, RMB214,436 and RMB196,715 for the years ended December 31, 2023, 2024 and 2025, respectively.

Estimated future amortization expense related to these intangible assets is as follows:

Fiscal year ending December 31,	
2026	155,696
2027	37,654
2028	18,117
2029	16,385
2030	12,362
Thereafter	33,127
Total	<u>273,341</u>

9 ACQUISITIONS AND GOODWILL

Before April 1, 2024, goodwill was assigned to the Company's sole reporting unit, which was the design, build-out and operation of data centers reporting unit. With the reorganization of reporting structure on April 1, 2024, the Company changed the composition of reporting units, representing DayOne and the remaining operations of the Company. Accordingly, goodwill was reassigned to these two reporting units, among which RMB1,190,126 was assigned to DayOne and subsequently derecognized upon Deconsolidation.

On March 26, 2025, the Company deconsolidated the project companies that own the data center projects of Beijing 20, Beijing 21, Beijing 22 and Beijing 23 ("Beijing 20-23 Project Companies") (Note 10), and goodwill amounted to RMB224,305 allocated to these project companies was derecognized.

On July 23, 2025, the Company deconsolidated the project companies that own the data center projects of Kunshan 2 and Kunshan 3 ("Kunshan 2-3 Project Companies") (Note 10) and goodwill amounted to RMB474,357 allocated to these project companies was derecognized.

There was no other movement of goodwill during the years ended December 31, 2024 and 2025.

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Business Combinations

No business combinations were consummated in the years ended December 31, 2023, 2024 and 2025.

The Company settled the considerations, including contingent considerations, for the business combinations of RMB19,888, nil and nil in the years ended December 31, 2023, 2024 and 2025, respectively, of which interest portions were included in operating activities' cash flows and principal portions were included in investing or financing activities' cash flows depending on settlements within or after three months subsequent to acquisition dates. As of December 31, 2024 and 2025, the remaining consideration payable was RMB118,730 and RMB111,649, respectively, which was recorded in other payables.

Asset Acquisitions

In 2023 and 2024, the Company consummated several acquisitions of certain target entities. These target entities did not meet the definition of a business as of the acquisition date in accordance with ASC 805 *Business Combinations*, and the acquisitions were accounted for as assets acquisitions. The primary assets acquired were properties self-owned or under finance leases, equipment and leasehold improvements.

In the year ended December 31, 2023, 2024 and 2025, the Company recognised additional contingent consideration of RMB100,000, RMB100,223 and RMB1,958, respectively, for its asset acquisitions consummated in prior years upon satisfaction of certain contingent conditions. The Company settled the considerations, including contingent considerations, of RMB241,850, RMB85,191 and RMB13,077 for its asset acquisitions for continuing operations in the years ended December 31, 2023, 2024 and 2025, of which interest portions were included in operating activities' cash flows and principal portions were included in investing or financing activities' cash flows depending on settlements within or after three months subsequent to acquisition dates, respectively. As of December 31, 2024 and 2025, remaining consideration payables of RMB191,120 and RMB180,001, respectively, were recorded in other payables.

10 LONG-TERM INVESTMENTS IN EQUITY INVESTEES

As of December 31, 2024 and 2025, long-term investments in equity investees included the follows:

Investee	Note	As of December 31,	
		2024	2025
DayOne	(i)	7,537,604	9,164,612
C-REIT	(ii)	—	484,591
ABS	(iii)	—	393,648
Others		6,951	9,497
		<u>7,544,555</u>	<u>10,052,348</u>

Notes:

- (i) With the Company's equity interest in DayOne diluted to 35.6% and its losing control over DayOne, the Company deconsolidated DayOne on December 31, 2024 and recognized investment in DayOne amounted to RMB7,537,604 which was the fair value as of the deconsolidation date. The investment in DayOne is subsequently accounted for using equity method.

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In December 2025, DayOne signed agreements for the initial tranche of its Series C convertible preferred share financing of approximately US\$2.0 billion. As of December 31, 2025, US\$1.3 billion proceeds were collected and related new shares were issued to the investors and the remaining part was closed in January 2026. As a result, the Company's equity interest in DayOne was diluted to 30.1% on December 31, 2025. The Company accounted for the dilution as if it has sold a proportionate share of its investment in DayOne and recognized a gain of RMB1,681,006 in share of results of equity method investees and other comprehensive loss of RMB21,175 as amounts reclassified from accumulated other comprehensive loss.

- (ii) On July 23, 2025, the Company sold 100% of its equity interest in Kunshan 2-3 Project Companies to China Southern GDS Data Center Closed-End Infrastructure Securities Investment Fund ("C-REIT") with total consideration of RMB2,252,324, which was fully received in 2025. In the same month, C-REIT completed its initial public fund raising, in which the Company subscribed 20% share of C-REIT with consideration of RMB480,000. As a result, the Company deconsolidated the Kunshan 2-3 Project Companies and recognized investment in C-REIT amounted to RMB480,000 which was the fair value as of the deconsolidation date. Gain on deconsolidation of subsidiaries of RMB1,256,926 was recognized in 2025. The investment in C-REIT is subsequently accounted for using equity method.
- (iii) On March 26, 2025, the Company sold 100% of its equity interest in Beijing 20-23 Project Companies to CITIC Securities - GDS 2025 Phase 1 Data Center Holding-Type Real Estate Asset-Backed Special Plan ("ABS") with an estimated total equity consideration of RMB1,834,615, the payments of which depend on satisfaction of certain milestone conditions. The Company received equity consideration of RMB897,050 in 2025. The Company concurrently subscribed 30% share of ABS with total subscription price of RMB482,760, the payments of which also depend on satisfaction of the same milestone conditions as that of the total equity consideration payment. The Company paid subscription price of RMB313,794 in 2025. The amount of consideration expected to be received, offset by the subscription price expected to be paid to the ABS was measured at fair value of RMB1,190,782 as of March 26, 2025. As a result, the Company deconsolidated Beijing 20-23 Project Companies and recognized investment in ABS amounted to RMB401,124 which was the fair value as of the deconsolidation date. Gain on deconsolidation of subsidiaries of RMB1,107,178 was recognized in 2025. The investment in ABS is subsequently accounted for using equity method.

The financial information of DayOne is summarized below in accordance with Rule 4-08 of Regulation S-X:

	As of December 31,	
	2024	2025
Current assets	10,490,288	15,586,968
Non-current assets	18,276,507	40,798,494
Current liabilities	6,741,094	8,946,580
Non-current liabilities	6,497,228	22,448,125
Redeemable preferred shares	13,239,989	22,338,595
Non-controlling interests	311,167	411,670

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As DayOne was deconsolidated on December 31, 2024, the Company's share of its profit or loss under equity method in 2024 is immaterial. The Company recognized share of DayOne's loss under equity method (excluding the dilution gain) in 2025 of RMB32,823, including a loss of RMB963,796 in profit or loss, a gain of RMB64,699 in other comprehensive income related to foreign currency translation adjustments, net of nil income tax and a gain of RMB866,274 in additional paid-in capital related to share award plan of DayOne.

	As of December 31,	
	2024	2025
Carrying value of investment in DayOne	7,537,604	9,164,612
Proportionate share of DayOne's net assets	5,525,585	7,400,695
Basis difference	2,012,019	1,763,917
Basis difference assigned to:		
Tangible and intangible assets	99,153	49,391
Goodwill	1,934,680	1,725,345
Deferred tax liabilities	(21,814)	(10,819)
	2,012,019	1,763,917

11 BORROWINGS

The Company's borrowings consisted of the following:

	As of December 31,	
	2024	2025
Short-term borrowings	1,798,531	411,402
Current portion of long-term borrowings	2,543,118	2,540,332
Sub-total	4,341,649	2,951,734
Long-term borrowings, excluding current portion	21,905,985	23,363,213
Total borrowings	26,247,634	26,314,947

Short-term borrowings

The Company's short-term borrowings consisted of the following:

	As of December 31,	
	2024	2025
Unsecured short-term borrowings	1,798,531	411,402

The weighted average interest rates of short-term borrowings outstanding as of December 31, 2024 and 2025 were 6.39% and 2.20% per annum, respectively, taking into the consideration of debt issuance costs incurred relating to the facilities.

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Long-term borrowings

The Company's long-term borrowings consisted of the following:

	As of December 31,	
	2024	2025
Unsecured long-term borrowings	30,743	254,986
Secured long-term borrowings	24,418,360	25,648,559
	<u>24,449,103</u>	<u>25,903,545</u>

Long-term borrowings were secured by the following assets:

	As of December 31,	
	2024	2025
Accounts receivable	2,383,419	1,285,163
Other current assets	87,225	80,687
Property and equipment, net	8,310,725	7,859,451
Prepaid land use rights, net	16,791	7,215
Operating lease ROU assets	3,639,061	3,470,272
Other non-current assets	19,052	11,423
	<u>14,456,273</u>	<u>12,714,211</u>

In addition to the above assets pledged for secured borrowings, some of the borrowings were guaranteed by the equity interests of the subsidiaries of GDS Holdings.

The weighted average interest rates of long-term borrowings as of December 31, 2024 and 2025 were 4.12% and 3.90% per annum, respectively, taking into the consideration of debt issuance costs incurred relating to the facilities.

The outstanding long-term borrowings mature serially from 2026 to 2040. The aggregate maturities of the above long-term borrowings for each for the five years and thereafter subsequent to December 31, 2025 are as follows:

	Long-term borrowings
Twelve months ending December 31,	
2026	2,540,332
2027	3,245,423
2028	3,344,093
2029	2,561,510
2030	3,895,671
Thereafter	<u>10,316,516</u>
	<u>25,903,545</u>

The Company entered into secured loan agreements with various financial institutions for project development and working capital purpose with terms ranging from 1 to 15 years.

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As of December 31, 2025, the Company had total working capital and project financing credit facilities of RMB28,329,492 from various financial institutions, of which the unused amount was RMB3,563,408. As of December 31, 2025, the Company had drawn down RMB24,766,084 from such facilities, of which RMB406,762 (net of debt issuance costs of RMB3,238) was recorded in short-term borrowings and RMB24,307,899 (net of debt issuance costs of RMB48,185) was recorded in long-term borrowings, respectively. In addition, the Company also had certain borrowings from non-financial institutions.

Drawdowns from the credit facility from financial institutions are subject to the approval of the banks and are subject to the terms and conditions of each agreement.

More specifically, the terms of these secured loan facility agreements generally include one or more of the following conditions. If any of the below conditions were to be triggered, the Company could be obligated to notify the lender or repay any loans outstanding immediately or on an accelerated repayment schedule.

Below are the terms and conditions for project loan facilities as of December 31, 2025:

- (i) GDS Holdings and GDS Investment Company are not or cease to be, directly or indirectly, the legal and beneficial owner of 100% of the equity interests of, and have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to control, GDS Investment Company (in the case of GDS Holdings), GDS Beijing, Global Data Solutions Co., Ltd. (“GDS Suzhou”), a subsidiary company of GDS Beijing and the relevant borrowing subsidiaries;
- (ii) Management HoldCo ceases to, directly or indirectly, own at least 100% of the equity interests of and have the power to control GDS Beijing or GDS Suzhou;
- (iii) GDS Beijing, GDS Suzhou and the relevant borrowing subsidiaries cease to, directly or indirectly, be the legal and beneficial owner of 100% of the equity interests of, and have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to control, their consolidated subsidiaries;
- (iv) GDS Holdings is not or cease to be, directly or indirectly, the legal and beneficial owner of all equity interests held by it in the relevant borrowing subsidiaries, or have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to control the relevant borrowing subsidiaries;
- (v) there are changes in the shareholding structure of a principal operating subsidiary of GDS Holdings, as defined in the relevant loan facility agreement;
- (vi) there are changes in the controlling shareholders or the beneficial owners of the relevant borrowing subsidiaries which could have a material adverse effect on their performance of the loan facility agreements; and
- (vii) the IDC license of GDS Beijing, the borrowing subsidiaries, other affiliated entities, or the authorization by GDS Beijing to one such subsidiary to operate the data center business and provide IDC services under the auspices of the IDC license held by GDS Beijing, is cancelled or fails to be renewed on or before the expiry date.

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There are certain other events in the loan facility agreements the occurrence of which could obligate GDS Holdings to notify the lender or repay any loans outstanding immediately or on an accelerated repayment schedule, including, among others, if the borrowing subsidiary fails to use the loan in accordance with the use of proceeds as provided in the loan facility agreement, the borrowing subsidiary violates or fails to perform any of its commitments under the loan facility agreement, or if GDS Holdings fails to maintain its shares listed on at least one of the following stock exchanges before the maturity date under the relevant loan facility agreement: (i) Nasdaq; or (ii) The Singapore Exchange Securities Trading Limited; or (iii) The Hong Kong Stock Exchange; or (iv) any other stock exchange acceptable to the lender. The terms of these loan agreements also include cross default provisions which could be triggered if the Company (i) fails to repay any financial indebtedness in an aggregate amount equivalent to or exceeding RMB50,000 when due or within any originally applicable grace period; (ii) fails to repay any financial indebtedness or perform any of its obligations under any agreement which could have a material adverse effect on its performance of the loan facility agreements; (iii) fails to repay any financial indebtedness raised with any financial institution; or (iv) fails to perform any loan facility agreement with any financial institution which could result in immediate or accelerated repayment of the financial indebtedness or downgrading of the borrowing subsidiary by any credit rating agency administered by the People's Bank of China ("PBOC") in accordance with the regulations promulgated by PBOC governing loan market rating standards. As of December 31, 2025, the Company was in compliance with all of the abovementioned covenants.

12 CONVERTIBLE BONDS PAYABLE

The convertible notes payable consisted of following:

	As of December 31,	
	2024	2025
Convertible Bonds due 2025	575	—
Convertible Bonds due 2029	4,444,327	4,351,222
Convertible Bonds due 2030	4,132,256	4,051,625
Convertible Bonds due 2032	—	3,741,524
Total	8,577,158	12,144,371
Including:		
- Current	575	—
- Non-current	8,576,583	12,144,371

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The interest expenses related to the convertible notes are as follows:

	Years ended December 31,		
	2023	2024	2025
Contractual interest	202,776	196,665	249,313
Amortization of issuance cost	20,015	16,342	36,623
Total interest expenses	222,791	213,007	285,936

Convertible Notes due June 1, 2025 issued by the Company (“Convertible Bonds due 2025”)

On June 5, 2018, the Company completed its issuance of Convertible Bonds due 2025 in an aggregate principal amount of US\$300 million. The related issuance costs of US\$8,948 thousand were deducted from principal of the Convertible Bonds due 2025 and amortized over the period from issuance to the first put date (i.e. June 1, 2023) using the effective interest method.

The key terms of the Convertible Bonds due 2025 are summarized as follows:

Maturity Date

- June 1, 2025

Interest

- 2.0% per annum, accruing from June 5, 2018 (computed on the basis of a 360-day year composed of twelve 30-day months), payable semiannually in arrears on June 1 and December 1 of each year

Repurchase of Notes

- Holders will have the right to require the Company to repurchase for cash all of their notes, or any portion of the principal thereof that is equal to US\$1 thousand or an integral multiple of US\$1 thousand, on June 1, 2023 or if a fundamental change occurs at any time.

Tax redemption

- The Company may redeem, at its option, all but not part of the Convertible Bonds due 2025 if it becomes obligated to pay to the holder of any note “additional amounts” (which are more than a de minimis amount) as a result of any change in tax law at the price equal to 100% of the principal amount together with accrued and unpaid interest. Upon receiving notice of redemption, each holder will have the right to elect to: convert its notes; or not have its notes redeemed and GDS Holdings will not pay any additional amounts as a result of such change in tax law.

Conversion rights

- Holders may convert their notes at their option at any time prior to the close of business on the third scheduled trading day immediately preceding the maturity date.
- The conversion rate is initially 19.3865 American Depositary Shares (“ADSs”) of the Company per US\$1 thousand principal amount of notes (equivalent to an initial conversion price of approximately US\$51.58 per ADS), and subject to changes under certain anti-dilution conditions.

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The Company determined that the embedded conversion option of the Convertible Bonds due 2025 was not required to be accounted for as an embedded derivative pursuant to ASC 815 *Derivatives and Hedging*, because it is both indexed to the Company's own stock and classified in shareholders' equity. The Company also determined there was no other embedded derivative to be separated from the Convertible Bonds due 2025.

In the year ended December 31, 2020, Convertible Bonds due 2025 with principal amount of US\$10 thousand were converted into ordinary shares as the holders exercised their conversion option. The Company recorded additional paid-in capital of RMB65 upon conversion.

On June 1, 2023, certain holders exercised their right to request the Company to redeem Convertible Bonds due 2025 with principal amount of US\$299,910 thousand.

As of December 31, 2024, the outstanding principal amount of Convertible Bonds due 2025 was US\$80 thousand. On June 1, 2025, the outstanding amount was fully repaid.

Convertible Notes due March 8, 2029 issued by the Company ("Convertible Bonds due 2029")

On March 8, 2022, the Company completed its issuance of Convertible Bonds due 2029 in an aggregate principal amount of US\$620 million. The related issuance costs of US\$3,950 thousand were deducted from principal of the Convertible Bonds due 2029 and amortized over the period from issuance to the first put date (i.e. March 8, 2027) using the effective interest method.

The key terms of the Convertible Bonds due 2029 are summarized as follows:

Maturity Date

- March 8, 2029

Interest

- 0.25% per annum, computed on the basis of a 360-day year composed of twelve 30-day months, payable semiannually in arrears on March 8 and September 8 of each year

Repurchase of Notes

- Holders will have the right to require the Company to repurchase for cash all of their notes, or any portion of the principal thereof that is in denominations of US\$200 thousand and integral multiples of US\$1 thousand in excess thereof, on March 8, 2027 or if a fundamental change occurs at any time.

Tax redemption

- The Company may redeem, at its option, all but not part of the Convertible Bonds due 2029 if it becomes obligated to pay to the holder of any note "additional amounts" (which are more than a de minimis amount) as a result of any change in tax law at the price equal to 100% of the principal amount together with accrued and unpaid interest. Upon receiving notice of redemption, each holder will have the right to elect to: convert its notes; or not have its notes redeemed and GDS Holdings will not pay any additional amounts as a result of such change in tax law.

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Conversion rights

- Holders may convert their notes at their option 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 Ordinary Shares in lieu of any ADSs) immediately preceding the maturity date.
- The conversion rate is initially 20 ADSs of the Company per US\$1 thousand principal amount of notes (equivalent to an initial conversion price of US\$50 per ADS), and subject to changes under certain anti-dilution conditions.

Forced conversion

- If (1) the Daily VWAP per ADS (or, if the ADSs are no longer traded on The NASDAQ Global Market, of the Ordinary Shares) exceeds 150% of the Conversion Price (the “Agreed Threshold”) on any twenty trading days (whether or not consecutive) during any thirty consecutive trading day period beginning on or after the 5th anniversary of March 8, 2022 (such thirty 30 consecutive trading day period being the “Forced Conversion Qualification Period”), (2) the Daily VWAP per ADS (or, if the ADSs are no longer traded on The NASDAQ Global Market, of the Ordinary Shares) for each of the last five consecutive trading days during the Forced Conversion Qualification Period is not lower than the Agreed Threshold and (3) the aggregate average daily dollar trading volume (as reported on Bloomberg) of (x) the ADSs on The NASDAQ Global Market and (y) the Ordinary Shares on the Hong Kong Stock Exchange during such Forced Conversion Qualification Period is at least US\$70.0 million, then, the Company shall have the right (but not the obligation) to force the conversion of all (and not some only) of the outstanding principal amount held by such Holders into the Company’s shares at the then applicable Conversion Rate.

The Company determined that the embedded conversion option of the Convertible Bonds due 2029 was not required to be accounted for as an embedded derivative pursuant to ASC 815, *Derivatives and Hedging*, because it is both indexed to the Company’s own stock and classified in shareholders’ equity. The Company also determined there was no other embedded derivative to be separated from the Convertible Bonds due 2029.

Convertible Notes due January 31, 2030 issued by the Company (“Convertible Bonds due 2030”)

On January 20, 2023, the Company completed its issuance of Convertible Bonds due 2030 in an aggregate principal amount of US\$580 million. The related issuance costs of US\$7,934 thousand were deducted from principal of the Convertible Bonds due 2030 and amortized over the period from issuance to the first put date (i.e. January 31, 2028) using the effective interest method.

The key terms of the Convertible Bonds due 2030 are summarized as follows:

Maturity Date

- January 31, 2030

Interest

- 4.50% per annum, computed on the basis of a 360-day year composed of twelve 30-day months, payable semiannually in arrears on January 31 and July 31 of each year

Repurchase of Notes

- Holders will have the right to require the Company to repurchase for cash all of their notes, or any portion of the principal thereof that is in denominations of US\$200 thousand and integral multiples of US\$1 thousand in excess thereof, on January 31, 2028 or if a fundamental change occurs at any time.

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Tax redemption

- The Company may redeem, at its option, all but not part of the Convertible Bonds due 2030 if it becomes obligated to pay to the holder of any note “additional amounts” (which are more than a de minimis amount) as a result of any change in tax law at the price equal to 100% of the principal amount together with accrued and unpaid interest. Upon receiving notice of redemption, each holder will have the right to elect to: convert its notes; or not have its notes redeemed and GDS Holdings will not pay any additional amounts as a result of such change in tax law.

Conversion rights

- Holders may convert their notes at their option 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 Ordinary Shares in lieu of any ADSs) immediately preceding the maturity date.
- The conversion rate is initially 40.8163 ADSs of the Company per US\$1 thousand principal amount of notes (equivalent to an initial conversion price of US\$24.50 per ADS), and subject to changes under certain anti-dilution conditions.

Forced conversion

- If (1) the Daily VWAP per ADS (or, if the ADSs are no longer traded on The NASDAQ Global Market, of the Ordinary Shares) exceeds 200% of the Conversion Price (the “Agreed Threshold”) on any twenty trading days (whether or not consecutive) during any thirty consecutive trading day period beginning on or after the 3rd anniversary of January 11, 2023 (such thirty 30 consecutive trading day period being the “Forced Conversion Qualification Period”), (2) the Daily VWAP per ADS (or, if the ADSs are no longer traded on The NASDAQ Global Market, of the Ordinary Shares) for each of the last five consecutive trading days during the Forced Conversion Qualification Period is not lower than the Agreed Threshold and (3) the aggregate average daily dollar trading volume (as reported on Bloomberg) of (x) the ADSs on The NASDAQ Global Market and (y) the Ordinary Shares on the Hong Kong Stock Exchange during such Forced Conversion Qualification Period is at least US\$30.0 million, then, the Company shall have the right (but not the obligation) to force the conversion of any outstanding notes into the Company’s shares at the then applicable Conversion Rate.

The Company determined that the embedded conversion option of the Convertible Bonds due 2030 was not required to be accounted for as an embedded derivative pursuant to ASC 815, *Derivatives and Hedging*, because it is both indexed to the Company’s own stock and classified in shareholders’ equity. The Company also determined there was no other embedded derivative to be separated from the Convertible Bonds due 2030.

Convertible Notes due June 1, 2032 issued by the Company (“Convertible Bonds due 2032”)

On May 30, 2025, the Company completed its issuance of Convertible Bonds due 2032 in an aggregate principal amount of US\$550 million. The total related issuance costs of US\$20,452 thousand, including the fair value of share-lending arrangement (Note 12), were deducted from principal of the Convertible Bonds due 2032 and amortized over the period from issuance to the first put date (i.e. June 1, 2029) using the effective interest method.

The key terms of the Convertible Bonds due 2032 are summarized as follows:

Maturity Date

- June 1, 2032

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Interest

- 2.25% per annum, computed on the basis of a 360-day year composed of twelve 30-day months, payable semiannually in arrears on June 1 and December 1 of each year

Repurchase of Notes

- Holders will have the right to require the Company to repurchase for cash all of their notes, or any portion of the principal thereof that is in denominations of US\$1 thousand and integral multiples of US\$1 thousand in excess thereof, on June 1, 2029 or if a fundamental change occurs at any time.

Tax redemption

- The Company may redeem, at its option, all but not part of the Convertible Bonds due 2032 if it becomes obligated to pay to the holder of any note “additional amounts” (which are more than a de minimis amount) as a result of any change in tax law at the price equal to 100% of the principal amount together with accrued and unpaid interest. Upon receiving notice of redemption, each holder will have the right to elect to: convert its notes; or not have its notes redeemed and GDS Holdings will not pay any additional amounts as a result of such change in tax law.

Cleanup redemption

- The Company may redeem for cash all but not part of the Convertible Bonds due 2032 at its option at any time if less than 10% of the aggregate principal amount originally issued remains outstanding at such time, at a redemption price equal to 100% of the principal amount of the principal amount together with accrued and unpaid interest.

Optional redemption by the Company

- On or after June 6, 2029 and on or prior to the 40th scheduled trading day immediately prior to the maturity date, the Company may redeem for cash all or part of the Convertible Bonds due 2032, at its option, a redemption price equal to 100% of the principal amount of the principal amount together with accrued and unpaid interest, if (x) the notes are “freely tradable”, and all accrued and unpaid additional interest, if any, has been paid in full, as of the date it sends such notice and (y) the last reported sale price of its ADSs has been at least 130% of the conversion price then in effect on (i) each of at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending on, and including, the trading day immediately prior to the date it provides notice of redemption and (ii) the trading day immediately preceding the date it sends such notice.

Conversion rights

- Prior to the close of business on the business day immediately preceding December 1, 2031, the Convertible Bonds due 2032 will be convertible only upon satisfaction of one or more of the following conditions:
 - (i) Conversion upon satisfaction of sale price condition: A holder may surrender all or any portion of its notes for conversion at any time during any calendar quarter commencing after the calendar quarter ending on September 30, 2025 (and only during such calendar quarter), if the last reported sale price of the ADSs for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;

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- (ii) Conversion upon satisfaction of trading price condition: A holder of notes may surrender all or any portion of its notes for conversion at any time during the five business day period after any ten consecutive trading day period (the “measurement period”) in which the “trading price” per US\$1 thousand principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the ADSs and the conversion rate on each such trading day;
 - (iii) Conversion upon notice of redemption: If the Company calls any or all of the notes for redemption under “Tax redemption”, “Cleanup redemption” or “Optional redemption by the Company”, holders may convert any or all of their notes so called for redemption at any time prior to the close of business on the second scheduled trading day immediately preceding the tax redemption date, cleanup redemption date or the optional redemption date (as the case may be);
 - (iv) Conversion upon specified corporate events: the Convertible Bonds due 2032 are convertible upon certain distributions and certain corporate events (including “fundamental change”, “make-whole fundamental change” and when the Company is a party to a consolidation, merger, binding share exchange, or transfer or lease of all or substantially all of the Company’s assets pursuant to which the ADSs would be converted into cash, securities or other assets).
- On or after December 1, 2031 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their notes at the conversion rate in effect at any time.
 - The conversion rate is initially 30.2343 ADSs per US\$1 thousand principal amount of notes (equivalent to an initial conversion price of approximately US\$33.08 per ADS), and subject to changes under certain anti-dilution conditions.
 - Upon conversion, the Company may choose to pay or deliver, as the case may be, either cash (“cash settlement”), ADSs (“physical settlement”) or a combination of cash and ADSs (“combination settlement”). If the Company does not timely elect a settlement method, the Company will no longer have the right to elect cash settlement or combination settlement and will be deemed to have elected physical settlement in respect of its conversion obligation (such settlement method shall be the “default settlement method” initially elected by the Company). The Company may, prior to the 55th scheduled trading day before the maturity date, at its option, change the default settlement method.
 - If the Company elects (or is deemed to have elected) physical settlement, it will deliver to the converting holder in respect of each US\$1 thousand principal amount of notes being converted a number of ADSs equal to the conversion rate in effect on the conversion date for such conversion, subject to holders’ election to receive ordinary shares in lieu of such ADSs; if the Company elects (or is deemed to have elected) cash settlement, it will pay to the converting holder in respect of each US\$1 thousand principal amount of notes being converted cash in an amount equal to the sum of the daily conversion values for each of the 40 consecutive trading days during the related observation period; and if the Company elects (or is deemed to have elected) combination settlement, it will pay or deliver, as the case may be, to the converting holder in respect of each US\$1 thousand principal amount of notes being converted a “settlement amount” equal to the sum of the daily settlement amounts for each of the 40 consecutive trading days during the related observation period. The “daily settlement amount,” for each of the 40 consecutive trading days during the observation period, shall consist of: cash equal to the lesser of (i) the maximum cash amount per US\$1,000 principal amount of notes to be received upon conversion as specified in the notice specifying the chosen settlement method (the “specified dollar amount”), if any, divided by 40 (such quotient, the “daily measurement value”) and (ii) the daily conversion value; and if the daily conversion value exceeds the daily measurement value, a number of ADSs equal to (i) the difference between the daily conversion value and the daily measurement value, divided by (ii) the daily VWAP for such trading day. The “daily conversion value” means, for each of the 40 consecutive trading days during the observation period, 2.5% of the product of (1) the conversion rate on such trading day and (2) the daily VWAP for such trading day.

The Company determined that the embedded conversion option of the Convertible Bonds due 2032 was not required to be accounted for as an embedded derivative pursuant to ASC 815, *Derivatives and Hedging*, because it is both indexed to the Company’s own stock and classified in shareholders’ equity. The Company also determined there was no other embedded derivative to be separated from the Convertible Bonds due 2032.

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The effective interest rate of the Convertible Bonds due 2025, after considering the related issuance cost, was 2.03% as of December 31, 2024. The effective interest rate of the Convertible Bonds due 2029, after considering the related issuance cost, was 0.38% as of December 31, 2024 and 2025. The effective interest rate of the Convertible Bonds due 2030, after considering the related issuance cost, was 4.87% as of December 31, 2024 and 2025. The effective interest rate of the Convertible Bonds due 2032, after considering the related issuance cost, was 3.28% as of December 31, 2025.

As of December 31, 2024 and 2025, accrued interests for the convertible bonds of RMB81,668 and RMB87,348, respectively, were recorded in accrued expenses.

Share-lending arrangement in connection with Convertible Bonds due 2032

In contemplation of its issuance of Convertible Bonds due 2032, the Company issued and lent to J.P. Morgan Securities PLC (the “Borrower”) 6,000,000 ADSs (the “Loaned ADSs”) for a processing fee of US\$0.0004 per Loaned ADSs, for certain investors who employ a convertible arbitrage strategy to hedge their market risk with respect to Convertible Bonds due 2032.

The arrangement shall terminate upon the earliest of (i) the date on which the Company notifies the Borrower in writing of its intention to terminate at any time after the date on which the entire principal amount of the Convertible Bonds due 2032 ceases to be outstanding, (ii) the date as of which the Borrower has returned all Loaned ADSs to the Company, (iii) the written agreement of the Company and the Borrower to so terminate, (iv) the exercise by either party of its termination rights following specified termination events, and the occurrence of a Delisting (the Company’s ADSs cease to be listed, traded or publicly quoted).

Upon termination, the Borrower shall promptly return to the Company all Loaned ADSs through physical settlement. The Borrower is required to return Loaned ADSs if certain ownership thresholds or applicable share limits are reached. In addition, if the aggregate number of Loaned ADSs exceeds the maximum number of ADSs permitted under the arrangement, the Company may require the Borrower to return the excess Loaned ADSs without payment of additional consideration.

Notwithstanding the foregoing, the arrangement may be settled in cash under certain circumstances. If legal or regulatory restrictions, market illiquidity, Delisting, cancellation of the ADSs or similar conditions give rise to a repurchase obstacle that continues for more than 90 trading days, the Company or the Borrower, as applicable, may require or elect cash settlement based on the replacement cash amount determined based on the purchase price or the arithmetic average of the volume-weighted average prices per ADS in accordance with the terms of the arrangement.

No collateral is required to be posted for the Loaned ADSs. The Borrower is required to remit to the Company any dividends paid to the holders of the Loaned ADSs (net of any fees, costs or tax withholdings and deductions). The Borrower is not entitled to vote on the Loaned ADSs.

In accordance with ASC 815-40 and ASC 470-20, the Company has accounted for the share-lending arrangement as equity, initially measured at fair value and recognized it as an issuance cost associated with Convertible Bonds due 2032. As a result, additional issuance cost of US\$5,145 thousand was recorded on the issuance date with a corresponding increase to ordinary shares and additional paid-in-capital. Since the cash settlement feature is based on the fair value of shares to be repurchased, no separate accounting is needed for this feature.

As of December 31, 2025, the unamortized amount of the issuance costs associated with the share-lending arrangement was RMB31,274. As of December 31, 2025, the outstanding number of Loaned ADSs was 6,000,000 ADSs, the fair value of which was RMB1,471,831. In 2025, the Company recognized interest expenses of RMB4,948 associated with the share-lending arrangement, which is included in the amortization of issuance cost of Convertible Bonds due 2032.

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13 ACCOUNTS PAYABLE AND ACCRUED EXPENSES AND OTHER PAYABLES

Accounts payable consisted of the following:

	As of December 31,	
	2024	2025
Accounts payable for operating expenses	481,597	477,323
Accounts payable for purchase of property and equipment	2,111,708	1,454,854
	<u>2,593,305</u>	<u>1,932,177</u>

Accrued expenses and other payables consisted of the following:

	As of December 31,	
	2024	2025
Consideration payables for acquisitions	309,850	291,650
Accrued payroll and welfare benefits	204,047	219,257
Accrued interest expenses	125,090	111,683
Income tax payable	118,605	126,454
Other tax payables	44,500	43,382
Accrued debt issuance costs and other financing costs	32,372	5,798
Others	454,142	407,228
	<u>1,288,606</u>	<u>1,205,452</u>

14 LEASES

A summary of supplemental information related to operating leases as of December 31, 2024 and 2025 is as follows:

	Note	As of December 31,	
		2024	2025
Operating lease right-of-use assets, gross		5,274,000	4,986,151
Less: Impairment losses	2(o)	(80,592)	(154,527)
Operating lease right-of-use assets, net		5,193,408	4,831,624
Operating lease liabilities, current		117,345	110,133
Operating lease liabilities, non-current		1,279,726	1,203,487

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The components of lease cost of continuing operations are as follows:

	Years ended December 31,		
	2023	2024	2025
Finance lease cost:			
- Amortization of right-of-use assets	495,074	440,629	438,146
- Interest on lease liabilities	613,909	562,968	535,676
Operating lease cost	351,104	330,943	314,480
Short-term lease cost	54,215	61,189	50,886
Variable lease cost	(4,835)	(3,358)	(7,342)
Total lease cost	1,509,467	1,392,371	1,331,846

Supplemental cash flow information related to leases of continuing operations is as follows:

	Years ended December 31,		
	2023	2024	2025
Cash paid for amounts included in measurement of lease liabilities (Note):			
- Operating cash flows from finance leases	(501,090)	(438,532)	(397,349)
- Operating cash flows from operating leases	(232,342)	(216,387)	(197,501)
- Financing cash flows from finance leases	(986,888)	(545,911)	(626,670)
Non-cash information on lease liabilities arising from obtaining ROU assets:			
- Finance leases	16,772	—	—
- Operating leases	28,225	49,640	44,144
Non-cash information on lease liabilities and ROU assets derecognized for termination of leases:			
- Finance leases	237,330	—	109,255
- Operating leases	48,610	—	10,880
Gain on early termination of leases:			
- Finance leases	39,350	—	42,887
- Operating leases	5,412	—	3,901

Note: The above table does not include cash paid for purchase of land use rights and initial direct costs of leases of RMB15,900, nil and nil for continuing operations in the years ended December 31, 2023, 2024 and 2025, respectively, which are included in “Payments for purchase of property and equipment and land use rights” in the consolidated statements of cash flows.

The financing cash flows from finance leases include the payment of principal due to early termination of certain financing arrangements for data center equipment.

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Weighted average remaining lease term and weighted average discount rate for leases, excluding prepaid land use rights, are as follows:

	As of December 31,	
	2024	2025
Weighted average remaining lease term:		
- Finance leases	11.8	10.9
- Operating leases	12.0	11.3
Weighted average discount rate:		
- Finance leases	6.57 %	6.60 %
- Operating leases	6.15 %	6.13 %

Weighted average discount rate for other financing obligations is 7.37% and 7.28% as of December 31, 2024 and 2025, respectively.

Maturities of lease and other financing obligations were as follows:

	As of December 31, 2024					As of December 31, 2025				
	Finance lease obligations	Other financing obligations	Total of finance lease and other financing obligations	Operating lease obligations	Total	Finance lease obligations	Other financing obligations	Total of finance lease and other financing obligations	Operating lease obligations	Total
Within 1 year	693,373	404,653	1,098,026	196,052	1,294,078	705,304	376,351	1,081,655	183,979	1,265,634
After 1 year but within 2 years	693,058	411,108	1,104,166	159,315	1,263,481	709,361	1,670,630	2,379,991	167,772	2,547,763
After 2 years but within 3 years	717,908	1,625,281	2,343,189	156,743	2,499,932	659,440	184,637	844,077	153,667	997,744
After 3 years but within 4 years	669,546	149,770	819,316	149,715	969,031	688,627	118,664	807,291	154,301	961,592
After 4 years but within 5 years	698,531	84,861	783,392	154,118	937,510	717,746	128,702	846,448	153,568	1,000,016
After 5 years	5,013,131	166,727	5,179,858	1,197,588	6,377,446	4,183,797	133,148	4,316,945	1,032,984	5,349,929
Total	8,485,547	2,842,400	11,327,947	2,013,531	13,341,478	7,664,275	2,612,132	10,276,407	1,846,271	12,122,678
Less: total future interest	(2,681,576)	(408,568)	(3,090,144)	(616,460)	(3,706,604)	(2,268,317)	(256,969)	(2,525,286)	(532,651)	(3,057,937)
Present value of lease and other financing obligations	5,803,971	2,433,832	8,237,803	1,397,071	9,634,874	5,395,958	2,355,163	7,751,121	1,313,620	9,064,741
Including:										
- Current portion			636,152	117,345	753,497			697,142	110,133	807,275
- Non-current portion			7,601,651	1,279,726	8,881,377			7,053,979	1,203,487	8,257,466

Lease and other financing obligations were secured by the following assets:

	As of December 31,	
	2024	2025
Accounts receivable	133,788	89,166
Property and equipment, net	1,445,973	1,204,536
Operating lease ROU assets	18,521	17,929
	<u>1,598,282</u>	<u>1,311,631</u>

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15 OTHER LONG-TERM LIABILITIES

Other long-term liabilities consisted of the following:

	As of December 31,	
	2024	2025
Asset retirement obligations	103,214	111,026
Deferred revenue - non-current (Note 5)	50,869	51,983
Deferred government grants	114,209	58,068
Others	28,929	2,525
Total	297,221	223,602

16 REDEEMABLE PREFERRED SHARES

On March 27, 2019 (the “Issue Date”), GDS Holdings completed its issuance of 150,000 Convertible Preferred Shares (“redeemable preferred shares”) to an investor at the subscription price of US\$1 thousand per share with total consideration of US\$150 million.

The movement of redeemable preferred shares is set out as below:

	Redeemable preferred shares
Balance at January 1, 2023	1,047,012
Accrual of redeemable preferred shares dividends	53,625
Settlement of redeemable preferred shares dividends	(53,923)
Foreign exchange impact	18,052
Balance at December 31, 2023 and January 1, 2024	1,064,766
Accrual of redeemable preferred shares dividends	54,232
Settlement of redeemable preferred shares dividends	(54,169)
Foreign exchange impact	15,827
Balance at December 31, 2024 and January 1, 2025	1,080,656
Accrual of redeemable preferred shares dividends	54,305
Settlement of redeemable preferred shares dividends	(54,124)
Foreign exchange impact	(24,174)
Balance at December 31, 2025	1,056,663

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Key terms of the convertible preferred shares

Dividends

The holders of the preferred shares are entitled to receive, in priority to the holders of the ordinary shares, cumulative preferred share dividends which are payable quarterly in arrears on March 15, June 15, September 15 and December 15, commencing on June 15, 2019 (each such payment date being a “Regular Dividend Payment Date”). The dividends are 5.0% per annum of the respective preferred shares Stated Value (i.e. the subscription price of preferred shares plus any accrued dividends that are not paid on Regular Dividend Payment Date). The dividend rate will increase to 7.0% per annum and further increase by 50 basis points each quarter thereafter if the Company has not redeemed all of the preferred shares outstanding as of the eighth anniversary of the Issue Date. The dividends are computed on a basis of a 360-day year and the actual number of days elapsed. Dividends may, at the option of the Company, be paid in cash only, be paid in cash or in additional preferred shares, or a combination thereof. If the aggregate amounts of dividend on its ordinary shares are higher than the cumulative preferred share dividends over the four consecutive quarters, the holders of preferred shares have the right to receive the dividend in an amount equal to the dividend paid to the holders of ordinary shares (treating each holder of Convertible Preferred Shares as being the holder of the number of Class A Ordinary Shares into which such holder’s Convertible Preferred Shares would be converted if such shares were converted at the end of each period).

Conversion

The holders of preferred shares have the right to convert any or all of their holdings of preferred shares Stated Value into Class A Ordinary Shares based on the conversion rate then in effect.

In addition, if, at any time beginning on March 15, 2022, (i) the volume-weighted average price (“VWAP”) per ADS of the GDS Holdings equals or exceeds US\$53.40 (adjusted as according to anti-dilution provisions) for at least 20 trading days in any period of 30 consecutive trading days and (ii) the average daily trading volume of the ADS for such 20 qualifying trading days is at least US\$10 million in the aggregate, at the Company’s election, all of the preferred shares then outstanding shall be converted into a number of Class A Ordinary Shares based on the conversion rate then in effect.

The initial conversion rate is corresponding to a conversion price of US\$35.60 per ADS, and will be subject to adjustments for any split, subdivision, combination, consolidation, recapitalization or similar event.

Liquidation preference

Upon a liquidation, after satisfaction of all liabilities and obligations to creditors of the Company and before any distribution or payment shall be made to holders of ordinary shares, each holder of preferred shares shall be entitled to receive an amount per preferred share equal to the greater of: (1) the Stated Value of preferred shares plus any dividends accumulated but unpaid thereon after the immediately preceding Regular Dividend Payment Date to but excluding the date of liquidation; (2) the payment such holders would have received had such holders, immediately prior to such liquidation converted their preferred shares into Class A Ordinary Shares.

Optional Redemption by the Company

The preferred shares may be redeemed, in whole or in part, at any time after March 15, 2027, at the option of the Company at a redemption price per share equal to the sum of the Stated Value per preferred share to be redeemed plus an amount per share equal to accrued but unpaid dividends on such preferred shares after the immediately preceding Regular Dividend Payment Date to but excluding the date of redemption.

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Repurchase at the Option of the Holder Upon a Fundamental Change

Upon the occurrence of a Fundamental Change, as defined in the share subscription agreement, each holder of preferred shares shall have the right to require the Company to repurchase all or any portion of such holder's preferred shares at a purchase price per preferred share equal to the greater of

- (i) the sum of (x) 100% multiplied by the Stated Value per preferred share plus (y) an amount equal to accrued but unpaid dividends on such preferred share after the immediately preceding Regular Dividend Payment Date to but excluding the date of repurchase, plus (z) solely in the event that such Fundamental Change occurs prior to the third anniversary of the Issue Date, the present value of all undeclared dividends from the date of redemption to, and including, the third anniversary of the Issue Date, in each case, discounted to the date of redemption on the basis of actual days elapsed (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, which is the yield to maturity at the time of computation of United States Treasury securities with a constant maturity, plus 50 basis points, and
- (ii) the amount of cash and/or other assets such holder would have received had such holder, immediately prior to the occurrence of such Fundamental Change, converted such preferred shares into Class A Ordinary Shares.

Financing for Redemption of Convertible Preferred Shares

In the event that any preferred shares remain outstanding from and after the tenth anniversary of the Issue Date, the holders of preferred shares constituting at least 90% of the preferred shares issued as of the Issue Date (as adjusted for any split, subdivision, combination, consolidation, recapitalization or similar event with respect to the preferred shares) shall have the right to require the Company to sell all or a portion of its business and/or to conduct other fundraising or refinancing activities, and use reasonable best efforts to consummate such sale or to issue equity or debt securities (or obtain other debt financing) in an amount sufficient to redeem in full in cash, and use best endeavors to as soon as reasonably practicable redeem in full in cash, all of the preferred shares then outstanding at a redemption price per share equal to the sum of the Stated Value per preferred share to be redeemed plus an amount per share equal to accrued but unpaid dividends on such preferred shares after the immediately preceding Regular Dividend Payment Date to but excluding the date of redemption.

Voting rights

The holders of the preferred shares have voting rights equivalent to the ordinary shareholders on an "if converted" basis. In addition, the Company shall not take certain actions without first obtaining the written consent or affirmative vote at a meeting called for that purpose by holders of at least 75% of the then outstanding preferred shares.

The Company has classified these preferred shares as mezzanine equity in the consolidated balance sheets since they are contingently redeemable upon a Fundamental Change or include liquidation preference provisions that are not solely within the Company's control. The Company evaluated the embedded conversion, call and put options in the preferred shares to determine if they require bifurcation and are accounted for as derivatives, and concluded that there were no embedded derivatives to be bifurcated from the preferred share pursuant to ASC 815.

The Company incurred issuance cost of US\$2,646 thousand for the issuance of such preferred shares, which was treated as an adjustment to the initial value of the redeemable preferred shares. The Company has elected to measure the redeemable preferred shares by recognizing changes in the redemption value immediately as they occur and adjust the carrying amount to equal the redemption value at the end of each reporting period. Change in redemption value is charged against additional paid-in capital, as a result of absence of retained earnings.

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17 REDEEMABLE NON-CONTROLLING INTERESTS

In June and July 2024, DayOne issued 67,200,000 shares of Series A preferred shares (“DayOne Series A Preferred Shares”) to several investors at the price of US\$10 per share. Upon completion of the issuance, DayOne Series A Preferred Shareholders owned 47.3% of total equity interest in DayOne. DayOne Series A Preferred Shares are redeemable for cash when specified conditions are met. Since the occurrence of these conditions and therefore the Company’s redemption obligations are not solely within the control of the Company, the redeemable non-controlling interests in DayOne were accounted for as temporary equity. Pursuant to ASC 480 - 10 - S99 - 3A, since it is not probable that the redeemable non - controlling interests in DayOne will become redeemable, subsequent adjustment of the amount presented in temporary equity is unnecessary. The Company attributes the comprehensive income or loss of DayOne to the redeemable non-controlling interests pursuant to ASC 810.

The change in the carrying amount of redeemable non-controlling interests is as follows:

	Year ended December 31,		
	2023	2024	2025
Balance at beginning of the year	—	—	—
Issuance of Series A Preferred Shares of DayOne	—	4,695,667	—
Net loss attributable to redeemable non-controlling interests	—	(120,447)	—
Other comprehensive income attributable to redeemable non-controlling interests	—	95,543	—
Deconsolidation (Note 3)	—	(4,670,763)	—
Balance at end of the year	—	—	—

18 FAIR VALUE MEASUREMENT

The Company did not have financial assets or liabilities measured at fair value on a recurring basis as of December 31, 2024. The outstanding balance of consideration expected to be received, offset by the subscription price expected to be paid to the ABS (Note 10) was measured at fair value on a recurring basis. The initial estimated fair value was RMB1,190,782 as of March 26, 2025. As of December 31, 2025, the outstanding balance was measured at fair value of RMB363,798. The fair value was determined based on the discounted cashflows using unobservable inputs (Level 3). Key estimates and assumptions used to determine the fair value include the expected amounts and timing for achieving the milestone targets and discount rate of approximately 10%.

Following is a description of the valuation techniques that the Company uses to measure fair value of other financial assets and financial liabilities:

- Short-term financial instruments (cash and cash equivalents, restricted cash, time deposits, accounts receivable and payable, short-term borrowings, and accrued expenses and other payables) - cost approximates fair value because of the short maturity period.
- Long-term borrowings — fair value is based on the amount of future cash flows associated with each debt instrument discounted at the Company’s current borrowing rate for similar debt instruments of comparable terms. The carrying values of the long-term borrowings approximate their fair values as all the long-term debt carry various interest rates which approximate rates currently offered by the Company’s bankers for similar debt instruments of comparable maturities.
- Convertible Bonds payable—the estimated fair value was RMB8,763,243 and RMB15,470,389 as of December 31, 2024 and 2025, respectively. The fair value of Convertible Bonds due 2025 was measured based on the price in the open market and the fair values of Convertible Bonds due 2029, Convertible Bonds due 2030 and Convertible Bonds due 2032 were measured using Binomial Model.

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Non-recurring fair value measurements

Certain long-lived assets of the Company may be measured at fair value based on unobservable inputs (Level 3) on a non-recurring basis, if determined to be impaired. As of each relevant measurement date, the fair value of asset groups, if determined to be impaired, were measured under income approach and determined based on the higher of the forecasted discounted cash flows expected to result from the data center assets' operations and eventual disposition and the price market participant would pay to sub-lease and acquire the remaining data center assets, which reflects the highest and best use of the asset groups. The significant unobservable inputs used in the income approach primarily included sales prices and utilization rates used to estimate the forecasted undiscounted cashflows expected to result from the data center assets' operation, and discount rate of approximately 8.5% as of December 31, 2025. Forecasting of prices used in the future cash flows is primarily based on that of existing contracts and foreseeable renewal contracts. Forecasting of utilization rate of data centers is based on the various historical utilization rates, customer contracts, business plans and market conditions for each respective data center at the time of the impairment test to achieve an estimated stabilized utilization rate of approximately 90%.

As of December 31, 2023, certain of the Company's data center level asset groups were measured at fair value of RMB1,614,347, which were determined based on income approach, and an impairment loss of long-lived assets of RMB3,013,416 was recognized for the amount of their carrying amounts exceeding the fair value. As of December 31, 2025, certain of the Company's data center level asset groups were measured at fair value of RMB1,324,236, which were determined based on income approach, and an impairment loss of long-lived assets of RMB1,561,235 was recognized for the amount of their carrying amounts exceeding the fair value.

Equity method investments for the retained investments in the common stock of an investee (including a joint venture) in a deconsolidation transaction are initially measured at fair value on a non - recurring basis.

As of December 31, 2024, the long - term investments in DayOne were measured at fair value of RMB7,537,604 which was measured using a discounted cash flow approach.

As of March 26, 2025, the long-term investments in ABS were measured at fair value of RMB401,124 which was measured using a discounted cash flow approach. Key estimates and assumptions used to determine the fair value primarily included the amounts and timing of future expected cash flows, and discount rate of approximately 10%.

As of July 23, 2025, the long-term investments in C-REIT were measured at fair value of RMB480,000, which was measured based on the transaction price.

The share-lending arrangement associated with Convertible Bonds due 2032 (Note 12) was measured at fair value of US\$5,145 thousand and recognized as an issuance cost on May 30, 2025. The fair value was determined based on market price.

19 ORDINARY SHARES

In June 2023, the Annual General Meeting of the Company passed special resolution to approve that the authorized ordinary share capital of the Company was increased to US\$175,000 divided into 3,500,000,000 shares of a nominal or par value of US\$0.00005, of which 3,300,000,000 shall be designated as Class A ordinary shares and 200,000,000 shall be designated as Class B ordinary shares.

On May 30, 2025, the Company completed a public offering in which the Company offered and sold 5,980,000 ADSs (or 47,840,000 Class A ordinary shares). The Company raised a total of US\$141,367 thousand(RMB1,015,693) in proceeds from this public offering, net of commissions (US\$4,029 thousand or RMB28,948) and other issuance costs (US\$1,114 thousand or RMB8,004).

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As of December 31, 2025, the Company's outstanding share capital consisted of 1,607,430,567 Class A ordinary shares (including Loaned Shares of 48,000,000 Class A ordinary shares) and 43,590,336 Class B ordinary shares. A holder of a Class A ordinary share is conferred one vote per share on any resolution tabled at the general meeting of GDS Holdings. A holder of a Class B ordinary share is entitled to 20 votes per share on resolutions tabled at the general meeting of GDS Holdings for (i) the election or removal of a simple majority, or six, of directors; and (ii) any change to Articles of Association ("AoA") that would adversely affect the rights of Class B shareholders, and which are convertible into Class A ordinary shares, and will automatically convert into Class A ordinary shares under certain circumstances. Every Class B ordinary share shall automatically be redesignated and re-classified as a Class A ordinary share upon the occurrence of the automatic conversion events, including the first occur of William Wei Huang ceasing to have Beneficial Ownership in not less than 2.75% (subject to certain exclusions) of the then issued share capital of the Company on an as converted basis, as defined in AoA. In the year ended December 31, 2023, 24,000,000 Class B ordinary shares of the Company were converted into Class A ordinary shares.

20 SHARE-BASED COMPENSATION

Equity Incentive Plans

The Company adopted the 2014 Equity Incentive Plan ("the 2014 Plan") in July 2014 for the granting of share options to key employees, directors and external consultants in exchange for their services. The total number of shares, which may be issued under the 2014 Plan, is 29,240,000 shares.

The Company adopted the 2016 Equity Incentive Plan ("the 2016 Plan") in August 2016 for the granting of share options, stock appreciation rights and other stock-based award (collectively referred to as the "Awards") to key employees and directors. The maximum aggregate number of ordinary shares, which may be subject to Awards under the Plan, is 56,707,560 ordinary shares, provided, however, that the maximum number of unallocated ordinary shares which may be issuable pursuant to Awards are subject to certain automatic approval mechanism up to 3% of total issued and outstanding ordinary shares of the Company, if and whenever the unallocated ordinary shares which may be subject to equity awards under the 2016 Plan accounts for less than 1.5% of the Company's total issued and outstanding ordinary shares.

Settlement of liability-classified restricted shares award

During the years ended December 31, 2023, 2024 and 2025, the Company issued 1,035,704, 1,839,320 and 405,120 respectively, fully vested restricted shares to its directors to settle a portion of their remuneration for services provided by the directors, which had been recorded in general and administrative expenses. The number of restricted shares issued was determined by the fair value of the restricted shares on the date of settlement and the share-settled portion of the liability of RMB12,914, RMB16,929 and RMB10,970 for the years ended December 31, 2023, 2024 and 2025, respectively.

Upon issuance of the shares to settle the obligation, equity is increased by the amount of the liability settled in shares and no additional share-based compensation expense was recorded.

Restricted shares to directors, officers and employees

In August 2023, August 2024, January 2025 and August 2025, the Company granted non-vested restricted shares of 21,918,552, 19,076,032, 3,000,000 and 15,788,952 respectively, to employees, officers and directors. The restricted share awards contained service conditions and market conditions or performance conditions. For restricted shares granted, the value of the restricted shares was determined by the fair value of the restricted shares on the grant date, when all criteria for establishing the grant dates were satisfied. The value of restricted shares subject to service conditions and market conditions attached is recognized as the compensation expense using the graded-vesting method. The value of restricted shares with performance conditions attached is recognized as compensation expense using the graded-vesting method only when the achievement of performance conditions becomes probable. For restricted shares with market conditions, the probability to achieve market conditions is reflected in the grant date fair value.

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On July 22, 2023, the Compensation Committee of the Board of the Company approved the resolution of amendment to the restricted shares (the “2023 Modification”). This modification pertained to 1,124 recipients of these restricted shares. Cancellation of 9,820,069 restricted shares accompanied by the concurrent grant of 8,239,864 replacement restricted shares is accounted for as a modification of the terms of the cancelled restricted shares (“modified restricted shares”). The incremental compensation cost of RMB204,946 is measured as the excess of the fair value of the modified restricted shares over the fair value of the original restricted shares at the modification date.

In 2024, the Company granted 1,331,192 fully vested restricted shares to its employees, officers and directors as compensation for the services rendered. The value of restricted shares was immediately recognized as compensation expense according to the share price as of grant date.

In 2025, the Compensation Committee of the Board of the Company approved the resolution to modify certain service conditions and immediately vest 911,941 outstanding restricted shares held by 64 recipients (the “2025 Modification”). The total incremental compensation cost of RMB13,206 is recognized on the modification date.

A summary of the restricted share activity is as follows:

	Number of Shares	Weighted average grant- date fair value per share (RMB)
Unvested at January 1, 2023	38,534,512	32.2
Granted (Note a)	31,194,120	11.9
Vested	(4,788,176)	16.1
Forfeited (Note b)	(15,943,658)	45.9
Unvested at December 31, 2023 and January 1, 2024	48,996,888	16.4
Granted	22,246,544	11.3
Vested	(18,907,368)	16.0
Forfeited	(4,898,088)	27.5
Unvested at December 31, 2024	47,437,976	13.0
Granted (Note c)	20,106,013	29.9
Vested	(15,888,952)	16.7
Forfeited (Note d)	(9,163,941)	16.1
Unvested at December 31, 2025	42,491,096	18.9

Note a: Including the restricted shares of 8,239,864 granted in the 2023 Modification.

Note b: Including the restricted shares of 9,820,069 cancelled in the 2023 Modification.

Note c: Including the restricted shares of 911,941 granted in the 2025 Modification.

Note d: Including the restricted shares of 911,941 cancelled in the 2025 Modification.

The Company recognized share-based compensation expenses of RMB336,616, RMB296,487 and RMB283,376 for the years ended December 31, 2023, 2024 and 2025, respectively, for the restricted share awards. As of December 31, 2025, total unrecognized compensation expense relating to the unvested shares was RMB436,133. The expense is expected to be recognized over a weighted average period of 1.78 years using the graded-vesting attribution method. The Company did not capitalize any of the share-based compensation expenses as part of the cost of any asset for the years ended December 31, 2023, 2024 and 2025.

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Total intrinsic value of restricted shares vested was RMB56,674, RMB201,716 and RMB355,641, respectively, for the years ended December 31, 2023, 2024 and 2025. Aggregate intrinsic value of unvested restricted shares as of December 31, 2025 was RMB1,740,496.

The fair value of the non - vested restricted shares granted is estimated on the date of grant using the Monte Carlo simulation model with the following assumptions used.

Grant date:	July 2023	August 2023	August 2024	August 2025
Risk-free rate of return	4.94% - 5.50 %	4.66 %	4.01 %	3.68 %
Volatility	66.64% - 67.86 %	61.40 %	65.18 %	63.01 %
Expected dividend yield	0.00 %	0.00 %	0.00 %	0.00 %
Share price at grant date	US\$1.5000 (RMB10.7)	US\$1.6025 (RMB11.4)	US\$1.3963 (RMB10.0)	US\$4.2650 (RMB30.49)
Expected term	0.767 - 1.767 years	1 – 3 years	1 – 3 years	1 – 3 years

(1) Volatility

Expected volatility is assumed based on the historical volatility of the Company in the period equal to the expected term of each grant.

(2) Risk-free interest rate

Risk-free rate equal to the United States Government Treasury Yield Rates for a term equal to the remaining expected term.

(3) Dividend yield

The dividend yield was estimated by the Company based on its expected dividend policy over the expected term of the restricted shares.

A summary of share-based compensation expenses for the years ended December 31, 2023, 2024 and 2025 is as follows:

	Years ended December 31,		
	2023	2024	2025
Costs of revenue	116,467	92,402	64,294
Selling and marketing expenses	43,765	25,033	33,237
General and administrative expenses	162,866	165,648	178,568
Research and development expenses	9,546	9,207	7,277
Others, net (Note)	3,972	4,197	—
Total share-based compensation expenses	336,616	296,487	283,376

Note: Represent the share-based compensation expenses included in management support service fees charged to discontinued operations.

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21 REVENUE

Net revenue consisted of the following:

	Years ended December 31,		
	2023	2024	2025
Colocation services	8,535,180	9,169,454	10,373,374
Managed service and others	1,246,704	1,152,434	1,054,703
Service revenue	9,781,884	10,321,888	11,428,077
Equipment sales	564	180	4,197
Total	9,782,448	10,322,068	11,432,274

22 INCOME TAX

GDS Holdings was registered as a Hong Kong SAR tax resident in 2021 and subject to the Hong Kong SAR Profits Tax rate of 16.5% since 2022.

One PRC entity is entitled to PRC Corporate Income Tax ("CIT") rate of 15% in those years that being recognized as "High and New Technology Enterprise" as long as the relevant requirements are satisfied. Certain PRC entity satisfying the criteria of "Small and Micro Businesses" enjoy lower income tax rates. All the other PRC subsidiaries and consolidated VIEs of the Company are subject to CIT rate of 25%.

According to the PRC Tax Administration and Collection Law, the statute of limitation is three years if the underpayment of taxes is due to computational errors made by the taxpayer or the withholding agent. The statute of limitation is extended to five years under special circumstances where the underpayment of taxes is more than RMB100. In the case of transfer pricing issues, the statute of limitation is 10 years. There is no statute of limitation in the case of tax evasion. The income tax returns of the Company's PRC subsidiaries and VIEs for the years from 2020 to 2025 are open to examination by the PRC tax authorities.

The Company's Hong Kong SAR subsidiaries are subject to the Hong Kong SAR Profits Tax rate of 16.5%. A two-tiered Profits Tax rates regime was introduced since year 2018 where the first HK\$2 million of assessable profits earned will be taxed at half the current tax rate (8.25%) whilst the remaining profits will continue to be taxed at 16.5%. There is an anti-fragmentation measure where each group will have to nominate only one entity in the group to benefit from the progressive rates.

The Company's Singapore subsidiaries are subject to the Singapore CIT rate of 17%.

The Company's Macau SAR subsidiaries are subject to the Macau SAR CIT rate of 12%.

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The Organization for Economic Cooperation and Development (the “OECD”), the European Union and other jurisdictions (including jurisdictions in which we have operations or presence) have committed to enacting substantial changes to numerous long-standing tax principles impacting how large multinational enterprises are taxed. In particular, the OECD’s Pillar Two initiative introduced a 15% global minimum tax applied on a jurisdiction-by-jurisdiction basis and for which many jurisdictions have enacted local legislations starting January 1, 2024. Pillar Two legislations do not have a material impact on the Company’s consolidated financial statements. The Company will monitor the regulatory developments and continue to evaluate the impact, if any.

The continuing operating results before income tax, the provision for income taxes of continuing operations and income tax paid by tax jurisdictions for the years ended December 31, 2023, 2024 and 2025 are as follows:

	Years ended December 31,		
	2023	2024	2025
(Loss) income from continuing operations before income taxes:			
PRC	(3,093,763)	189,790	(449,280)
Hong Kong SAR	(817,453)	(778,173)	1,148,795
Other jurisdictions	(30,378)	(26,476)	13,636
Total (loss) income from continuing operations before income taxes	<u>(3,941,594)</u>	<u>(614,859)</u>	<u>713,151</u>
Current tax expenses:			
PRC	279,646	337,629	566,618
Hong Kong SAR	708	—	363
Total current tax expenses	<u>280,354</u>	<u>337,629</u>	<u>566,981</u>
Deferred tax benefits:			
PRC	(295,931)	(181,576)	(97,264)
Total deferred tax benefits	<u>(295,931)</u>	<u>(181,576)</u>	<u>(97,264)</u>
Total income taxes (benefits) expenses	<u>(15,577)</u>	<u>156,053</u>	<u>469,717</u>

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Upon adoption of ASU 2023-09, *Improvements to Income Tax Disclosures*, as described in Note 2(dd), the reconciliation of the differences between the PRC statutory income tax rate and the Company's effective income tax rate for the year ended December 31, 2025 is as follows:

	Year ended December 31, 2025	
	Amount	Percent
Income tax expense at PRC enterprise income tax rate	178,288	25.0 %
Effect of preferential tax rate	(1,036)	(0.1)%
Non-deductible expenses	15,572	2.2 %
Effect of tax benefit related to the outside basis differences for investments in subsidiaries (Note i)	(148,800)	(20.9)%
Change in valuation allowance	412,018	57.8 %
Expiration of unused net operating losses	66,706	9.3 %
PRC withholding tax	238,633	33.5 %
Others	(1,419)	(0.2)%
<u>Non-PRC tax effects</u>		
Hong Kong SAR		
- Tax differential for entities in non-PRC jurisdiction	(8,499)	(1.2)%
- Non-taxable income related to disposal of PRC subsidiaries	(448,132)	(62.8)%
- Non-deductible expenses	185,931	26.1 %
- Change in valuation allowance	(16,410)	(2.3)%
- Others	274	0.0 %
Other jurisdictions	(3,409)	(0.5)%
Income tax expense	<u>469,717</u>	<u>65.9 %</u>

Note i: Effect of tax benefit relating to the outside basis differences for investments in subsidiaries during the year ended December 31, 2025 mainly arises from the deconsolidation of the project companies in ABS and C-REIT arrangements.

The reconciliation of the differences between the PRC statutory income tax rate and the Company's effective income tax rate for the years ended December 31, 2023 and 2024 prior to the adoption of ASU 2023-09 are as follows:

	Years ended December 31,	
	2023	2024
PRC enterprise income tax rate	25.0 %	25.0 %
Non-PRC resident enterprises not subject to income tax	(0.2)%	(0.9)%
Tax differential for entities in non-PRC jurisdiction	(0.3)%	(1.1)%
Preferential tax rate	0.2 %	0.8 %
Tax effect of current year permanent differences	(0.1)%	(0.8)%
Expiration of unused net operating losses	(1.2)%	(7.2)%
Non-taxable income and non-deductible expenses	(5.3)%	(29.1)%
Change in valuation allowance	(18.9)%	(12.5)%
Return to provision adjustment	1.2 %	0.4 %
	<u>0.4 %</u>	<u>(25.4)%</u>

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Upon adoption of ASU 2023-09, *Improvements to Income Tax Disclosures*, as described in Note 2(dd), cash paid for income taxes, net of refunds, during the year ended December 31, 2025 is as follows:

	Year ended December 31, 2025
Income taxes paid:	
PRC	561,920
Total income taxes paid	561,920

The components of deferred tax assets and liabilities are as follows:

	As of December 31,	
	2024	2025
Deferred tax assets:		
Allowance for credit losses	8,183	12,883
Impairment of long-lived assets	651,752	954,531
Government subsidy	7,062	7,760
Accrued expenses	108,303	92,603
Asset retirement obligation	27,422	28,985
Operating lease liabilities	342,036	321,475
Finance lease and other financing obligations	1,423,607	1,339,708
Net operating losses carry forwards	1,281,372	1,259,651
Consideration receivables from the ABS	—	106,217
Other non-current assets	38,472	37,183
Other non-current liabilities	6,271	—
Total gross deferred tax assets	3,894,480	4,160,996
Valuation allowance on deferred tax assets	(1,926,197)	(2,316,257)
Deferred tax assets, net of valuation allowance	1,968,283	1,844,739
Deferred tax liabilities:		
Accounts receivable	(16,481)	(1,689)
Property and equipment	(1,616,276)	(1,486,386)
Intangible assets	(128,563)	(78,005)
Prepaid land use rights	(1,411)	(1,371)
Operating lease right-of-use assets	(1,047,918)	(995,343)
Long-term investments in equity investees	—	(21,111)
Other current assets	(17,091)	(14,041)
Total deferred tax liabilities	(2,827,740)	(2,597,946)
Net deferred tax liabilities	(859,457)	(753,207)
Analysis as:		
Deferred tax assets	381,274	391,219
Deferred tax liabilities	(1,240,731)	(1,144,426)
Net deferred tax liabilities	(859,457)	(753,207)

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The following table presents the movement of the valuation allowance for the deferred tax assets:

	Years ended December 31,		
	2023	2024	2025
Balance at the beginning of the year	1,104,859	1,849,408	1,926,197
Increase during the year	744,549	76,789	390,060
Balance at the end of the year	1,849,408	1,926,197	2,316,257

As of December 31, 2025, the Company's net deferred tax assets and valuation allowance were RMB391,219 and RMB2,316,257, respectively. The deferred tax assets for net operating losses carry forwards and related valuation allowance were RMB1,259,651 and RMB967,677, respectively as of December 31, 2025. This valuation allowance was related to the deferred tax assets of certain subsidiaries and consolidated VIEs of the Company. These entities were in a cumulative loss position with net operating losses carry forwards which are subject to expiration.

The net operating losses carry forwards of the Company's PRC subsidiaries and consolidated VIEs amounted to RMB4,898,179 as of December 31, 2025, of which RMB737,821, RMB940,179, RMB903,478, RMB1,176,956, RMB1,080,484, nil, RMB17,205, RMB14,809 and RMB27,247 will expire if unused by December 31, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033 and 2034, respectively.

Uncertainties exist with respect to how the current income tax law in the PRC applies to the Company's overall operations, and more specifically, with regard to tax residency status. The 2008 Enterprise Income Tax Law (the "EIT Law") includes a provision specifying that legal entities organized outside the PRC are considered residents for Chinese income tax purposes if the place of effective management or control is within the PRC. The implementation rules to the EIT Law provide that non-resident legal entities are considered PRC residents if substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties, etc., occurs within the PRC. Despite the present uncertainties resulting from the limited PRC tax guidance on the issue, the Company does not believe that the legal entities organized outside the PRC should be treated as residents for EIT Law purposes. If the PRC tax authorities subsequently determine that GDS Holdings and its subsidiaries registered outside the PRC are deemed resident enterprises, GDS Holdings and its subsidiaries registered outside the PRC will be subject to the PRC income tax at a rate of 25%.

If the Company were to be non-resident for PRC tax purposes, dividends paid to it from profits earned by the PRC subsidiaries after January 1, 2008 would be subject to a withholding tax. The EIT Law and its relevant regulations impose a withholding tax at 10%, unless reduced by a tax treaty or agreement, for dividends distributed by a PRC-resident enterprise to its non-PRC-resident corporate investor for earnings generated beginning on January 1, 2008. Undistributed earnings generated prior to January 1, 2008 are exempt from such withholding tax. The Company has not recognized any deferred tax liability for the undistributed earnings of the PRC-resident enterprise as of December 31, 2024 and 2025, as the Company plans to permanently reinvest these earnings in the PRC. Each of the PRC subsidiaries does not have a plan to pay dividends in the foreseeable future and intends to retain any future earnings for use in the operation and expansion of its business in the PRC. As of December 31, 2025, the total amount of undistributed earnings from the PRC subsidiaries and the VIEs for which no withholding tax has been accrued and the unrecognized deferred tax liabilities were RMB3,204,134 and RMB536,511, respectively.

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23 RESTRICTED NET ASSETS

Pursuant to the laws and regulations of the PRC, the PRC entities are required to allocate at least 10% of their after-tax profits, after making good of accumulated losses as reported in their PRC statutory financial statements, to the general reserve fund and have the right to discontinue allocations to the general reserve fund if the balance of such reserve has reached 50% of their registered capital. The general reserves are not available for distribution to the shareholders (except in liquidation) and may not be transferred in the form of loans, advances, or cash dividend.

These PRC entities are restricted in their ability to transfer the registered capital and general reserve fund to GDS Holdings in the form of dividends, loans or advances. The restricted net assets amounted to RMB26,125,225 and RMB26,248,372 as of December 31, 2024 and 2025, respectively, including non-distributable general reserve fund of RMB316,714 and RMB397,809 as of December 31, 2024 and 2025, respectively.

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24 (LOSS) INCOME PER CLASS A and CLASS B ORDINARY SHARE

The computation of basic and diluted (loss) income per share is as follows:

	Years ended December 31,		
	2023	2024	2025
<u>Numerator:</u>			
Net (loss) income from continuing operations attributable to GDS Holdings Limited shareholders	(3,931,043)	(777,121)	949,643
Net (loss) income from discontinued operations attributable to GDS Holdings Limited shareholders	(359,010)	4,202,507	—
Net (loss) income attributable to GDS Holdings Limited shareholders	(4,290,053)	3,425,386	949,643
Cumulative dividend on redeemable preferred shares	(53,625)	(54,232)	(54,305)
Net income attributable to preferred shareholders based on the participating rights	—	(22,295)	—
Numerator for basic (loss) income per share	(4,343,678)	3,348,859	895,338
Effect of dilutive securities:			
Interest expenses of convertible bonds due 2029	—	—	16,728
Numerator for diluted (loss) income per share	(4,343,678)	3,348,859	912,066
<u>Denominator:</u>			
Weighted average number of ordinary shares outstanding	1,468,187,956	1,475,079,754	1,520,535,019
Denominator for basic (loss) income per share	1,468,187,956	1,475,079,754	1,520,535,019
Effect of dilutive securities:			
Restricted shares	—	—	24,821,969
Convertible bonds due 2029	—	—	99,200,000
Denominator for diluted (loss) income per share	1,468,187,956	1,475,079,754	1,644,556,988
<u>(Loss) income per ordinary share:</u>			
Basic			
Continuing operations	(2.71)	(0.52)	0.59
Discontinued operations	(0.25)	2.79	—
Total	(2.96)	2.27	0.59
Diluted			
Continuing operations	(2.71)	(0.52)	0.55
Discontinued operations	(0.25)	2.79	—
Total	(2.96)	2.27	0.55

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The following table sets forth the computation of basic and diluted (loss) income per Class A and Class B ordinary share:

	Years ended December 31,					
	2023		2024		2025	
	Class A	Class B	Class A	Class B	Class A	Class B
Basic:						
Allocation of net (loss) income available to GDS Holdings Limited ordinary shareholders	(4,194,323)	(149,355)	3,249,896	98,963	869,671	25,667
Weighted average number of ordinary shares outstanding	1,417,704,951	50,483,004	1,431,489,418	43,590,336	1,476,944,683	43,590,336
(Loss) income per ordinary share	(2.96)	(2.96)	2.27	2.27	0.59	0.59
Diluted:						
Allocation of net (loss) income available to GDS Holdings Limited ordinary shareholders	(4,194,323)	(149,355)	3,249,896	98,963	887,891	24,175
Weighted average number of ordinary shares outstanding	1,417,704,951	50,483,004	1,431,489,418	43,590,336	1,600,966,652	43,590,336
(Loss) income per ordinary share	(2.96)	(2.96)	2.27	2.27	0.55	0.55

During the year ended December 31, 2024, the Company issued 30,747,912 ordinary shares to its share depository bank, which have been and will continue to be used to settle restricted share awards upon their exercise. No consideration was received by the Company for this issuance of ordinary shares. These ordinary shares are legally issued and outstanding but are treated as escrowed shares for accounting purposes and, therefore, have been excluded from the computation of (loss) income per ordinary share. Any ordinary shares not used in the settlement of stock option and restricted share awards will be returned to the Company.

On May 30, 2025, the Company issued and lent to Borrower 6,000,000 Loaned ADSs in contemplation of its issuance of Convertible Bonds due 2032 (Note 12). In accordance with ASC 470-20-45-2A, the Loaned ADSs are excluded from the computation of basic and diluted EPS, unless an actual default by Borrower has occurred or dividends on the Loaned ADSs are not reimbursed to the Company based on the terms.

The following securities were excluded from the computation of diluted (loss) income per share as inclusion would have been either the performance condition relating to the securities have not been satisfied or anti-dilutive.

	Years ended December 31,		
	2023	2024	2025
Redeemable preferred shares	33,707,864	33,707,864	33,707,864
Restricted shares	48,996,888	47,437,976	12,819,884
Convertible bonds payable	288,600,152	288,600,152	322,418,672
Total	371,304,904	369,745,992	368,946,420

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25 SEGMENT INFORMATION

The Company's chief operating decision maker is the chief executive officer of the Company. The chief executive officer evaluates performance, makes operating decisions and allocates resources primarily based on net revenue and net income (loss), two GAAP Measures, and Adjusted Earnings before Interest, Taxes, Depreciation, and Amortization ("adjusted EBITDA"), a non-GAAP measure, all on a consolidated basis and for the reportable segment.

The chief operating decision maker uses net revenue, net income (loss) and adjusted EBITDA to evaluate operating results of segment assets (return on assets) in deciding whether to increase or decrease capital investments into the segment. The chief operating decision maker also uses these measures in competitive analysis by benchmarking to the Company's competitors and to monitor budget versus actual results to assess the performance of the segment and establish management's compensation.

Before April 1, 2024, the Company had one operating segment, which is the design, build-out and operation of data centers. With the reorganization of reporting structure on April 1, 2024, DayOne, the discontinued operation, was then identified as an operating segment in accordance with ASC 280-10-50, as the chief operating decision maker of GDS started to assess the performance of DayOne separately from other operations and allocate resources between DayOne and other operations.

As DayOne is reported in discontinued operations, according to ASC 280-10-55-7, no segment information is required to be disclosed for it.

Regarding to the continuing operations, the most directly comparable GAAP measure to adjusted EBITDA for the segment is net income (loss) from continuing operations. The Company defines adjusted EBITDA for the segment as net income (loss) from continuing operations (computed in accordance with GAAP) excluding interest income, interest expenses, incomes 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, impairment losses of long-lived assets, share of results of equity method investees and gain on deconsolidation of subsidiaries. The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

Since the Company only has one segment in continuing operations, the amounts of net revenue and each measure of profit or loss to the Company's consolidated income (loss) before income taxes and discontinued operations are same as the respective amounts in the consolidated financial statements.

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The following table presents information about segment profit or loss measures of net revenue and net income (loss), in which, cost of revenue and operating expenses (Note i) represent the significant expense categories and amounts included in reported segment profit or loss that are regularly provided to the chief operating decision maker:

	Years ended December 31,		
	2023	2024	2025
Net revenue from external customers:			
– Service revenue	9,780,200	10,287,484	11,428,077
– Equipment sales	564	180	4,197
	9,780,764	10,287,664	11,432,274
Net revenue from discontinued operations:			
– Service revenue	1,684	34,404	—
Net revenue	9,782,448	10,322,068	11,432,274
Cost of revenue	(7,831,222)	(8,099,439)	(8,846,859)
Operating expenses (Note i)	(4,158,447)	(1,070,636)	(2,641,165)
Gain on deconsolidation of subsidiaries	—	—	2,364,104
Other segment items (Note ii)	(1,734,373)	(1,766,852)	(1,595,203)
Income tax benefits (expenses)	15,577	(156,053)	(469,717)
Share of results of equity method investees	—	—	715,928
Net (loss) income from continuing operations	(3,926,017)	(770,912)	959,362

Note i: Operating expenses include selling and marketing expenses, general and administrative expenses, research and development expenses and impairment losses of long-lived assets.

Note ii: Other segment items include interest income, interest expenses, foreign currency exchange (loss) gain, net, government grants and others, net.

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The following table presents information about segment profit or loss measures of Adjusted EBITDA, in which, segment cost of revenue (Note iii) and segment operating expenses (Note iv) represent the significant expense categories and amounts included in reported segment profit or loss that are regularly provided to the chief operating decision maker.

	Years ended December 31,		
	2023	2024	2025
Net revenue	9,782,448	10,322,068	11,432,274
Adjusted cost of revenue (Note iii)	(4,694,818)	(5,007,894)	(5,516,904)
Adjusted operating expenses (Note iv)	(466,754)	(509,934)	(551,562)
Adjusted other segment items (Note v)	112,128	72,196	39,654
Adjusted EBITDA	4,733,004	4,876,436	5,403,462
Depreciation and amortization	(3,368,474)	(3,243,004)	(3,459,294)
Impairment losses of long-lived assets	(3,013,416)	—	(1,561,235)
Interest income	94,008	89,780	154,041
Interest expenses	(1,936,537)	(1,924,631)	(1,788,898)
Gain on deconsolidation of subsidiaries	—	—	2,364,104
Share of results of equity method investees	—	—	715,928
Other adjustments (Note vi)	(434,602)	(569,493)	(868,746)
Net (loss) income from continuing operations	(3,926,017)	(770,912)	959,362
Other information:			
Gain (loss) from equity method investment	110	(347)	715,928

Note iii: Adjusted cost of revenue represents cost of revenue, excluding depreciation and amortization, operating lease cost relating to prepaid land use rights, accretion expenses for asset retirement costs and share-based compensation expenses herein.

Note iv: Adjusted operating expenses represent the total amount of selling and marketing expenses, general and administrative expenses and research and development expenses, excluding depreciation and amortization, operating lease cost relating to prepaid land use rights, and share-based compensation expenses herein.

Note v: Adjusted other segment items represent the total amount of foreign currency exchange (loss) gain, net, government grants and others, net, excluding certain costs do not constitute cash operating expenses herein.

Note vi: Other adjustments include operating lease cost relating to prepaid land use rights, accretion expenses for asset retirement costs, share-based compensation expenses and income tax expenses (benefits).

The following table present information about assets:

	As of December 31,	
	2024	2025
Investment in equity method investees	7,538,215	10,045,008
Total assets	73,648,628	79,998,498

The following table present information about expenditures for additions to long-lived assets:

	Years ended December 31,		
	2023	2024	2025
Payments for purchase of property and equipment and land use rights	3,193,971	3,169,287	4,691,137

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During the years ended December 31, 2023, 2024 and 2025, substantially all of the Company's continuing operations were in the PRC. As of December 31, 2024 and 2025, the deferred tax assets balance was all located in the PRC. The summary of long-lived assets as of December 31, 2024 and 2025 in each area is as follows:

	As of December 31,	
	2024	2025
PRC	45,108,954	42,439,019
Hong Kong SAR	786,390	730,931
Others	5,085	4,958
Total	45,900,429	43,174,908

26 MAJOR CUSTOMERS AND SUPPLIERS

The Company defines "end user customers" or "customers" as the end users of the Company's services. The Company defines "contracting customers" as parties with which the Company enters into sales agreements, including (i) the Company's end user customers that directly enter into sales agreements with the Company; and (ii) intermediate contracting parties that, at the request of the Company's end user customers, enter into sales agreements with the Company, in which case the Company may provide services to the end user customers through such agreements.

During the years ended December 31, 2023, 2024 and 2025 the Company had the following contracting customers which generated over 10% of the Company's total net revenues:

	Years ended December 31,		
	2023	2024	2025
Contracting Customer A	1,992,667	1,550,688	1,606,886
Contracting Customer B	1,834,843	1,881,021	1,837,956
Contracting Customer C	1,411,645	1,432,073	1,880,221
Contracting Customer D	1,128,135	1,352,796	1,342,088

During the years ended December 31, 2023, 2024 and 2025, the Company had the following end user customers which generated over 10% of the Company's total net revenues:

	Years ended December 31,		
	2023	2024	2025
End User Customer One	2,769,633	2,991,061	3,315,332
End User Customer Two	1,676,064	1,491,313	1,370,130

During the years ended December 31, 2023, 2024 and 2025, the Company generated a portion of the net revenue attributable to End User Customer One and End User Customer Two through sales agreements entered into with them directly; during the same years, the Company generated the remaining portion of the net revenue attributable to End User Customer One and End User Customer Two through sales agreements entered into with intermediate contracting parties, including Contracting Customer A, Contracting Customer B, and Contracting Customer D.

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During the years ended December 31, 2023, 2024 and 2025, the portion of net revenue generated by the Company from End User Customer One through sales agreements entered into with it directly is represented by the revenue listed under Contracting Customer C; during the same years, the portion of net revenue generated by the Company from End User Customer Two through sales agreements entered into with it directly is not disclosed as a separate line item under contracting customers above as it constituted less than 10% of the Company's total net revenues in each year.

During the years ended December 31, 2023, 2024 and 2025, the Company has one major supplier from whom the Company purchases over 10% of its operating expenditures. Severe impact can result from total or partial loss of the business relationship.

27 COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

Capital commitments outstanding as of December 31, 2024 and 2025 not provided for in the financial statements were as follows:

	As of December 31,	
	2024	2025
Contracted for	1,974,182	1,299,771

In addition, commitment for purchase of land use rights was RMB335,675 and RMB327,410 as of December 31, 2024 and 2025, respectively.

(b) Lease commitments

The Company's lease commitments are disclosed in Note 14.

(c) Guarantees

As of December 31, 2025, the Company provided the following guarantees to the related parties:

(1) Bank facility guarantees:

As of December 31, 2025, the Company provided guarantees to DayOne for bank borrowing facilities with total amount of RMB1,490,280, which mature in December 2027. Total outstanding principal balance of the borrowings under these facilities was RMB1,289,207. As of December 31, 2025, the Company also provided guarantees to DayOne for the bank facilities for issuance of letter of guarantee with total amount of RMB623,007. The balance of outstanding letter of guarantees issued under such facilities was RMB590,688. By the end of March 2026, the bank facility guarantees provided to DayOne had been fully terminated.

(2) Lease agreement guarantees:

The Company provided unconditional and irrevocable guarantees to DayOne for the performance in certain lease agreements with landlords. These leases had lease terms of up to 30 years.

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(3) Sales agreement guarantees:

The Company provided guarantees to DayOne for the performance under certain data center service agreements with customers with terms up to 25 years subject to extension.

As of December 31, 2025, the Company estimated that its risks under the guarantees were remote.

28 RELATED PARTY TRANSACTIONS

In 2023, 2024 and 2025, the major related parties of the Company are as follows:

<i>Name of party</i>	<i>Relationship</i>
OnePro Cloud Inc.	Entity over which the Company has significant influence
DayOne	Consolidated subsidiaries before Deconsolidation;
	Entities over which the Company has significant influence after Deconsolidation
ABS and its subsidiaries	Entities over which the Company has significant influence
C-REIT and its subsidiaries	Entities over which the Company has significant influence

The Company entered into the following material related party transactions.

(a) Major transactions with related parties

		Years ended December 31,		
		2023	2024	2025
Net revenue - procurement service fee income				
DayOne	(Note i)	—	—	79,699
Net revenue - operational service fee income				
ABS	(Note ii)	—	—	12,462
C-REIT	(Note iii)	—	—	7,791
		—	—	20,253
Net Revenue - sales commission				
DayOne	(Note i)	—	—	21,309
ABS	(Note ii)	—	—	1,225
		—	—	22,534
Other income - management support service fee income				
DayOne	(Note i)	—	—	27,602
Other income - guarantee fee income				
DayOne	(Note i)	—	—	13,360
Interest income - convertible bonds interest income				
OnePro Cloud Inc.	(Note iv)	148	—	—

The guarantees provided by the Company to DayOne and the ABS are disclosed in Note 27.

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(b) Major balances with related parties

		As of December 31,	
		2024	2025
Amount due from related parties, current:			
ABS	(Note ii)	—	209,546
DayOne	(Note i)	51,176	59,991
C-REIT	(Note iii)	—	6,024
OnePro Cloud Inc.	(Note iv)	3,106	3,036
		<u>54,282</u>	<u>278,597</u>
Amount due from related parties, non-current:			
ABS	(Note ii)	—	214,760
Amount due to related parties:			
ABS	(Note ii)	—	62,252
DayOne	(Note i)	9,491	55,637
		<u>9,491</u>	<u>117,889</u>

Note i: Prior to the Deconsolidation, several intra-group arrangements existed between continuing and discontinued operations, mainly including sales commission, procurement services, license grant, guarantees and management support services. The Company continued to provide such services to DayOne after the Deconsolidation. As of December 31, 2024 and December 31, 2025, amount due from DayOne mainly represents receivables for the service fees charged to DayOne, and the amount due to DayOne mainly represents payables for the data center service fees received from customers on its behalf and certain payments by DayOne on behalf of the Company. The service agreement with respect to procurement services and management support services was terminated in December 2025 and with respect to sale commission was terminated in March 2026.

Note ii: During the year ended December 31, 2025, the Company charged ABS sales commission and fees for operational services. As of December 31, 2025, amount due from the ABS mainly included present value of estimated equity consideration expected to be received from disposal of the project companies to the ABS, net off by the present value of estimated subscription price expected to be paid to the ABS, which amounted to RMB363,798, including RMB149,038 classified as current and RMB214,760 classified as non-current. The remaining balances due from the ABS mainly represent the outstanding service fees receivable and the loans receivable as a result of transactions before its deconsolidation. The loans receivable is interest free and repayable on demand. Amount due to the ABS mainly represent the service fees received from customers on behalf of the project companies of the ABS.

Note iii: During the year ended December 31, 2025, the Company charged the C-REIT fees for operational services. As of December 31, 2025, amount due from the C-REIT mainly represents the outstanding service fees receivable.

Note iv: On September 2, 2022, the Company subscribed convertible bonds of US\$400 thousand issued by OnePro Cloud Inc. The convertible bond has a term of 12 months with interest rate of 8% per annum and is convertible into Series A Preferred Shares of OnePro Cloud Inc. at the option of holders under certain conditions.

29 PARENT ONLY FINANCIAL INFORMATION

The following condensed parent company financial information of GDS Holdings has been prepared using the same accounting policies as set out in the accompanying consolidated financial statements except that the equity method has been used to account for investments in its subsidiaries and the consolidated VIEs. As of December 31, 2025, there were no material contingencies, significant provisions of long-term obligations, mandatory dividend or redemption requirements of redeemable stocks or guarantees of GDS Holdings, except for those, which have been separately disclosed in the consolidated financial statements.

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Condensed Balance Sheets

	As of December 31,	
	2024	2025
Assets		
Current assets		
Cash and cash equivalents	1,498,062	3,009,874
Restricted cash	27,316	—
Time deposits	—	667,736
Amount due from related parties, current	10,336	440
Other current assets	17,258	19,735
Total current assets	1,552,972	3,697,785
Non-current assets		
Long-term investments in equity investees	7,537,604	9,164,612
Investment, loans and amounts due from subsidiaries and consolidated VIEs, non-current	24,778,969	26,420,808
Other non-current assets	61	—
Total non-current assets	32,316,634	35,585,420
Total assets	33,869,606	39,283,205
Liabilities, Mezzanine Equity and Shareholders' Equity		
Current liabilities		
Short-term borrowings	1,435,924	—
Convertible bonds payable, current	575	—
Amount due to related parties, current	—	351
Accounts payable	1,066	930
Accrued expenses and other payables	121,090	107,531
Amount due to subsidiaries	195,666	190,347
Total current liabilities	1,754,321	299,159
Non-current liabilities		
Convertible bonds payable, non-current	8,576,583	12,144,371
Total non-current liabilities	8,576,583	12,144,371
Total liabilities	10,330,904	12,443,530
Mezzanine equity		
Redeemable preferred shares (US\$0.00005 par value; 150,000 shares authorized, issued and outstanding as of December 31, 2024 and 2025; Redemption value of RMB1,080,656 and RMB1,056,663 as of December 31, 2024 and 2025, respectively; Liquidation preference of RMB1,080,656 and RMB1,056,663 as of December 31, 2024 and 2025, respectively)	1,080,656	1,056,663
Total mezzanine equity	1,080,656	1,056,663
Shareholders' equity		
Ordinary shares (US\$0.00005 par value; 3,500,000,000 shares authorized as of December 31, 2024 and 2025; 1,511,590,567 and 1,607,430,567 Class A ordinary shares issued and outstanding as of December 31, 2024 and 2025, respectively; 43,590,336 Class B ordinary shares issued and outstanding as of December 31, 2024 and 2025)	527	562
Additional paid-in capital	29,596,268	31,706,498
Accumulated other comprehensive loss	(1,094,377)	(829,319)
Accumulated deficit	(6,044,372)	(5,094,729)
Total shareholders' equity	22,458,046	25,783,012
Commitments and contingencies		
Total liabilities, mezzanine equity and shareholders' equity	33,869,606	39,283,205

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Condensed Statements of Operations

	Years ended December 31,		
	2023	2024	2025
Net revenue	6,776	6,952	2,542
Cost of revenue	(121,592)	(97,174)	(69,586)
Gross loss	(114,816)	(90,222)	(67,044)
Operating expenses			
Selling and marketing expenses	(45,242)	(25,444)	(33,936)
General and administrative expenses	(230,744)	(238,611)	(232,804)
Research and development expenses	(9,546)	(9,207)	(7,277)
Loss from operations	(400,348)	(363,484)	(341,061)
Other income (expenses):			
Interest income	62,606	63,429	111,943
Interest expenses	(261,152)	(321,923)	(347,796)
Equity in (loss) income of subsidiaries and consolidated VIEs	(3,700,241)	(441,777)	812,803
Gain on disposal of subsidiaries	—	4,475,539	—
Others, net	9,933	15,046	10,765
(Loss) income before income taxes	(4,289,202)	3,426,830	246,654
Income tax expenses	(851)	(1,444)	(14,221)
Share of results of equity method investees	—	—	717,210
Net (loss) income	(4,290,053)	3,425,386	949,643

Condensed Statements of Comprehensive (Loss) Income

	Years ended December 31,		
	2023	2024	2025
Net (loss) income	(4,290,053)	3,425,386	949,643
Other comprehensive (loss) income:			
Foreign currency translation adjustments, net of nil tax	(126,033)	(23,008)	221,591
Defined benefit plan, net of nil tax	—	(19)	—
Amounts reclassified from accumulated other comprehensive loss	—	(96,957)	(21,175)
Other comprehensive income from share of results of equity method investees	—	—	64,642
Comprehensive (loss) income	(4,416,086)	3,305,402	1,214,701

GDS HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of RMB, except share data and per share data, or otherwise noted)

Condensed Statements of Cash Flows

	Years ended December 31,		
	2023	2024	2025
Operating activities:			
Net cash used in operating activities	(68,805)	(274,168)	(230,172)
Investing activities:			
Investment, loans and advances paid to subsidiaries	(1,285,317)	(1,448,353)	(889,035)
Repayment of loans from subsidiaries	—	1,656,369	8,153
Purchase of time deposits	—	—	(674,910)
Net cash (used in) provided by investing activities	(1,285,317)	208,016	(1,555,792)
Financing activities:			
Proceeds from short-term borrowings	—	1,420,720	1,433,960
Repayment of short-term borrowings	(1,042,785)	—	(2,865,680)
Payment of issuance cost and commitment cost of debts	(78,989)	(17,759)	(24,483)
Proceeds from issuance of ordinary shares, net off underwriting commission	—	—	1,023,697
Payment of issuance cost of ordinary shares	—	—	(8,004)
Proceeds from issuance of convertible bonds	3,926,667	—	3,852,867
Repayment of convertible bonds	(2,128,311)	—	(575)
Payment of redeemable preferred shares dividends	(53,923)	(54,169)	(54,124)
Net cash provided by financing activities	622,659	1,348,792	3,357,658
Effect of exchange rate changes on cash and cash equivalents and restricted cash	173,878	19,205	(87,198)
Net (decrease) increase in cash and cash equivalents and restricted cash	(557,585)	1,301,845	1,484,496
Cash and cash equivalents and restricted cash at beginning of year	781,118	223,533	1,525,378
Cash and cash equivalents and restricted cash at end of year	223,533	1,525,378	3,009,874
Supplemental disclosures of cash flow information			
Interest paid	144,095	272,345	293,818
Income tax paid	854	1,446	14,233
Supplemental disclosures of non-cash investing and financing activities			
Settlement of liability-classified restricted share award	12,914	16,929	10,970

GDS HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of RMB, except share data and per share data, or otherwise noted)

30 SUBSEQUENT EVENTS

(a) Issuance of Series B Convertible Preferred Shares

On February 6, 2026, GDS Holdings completed its issuance of 300,000 Series B Convertible Preferred Shares to an investor with total consideration of US\$300 million. The Company received all consideration in cash in February 2026.

(b) Sale of DayOne's Ordinary Shares and dilution of equity interest in DayOne

On January 15, 2026, DayOne repurchased 11,000,000 ordinary shares from the Company at the price of US\$35 per share with total consideration of US\$385 million.

In April 2026, following the closing of the upsizing of DayOne's Series C convertible preferred share financing, the Company's equity interest in DayOne was further diluted to approximately 19.9% as of the date of this annual report.

(c) Increase of voting power attached to the Company's Class B Ordinary Shares

On March 10, 2026, shareholders of the Company passed special resolutions approving to increase the voting power attached to the Company's Class B Ordinary Shares held by Mr. William Wei Huang, from twenty votes per share to fifty votes per share.

**Description of rights of each class of securities
registered under Section 12 of the Securities Exchange Act of 1934 (the “Exchange Act”)**

As of December 31, 2025, GDS Holdings Limited, (or “GDS Holdings”, “we”, “us”, “our company” and “our”) had the following series of securities registered pursuant to Section 12 of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A ordinary shares, par value \$0.00005 per share*	9698	The Stock Exchange of Hong Kong Limited
American Depositary Shares, each representing eight Class A ordinary shares	GDS	Nasdaq Global Market

* Not for trading, but only in connection with the registration of American Depositary Shares representing such Class A ordinary shares pursuant to the requirements of the Securities and Exchange Commission.

This exhibit contains a description of the rights of (i) the holders of Class A ordinary shares and (ii) the holders of ADSs. Class A ordinary shares underlying the ADSs are held by JPMorgan Chase Bank, N.A. (“JPMorgan”), as depositary. As an ADR holder, we will not treat you as a shareholder of ours and you will not have any shareholder rights.

Description of Ordinary Shares

The following is a summary of material provisions of our currently effective amended and restated memorandum and articles of association (the “Memorandum and Articles of Association”), as well as the Companies Act (As Revised) of the Cayman Islands (the “Companies Act”) insofar as they relate to the material terms of our Class A ordinary shares and Class B ordinary shares. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the Amended and Restated Memorandum of Association, included as Exhibit 3.1 to our Current Report on Form 6-K for June 2023 (File No. 001-37925), furnished to the SEC on June 5, 2023, and the Amended and Restated Articles of Association, included as Exhibit 3.1 to our Current Report on Form 6-K for March 2026 (File No. 001-37925), furnished to the SEC on March 10, 2026.

Type and Class of Securities (Item 9.A.5 of Form 20-F)

Each Class A ordinary share has a par value of \$0.00005 per share. The number of Class A ordinary shares that have been issued as of December 31, 2025 is provided on the cover of the annual report on Form 20-F for the fiscal year ended December 31, 2025. All of our outstanding ordinary shares are fully paid and non-assessable. The ordinary shares are issued in registered form. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their ordinary shares. No share shall be issued to bearer.

Pre-emptive rights (Item 9.A.3 of Form 20-F)

Unless otherwise disclosed, our shareholders generally do not have pre-emptive rights.

In August 2020, we entered into an amendment of our June 2020 investment rights agreement with STT GDC Pte. Ltd. (“STT GDC”) (“Amendment No. 1”) to expand the scope of their preemptive rights, to the extent permissible by applicable law, to cover any future issuances of equity-linked securities we conduct anytime in the eighteen months following June 26, 2020, whereby STT GDC has the right to subscribe for up to 35% of any such future offerings. A copy of this Amendment No. 1 has been filed with this annual report.

In February 2022, we entered into a second amendment of our June 2020 investment rights agreement with STT GDC (“Amendment No. 2”) to (i) extend their preemptive rights to cover any allotment and issuance of equity or equity-linked securities we conduct anytime on or before June 25, 2023, whereby STT GDC has the right to subscribe for up to 35% of any such future offerings, and (ii) grant STT GDC certain registration rights until such time that their registrable securities can be sold pursuant to Rule 144 under the Securities Act without volume limitations. A copy of this Amendment No. 2 has been filed with this annual report.

On May 29, 2024, in connection with an internal portfolio rationalization by STT GDC, STT GDC entered into an investor rights assignment agreement with STT Garnet Pte. Ltd. (“STT Garnet”) and the Company, pursuant to which we agreed to grant certain information rights to STT Garnet for so long as it has the right to appoint one or more directors under our Articles of Association, as well as registration rights, and all the Class A ordinary shares and the unsecured 0.25% convertible senior notes due 2029 previously

held by STT GDC were transferred to STT Garnet. A copy of this investor rights assignment agreement and joinder agreement have been filed with this annual report.

Limitations or Qualifications (Item 9.A.6 of Form 20-F)

Our issued share capital currently consists of Class A ordinary shares, Class B ordinary shares, series A convertible preferred shares and series B convertible preferred shares, each with a par value of US\$0.00005. 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 50 votes per share: (i) the election 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 Class B shareholders.

Rights of Other Types of Securities (Item 9.A.7 of Form 20-F)

Not applicable.

Rights of Ordinary Shares (Item 10.B.3 of Form 20-F)

Dividends

The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors subject to the Companies Act and to our Memorandum and Articles of Association.

Voting Rights

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 50 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 Class B shareholders. Class B ordinary shares are convertible into Class A ordinary shares, and will automatically convert into Class A ordinary shares under certain circumstances. Any Class A ordinary shares which Mr. William Wei Huang directly or indirectly acquires will be converted into Class B ordinary shares.

Voting at any meeting of shareholders is by way of a poll, unless the chairman allows a vote by show of hands on a resolution which relates purely to a procedural or administrative matter. Procedural and administrative matters are those that are not on the agenda of the general meeting and relate to the chairman's duties to maintain the orderly conduct of the meeting or allow the business of the meeting to be properly and effectively dealt with, while affording all shareholders a reasonable opportunity to express their views.

Pursuant to our Memorandum and Articles of Association the following matters are subject to ordinary resolution of the shareholders, with Class A ordinary shares and Class B ordinary shares each being entitled to one vote per share: (i) the election of two independent directors nominated by our nominating and corporate governance committee; (ii) any allotment or issuance of any of our shares or securities (in any 12-month period, whether in a single transaction or a series of transactions) equal to 10% or more of our share capital, or 10% or more of our voting power, prior to such allotment or issuance (without regard to any exemption from shareholder approval available under the NASDAQ Stock Market Rules); and (iii) any disposition of all, or 10% or more, of our undertakings or assets, as defined in our Memorandum and Articles of Association.

Subject to the abovementioned matters at general meetings of shareholders with respect to which Class B ordinary shares are entitled to 50 votes per share, an ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of votes attached to the ordinary shares cast in a general meeting, while a special resolution requires the affirmative vote of no less than 75% of votes attached to the ordinary shares cast in a general meeting. A special resolution is required for important matters such as a change of name or making changes to our Memorandum and Articles of Association.

Where any shareholder is, under the Hong Kong Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Conversion

Class B ordinary shares are convertible into Class A ordinary shares. All Class B ordinary shares are subject to automatic conversion into Class A ordinary shares on the same business day as the first to occur of the following: (i) Mr. William Wei Huang, our founder, chairman and chief executive officer, ceasing to have beneficial ownership (as such term is interpreted pursuant to applicable U.S. securities laws and rules, regulations and forms promulgated thereunder by the SEC), in aggregate, of not less than two point seventy-five per cent (2.75%) of our issued and outstanding share capital on an as-converted basis, subject to certain exclusions; (ii) the Foreign Investment Law in the form implemented does not require that our VIE entities as it relates to VIE entities be owned or controlled by PRC nationals or entities; (iii) the PRC law no longer requires the conduct of the businesses carried out, or contemplated to be carried out, by us in the PRC, be owned or controlled by PRC nationals or entities; (iv) the promulgation of the Foreign Investment Law as it relates to VIE entities is abandoned by the relevant authorities in the PRC; or (v) the relevant authorities in the PRC approve our VIE structure without the need for our VIE entities to be controlled by PRC nationals or entities; provided, however, that the Class B ordinary shares shall not be automatically converted upon ceasing to constitute two point seventy-five per cent (2.75%) of our issued and outstanding share capital on an as-converted basis (subject to certain exclusions) if 75% of the board of directors resolve that such automatic conversion shall, in their opinion, result in our failing to comply with any applicable foreign ownership restrictions under PRC law. Class B shareholders may elect to convert any or all of their Class B ordinary shares into Class A ordinary shares. Each Class B ordinary share is generally convertible into one Class A ordinary share, or at a conversion rate of 1:1. However, if and when the nominal amount of one Class A ordinary share changes by reason of consolidation or subdivision, the applicable conversion rate of Class B ordinary shares into Class A ordinary shares shall equal the quotient of the revised nominal amount, divided by the former nominal amount, of one Class A ordinary share.

Transfer of Ordinary Shares

Subject to the restrictions contained in our Articles of Association, as applicable, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors. Class B ordinary shares may not be assigned or transferred in whole or in part by a holder or such holder's affiliate. Class B ordinary shares must be converted into Class A ordinary shares prior to any such assignment or transfer.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share in the circumstances set out in our Memorandum and Articles of Association. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of ordinary shares;
- the instrument of transfer is properly stamped, if required;
- the ordinary shares transferred are fully paid and free of any lien in favor of us;
- any fee related to the transfer has been paid to us; and
- the transfer is not to more than four joint holders.

If our directors refuse to register a transfer they shall, within three months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

Liquidation

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), assets available for distribution among the holders of ordinary shares shall be distributed among the holders of the ordinary shares on a *pro rata* basis. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders proportionately.

Calls on Ordinary Shares and Forfeiture of Ordinary Shares

Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their ordinary shares. The ordinary shares that have been called upon and remain unpaid are subject to forfeiture.

Subject to the provisions of the Companies Act and other applicable law, we may issue shares on terms that are subject to redemption, at our option or at the option of the holders, on such terms and in such manner, including out of capital, as may be determined by the board of directors.

Appointment Rights

Our Memorandum and Articles of Association provide that for so long as STT Garnet beneficially owns: not less than 25% of our issued and outstanding share capital, they may appoint three directors to our board of directors, including our vice-chairman; less than 25%, but not less than 15%, of our issued and outstanding share capital, they may appoint two directors to our board of directors, including our vice-chairman; and less than 15%, but not less than 8%, of our issued and outstanding share capital, they may appoint one director to our board of directors, including our vice-chairman, none of which appointments will be subject to a vote by our shareholders. Our Memorandum and Articles of Association also provide that for so long as STT Garnet has the right to appoint one or more directors to our board of directors, any change in the total number of directors on our board shall require the approval of the director or directors appointed by STT Garnet. The above rights of STT Garnet may not be amended without the approval of STT Garnet.

Our Memorandum and Articles of Association further provide that for so long as there are Class B ordinary shares outstanding, if any of the directors nominated by or subject to election by Class B shareholders at 50 votes per share (i) is not elected or (ii) ceases to be a director, then the Class B shareholders may appoint an interim replacement for each such director. As of and after such time as there cease to be any Class B ordinary shares outstanding, and for so long as Mr. William Wei Huang continues to have beneficial ownership in not less than 2% of our then issued share capital, subject to certain exclusions, Mr. William Wei Huang may appoint one director (which is intended to be Mr. William Wei Huang) to our board of directors. Such appointments will not be subject to a vote by our shareholders. Any person so appointed shall hold office until the next general meeting of our shareholders and be subject to re-nomination and re-election at such meeting.

Nomination Rights

Our Memorandum and Articles of Association also provide that for so long as Mr. William Wei Huang continues to have beneficial ownership (as such term is interpreted pursuant to applicable U.S. securities laws and rules, regulations and forms promulgated thereunder by the SEC), in aggregate, of not less than two point seventy-five per cent (2.75%) of our issued and outstanding share capital on an as-converted basis, subject to certain exclusions, the Class B shareholders shall have the right to nominate five of our directors, all of whom will be subject to a vote at general meetings of our shareholders and with respect to whom Class B ordinary shares will be entitled to 50 votes per share. If any of the directors nominated by or subject to election by the Class B shareholders at 50 votes per share (i) is not elected or (ii) ceases to be a director, then Mr. Huang may appoint another person to serve in the stead of such director. Any person so appointed shall hold office until the next general meeting of our shareholders and be subject to re-nomination and re-election at such meeting.

General Meetings of Shareholders

Shareholders' meetings may be convened by a majority of our board of directors or our chairman. Advance notice of at least 21 calendar days is required for the convening of our annual general shareholders' meeting, and advance notice of at least 14 calendar days is required for the convening of any extraordinary general meeting of our shareholders. A quorum required for a meeting of shareholders consists of at least two shareholders present in person or by proxy or by duly authorized representative, representing not less than one-third in nominal value of the total issued voting shares in our company, save that for any general meeting requisitioned according to Article 58(2)(iv), two (2) Members entitled to vote and present in person or by proxy or (in the case of a Member being a corporation) by its duly authorized representative representing not less than 10% of the aggregate voting power in the Company throughout the meeting shall form a quorum.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our Memorandum and Articles of Association allow our Class A shareholders (excluding STT Garnet and its controlled affiliates) holding shares representing in aggregate not less than one-third of the issued and outstanding Class A ordinary shares of our company (calculated excluding Class A ordinary shares beneficially owned by STT Garnet or its controlled affiliates), or any one or more shareholders holding at the date of deposit of the requisition not less than 10% of the voting rights, on a one vote per share basis, in the share capital of the Company, to requisition an extraordinary general meeting of our shareholders, in which case our directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our Memorandum and Articles of Association do not provide our shareholders with any right to put any proposals before annual general meetings or

extraordinary general meetings not requisitioned by such shareholders. When STT Garnet no longer has any director appointment right as described herein, STT Garnet will be eligible for the same right to requisition a shareholder meeting described above on the same terms as other Class A ordinary shareholders, where the one-third of the Class A ordinary shares will then be calculated based upon all Class A ordinary shares issued and outstanding. STT Garnet and the Class B shareholders also have the right to requisition a general meeting insofar as is necessary to exercise and protect their respective nomination and appointment rights.

Inspection of Books and Records

Holders of our ordinary shares have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, our Memorandum and Articles of Association provide our shareholders with the right to inspect our list of shareholders and to receive annual audited financial statements.

Requirements to Change the Rights of Holders of Ordinary Shares (Item 10.B.4 of Form 20-F)

Variations of Rights of Shares

If at any time, our share capital is divided into different classes of shares, all or any of the special rights attached to any class of shares may, subject to the provisions of the Companies Act, be varied with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class. Consequently, the rights of any class of shares cannot be detrimentally altered without a majority of seventy-five per cent. of the vote of all of the shares in that class who attend and vote at a general meeting of the holders of the shares of that class called for such purpose. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with such existing class of shares.

Limitations on the Rights to Own Ordinary Shares (Item 10.B.6 of Form 20-F)

There are no limitations imposed by our Memorandum and Articles of Association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares.

Provisions Affecting Any Change of Control (Item 10.B.7 of Form 20-F)

Anti-Takeover Provisions in the Memorandum and Articles of Association

Some provisions of our Memorandum and Articles of Association may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable, including provisions that authorize our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our Memorandum and Articles of Association, as amended and restated from time to time, for what they believe in good faith to be in the best interests of our company.

Removal of Directors

Under our Articles of Association, directors may be removed only in accordance with the enumerated appointment and nomination rights provided to certain of our shareholders.

Ownership Threshold (Item 10.B.8 of Form 20-F)

There are no provisions in our Memorandum and Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed.

Differences Between the Law of Different Jurisdictions (Item 10.B.9 of Form 20-F)

The Companies Act is derived, to a large extent, from the older Companies Acts of England but does not follow recent English statutory enactments and accordingly there are significant differences between the Companies Act and the current Companies Act of England. In addition, the Companies Act differs from laws applicable to United States corporations and their shareholders. Set forth

below is a summary of certain significant differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the State of Delaware in the United States and their shareholders.

Mergers and Similar Arrangements

The Companies Act permits mergers between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. In order to effect such a merger, the directors of each constituent company must approve a written plan of merger, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The plan must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger will be given to the members and creditors of each constituent company and that notification of the merger will be published in the Cayman Islands Gazette. Court approval is not required for a merger which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders. For this purpose a subsidiary is a company of which at least ninety percent (90%) of the issued shares entitled to vote are owned by the parent company.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain limited circumstances, a dissentient shareholder of a Cayman constituent company is entitled to payment of the fair value of his shares upon dissenting to a merger or consolidation. The exercise of appraisal rights will preclude the exercise of any other rights save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, provided that the arrangement is approved by a majority in number, representing 75 per cent. in value of each class of shareholders and creditors with whom the arrangement is to be made. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

When a take over offer is made and accepted by holders of 90% of the shares the subject of the offer within four months, the offeror may, within a two-month period commencing on the expiration of such four month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction by way of scheme of arrangement is thus approved and sanctioned or general offer is made and accepted, the dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

The Companies Act also contains statutory provisions which provide that a company may present a petition to the Grand Court of the Cayman Islands for the appointment of a restructuring officer on the grounds that the company (a) is or is likely to become unable to pay its debts within the meaning of section 93 of the Companies Act; and (b) intends to present a compromise or arrangement to its creditors (or classes thereof) either, pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring. The petition may be presented by a company acting by its directors, without a resolution of its members or an express

power in its articles of association. On hearing such a petition, the Cayman Islands court may, among other things, make an order appointing a restructuring officer or make any other order as the court thinks fit.

Shareholders' Suits

In principle, we will normally be the proper plaintiff and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands courts can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) so that a non-controlling shareholder may be permitted to commence a class action against or derivative actions in the name of the company to challenge actions where:

- a company acts or proposes to act illegally or ultra vires;
- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- those who control the company are perpetrating a “fraud on the minority.”

Indemnification of Directors and Executive Officers and Limitation of Liability

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our Memorandum and Articles of Association permit indemnification of officers and directors for losses, damages, costs and expenses incurred in their capacities as such unless such losses or damages arise from dishonesty or fraud which may attach to such directors or officers. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation. In addition, we have entered into indemnification agreements with our directors and senior executive officers that will provide such persons with additional indemnification beyond that provided in our Memorandum and Articles of Association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties

Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he owes the following duties to the company—a duty to act bona fide in the best interests of the company, a duty not to make a profit based on his or her position as director (unless the company permits him to do so) and a duty not to put himself in a position where the interests of the company conflict with his or her personal interest or his or her duty to a third party. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Action by Written Consent

Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Our Memorandum and Articles of Association expressly provide that shareholders may not approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder Proposals

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

Cayman Islands law does not provide for the right for shareholders to requisition a shareholders' meeting. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings. However, our Memorandum and Articles of Association allow shareholder requisitions of general meetings under certain circumstances.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. As permitted under Cayman Islands law, our Memorandum and Articles of Association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors

Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our Memorandum and Articles of Association, subject to the enumerated appointment and nomination rights provided to certain of our shareholders, any director (other than Mr. William Wei Huang (for so long as he is a director) and any directors appointed by STT Garnet) may be removed by way of a special resolution of the shareholders.

Transactions with Interested Shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company and for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board. Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its

members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so. Under our Memorandum and Articles of Association, the Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up, or our company may be dissolved, liquidated or wound up by the vote of holders of seventy five per cent. of our shares voting at a meeting.

Variation of Rights of Shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our Articles of Association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class only with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class and only with the approval of the holders of such class.

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. As permitted by Cayman Islands law, our Memorandum and Articles of Association may only be amended by special resolution.

Rights of Non-Resident or Foreign Shareholders

There are no limitations imposed by our Memorandum and Articles of Association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our Memorandum and Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed.

Directors' Power to Issue Shares

Subject to applicable law, our board of directors is empowered to issue or allot shares or grant options and warrants with or without preferred, deferred, qualified or other special rights or restrictions.

Exempted Company

We are an exempted company incorporated with limited liability under the Companies Act. The Companies Act in the Cayman Islands distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies;
- an exempted company's register of members is not open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue no par value, negotiable or bearer shares;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company. We are subject to reporting and other informational requirements of the Exchange Act, as applicable to foreign private issuers. We currently intend to continue complying with the NASDAQ Stock Market Rules in lieu of following home country practice. The NASDAQ Stock Market Rules require that every company listed on the NASDAQ hold an annual general meeting of shareholders. In addition, our Memorandum and Articles of Association allow directors to call special general meetings of shareholders pursuant to the procedures set forth in our Memorandum and Articles of Association.

Changes in Capital (Item 10.B.10 of Form 20-F)

We may from time to time by ordinary resolution:

- increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- sub-divide our existing shares, or any of them into shares of a smaller amount; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so cancelled.

We may by special resolution reduce our share capital or any capital redemption reserve in any manner permitted by law.

Debt Securities (Item 12.A of Form 20-F)

None.

Warrants and Rights (Item 12.B of Form 20-F)

None.

Other Securities (Item 12.C of Form 20-F)

None.

Description of American Depositary Shares (Item 12.D.1 and 12.D.2 of Form 20-F)

General

JPMorgan acts as depositary for the ADSs. Each ADS represents an ownership interest a designated number of Class A ordinary shares which we deposited with the custodian, as agent of the depositary, under the deposit agreement among ourselves, the depositary and yourself as an ADR holder. In the future, each ADS will also represent any securities, cash or other property deposited with the depositary but which they have not distributed directly to you. Unless certificated ADRs are specifically requested by you, all ADSs will be issued on the books of our depositary in book-entry form and periodic statements will be mailed to you which reflect your ownership interest in such ADSs. In our description, references to American depositary receipts or ADRs shall include the statements you will receive which reflect your ownership of ADSs.

The depositary’s office is located at 270 Park Avenue, Floor 8, New York, NY 10017, United States of America.

You may hold ADSs either directly or indirectly through your broker or other financial institution. If you hold ADSs directly, by having an ADS registered in your name on the books of the depositary, you are an ADR holder. This description assumes you hold your ADSs directly. If you hold the ADSs through your broker or financial institution nominee, you must rely on the procedures of such broker or financial institution to assert the rights of an ADR holder described in this section. You should consult with your broker or financial institution to find out what those procedures are.

As an ADR holder, we will not treat you as a shareholder of ours and you will not have any shareholder rights. Cayman Island law governs shareholder rights. Because the depositary or its nominee will be the shareholder of record for the Class A ordinary shares represented by all outstanding ADSs, shareholder rights rest with such record holder. Your rights are those of an ADR holder. Such rights derive from the terms of the deposit agreement to be entered into among us, the depositary and all registered holders from time

to time of ADSs issued under the deposit agreement. The obligations of the depositary and its agents are also set out in the deposit agreement. Because the depositary or its nominee will actually be the registered owner of the Class A ordinary shares, you must rely on it to exercise the rights of a shareholder on your behalf. The deposit agreement and the ADSs are governed by New York law. Under the deposit agreement, as an ADR holder, you agree that any legal suit, action or proceeding against or involving us or the depositary, arising out of or based upon the deposit agreement, the ADSs or the transactions contemplated thereby, may only be instituted in a state or federal court in New York, New York, and you irrevocably waive any objection which you may have to the laying of venue of any such proceeding and irrevocably submit to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

The following is a summary of what we believe to be the material terms of the deposit agreement. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire deposit agreement and the form of ADR which contains the terms of your ADSs. You can read a copy of the deposit agreement which is filed as an exhibit to this annual report. You may also obtain a copy of the deposit agreement at the SEC's Public Reference Room which is located at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. You may also find the annual report and the attached deposit agreement on the SEC's website at <http://www.sec.gov>.

Share Dividends and Other Distributions

How will I receive dividends and other distributions on the Class A ordinary shares underlying my ADSs?

We may make various types of distributions with respect to our securities. The depositary has agreed that, to the extent practicable, it will pay to you the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, after converting any cash received into U.S. dollars (if it determines such conversion may be made on a reasonable basis) and, in all cases, making any necessary deductions provided for in the deposit agreement. The depositary may utilize a division, branch or affiliate of JPMorgan to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement. Such division, branch and/or affiliate may charge the depositary a fee in connection with such sales, which fee is considered an expense of the depositary. You will receive these distributions in proportion to the number of underlying securities that your ADSs represent.

Except as stated below, the depositary will deliver such distributions to ADR holders in proportion to their interests in the following manner:

- *Cash.* The depositary will distribute any U.S. dollars available to it resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof (to the extent applicable), on an averaged or other practicable basis, subject to (i) appropriate adjustments for taxes withheld, (ii) such distribution being impermissible or impracticable with respect to certain registered ADR holders, and (iii) deduction of the depositary's and/or its agents' expenses in (1) converting any foreign currency to U.S. dollars to the extent that it determines that such conversion may be made on a reasonable basis, (2) transferring foreign currency or U.S. dollars to the United States by such means as the depositary may determine to the extent that it determines that such transfer may be made on a reasonable basis, (3) obtaining any approval or license of any governmental authority required for such conversion or transfer, which is obtainable at a reasonable cost and within a reasonable time and (4) making any sale by public or private means in any commercially reasonable manner. If exchange rates fluctuate during a time when the depositary cannot convert a foreign currency, you may lose some or all of the value of the distribution.
- *Shares.* In the case of a distribution in shares, the depositary will issue additional ADRs to evidence the number of ADSs representing such Class A ordinary shares. Only whole ADSs will be issued. Any shares which would result in fractional ADSs will be sold and the net proceeds will be distributed in the same manner as cash to the ADR holders entitled thereto.
- *Rights to receive additional shares.* In the case of a distribution of rights to subscribe for additional shares or other rights, if we timely provide evidence satisfactory to the depositary that it may lawfully distribute such rights, the depositary will distribute warrants or other instruments in the discretion of the depositary representing such rights. However, if we do not timely furnish such evidence, the depositary may:
 - (i) sell such rights if practicable and distribute the net proceeds in the same manner as cash to the ADR holders entitled thereto; or

(ii) if it is not practicable to sell such rights by reason of the non-transferability of the rights, limited markets therefor, their short duration or otherwise, do nothing and allow such rights to lapse, in which case ADR holders will receive nothing and the rights may lapse.

- *Other Distributions.* In the case of a distribution of securities or property other than those described above, the depositary may either (i) distribute such securities or property in any manner it deems equitable and practicable or (ii) to the extent the depositary deems distribution of such securities or property not to be equitable and practicable, sell such securities or property and distribute any net proceeds in the same way it distributes cash.

If the depositary determines in its discretion that any distribution described above is not practicable with respect to any specific registered ADR holder, the depositary may choose any method of distribution that it deems practicable for such ADR holder, including the distribution of foreign currency, securities or property, or it may retain such items, without paying interest on or investing them, on behalf of the ADR holder as deposited securities, in which case the ADSs will also represent the retained items.

Any U.S. dollars will be distributed by checks drawn on a bank in the United States for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the depositary in accordance with its then current practices.

The depositary is not responsible if it fails to determine that any distribution or action is lawful or reasonably practicable.

There can be no assurance that the depositary will be able to convert any currency at a specified exchange rate or sell any property, rights, shares or other securities at a specified price, nor that any of such transactions can be completed within a specified time period. All purchases and sales of securities will be handled by the Depositary in accordance with its then current policies, which are currently set forth in the “Depositary Receipt Sale and Purchase of Security” section of <https://www.adr.com/Investors/FindOutAboutDRs>, the location and contents of which the Depositary shall be solely responsible for.

Deposit, Withdrawal and Cancellation

How does the depositary issue ADSs?

The depositary will issue ADSs if you or your broker deposit Class A ordinary shares or evidence of rights to receive Class A ordinary shares with the custodian and pay the fees and expenses owing to the depositary in connection with such issuance.

Class A ordinary shares deposited in the future with the custodian must be accompanied by certain delivery documentation and shall, at the time of such deposit, be registered in the name of JPMorgan as depositary for the benefit of holders of ADRs or in such other name as the depositary shall direct.

The custodian will hold all deposited shares for the account and to the order of the depositary. ADR holders thus have no direct ownership interest in the Class A ordinary shares and only have such rights as are contained in the deposit agreement. The custodian will also hold any additional securities, property and cash received on or in substitution for the deposited Class A ordinary shares. The deposited Class A ordinary shares and any such additional items are referred to as “deposited securities”.

Upon each deposit of Class A ordinary shares, receipt of related delivery documentation and compliance with the other provisions of the deposit agreement, including the payment of the fees and charges of the depositary and any taxes or other fees or charges owing, the depositary will issue an ADR or ADRs in the name or upon the order of the person entitled thereto evidencing the number of ADSs to which such person is entitled. All of the ADSs issued will, unless specifically requested to the contrary, be part of the depositary’s direct registration system, and a registered holder will receive periodic statements from the depositary which will show the number of ADSs registered in such holder’s name. An ADR holder can request that the ADSs not be held through the depositary’s direct registration system and that a certificated ADR be issued.

How do ADR holders cancel an ADS and obtain deposited securities?

When you turn in your ADR certificate at the depositary’s office, or when you provide proper instructions and documentation in the case of direct registration ADSs, the depositary will, upon payment of certain applicable fees, charges and taxes, deliver the underlying Class A ordinary shares to you or upon your written order. Delivery of deposited securities in certificated form will be made at the custodian’s office. At your risk, expense and request, the depositary may deliver deposited securities at such other place as you may request.

The depositary may only restrict the withdrawal of deposited securities in connection with:

- temporary delays caused by closing our transfer books or those of the depositary or the deposit of Class A ordinary shares in connection with voting at a shareholders' meeting, or the payment of dividends;
- the payment of fees, taxes and similar charges; or
- compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Record Dates

The depositary may, after consultation with us if practicable, fix record dates (which, to the extent applicable, shall be as near as practicable to any corresponding record dates set by us) for the determination of the registered ADR holders who will be entitled (or obligated, as the case may be):

- to receive any distribution on or in respect of deposited securities,
- to give instructions for the exercise of voting rights at a meeting of holders of shares,
- to pay the fee assessed by the depositary for administration of the ADR program and for any expenses as provided for in the ADR, or
- to receive any notice or to act in respect of other matters.

all subject to the provisions of the deposit agreement.

Voting Rights

How do I vote?

If you are an ADR holder and the depositary asks you to provide it with voting instructions, you may instruct the depositary how to exercise the voting rights for the Class A ordinary shares which underlie your ADSs. Subject to the next sentence, as soon as practicable after receipt from us of notice of any meeting at which the holders of shares are entitled to vote, or of our solicitation of consents or proxies from holders of shares, the depositary shall fix the ADS record date in accordance with the provisions of the deposit agreement in respect of such meeting or solicitation of consent or proxy. The depositary shall, if we request in writing in a timely manner (the depositary having no obligation to take any further action if our request shall not have been received by the depositary at least 30 days prior to the date of such vote or meeting) and at our expense and provided no legal prohibitions exist, distribute to the registered ADR holders a notice stating such information as is contained in the voting materials received by the depositary and describing how you may instruct the depositary to exercise the voting rights for the Class A ordinary shares which underlie your ADSs, including instructions for giving a discretionary proxy to a person designated by us. For instructions to be valid, the depositary must receive them in the manner and on or before the date specified. The depositary will try, as far as is practical, subject to the provisions of and governing the underlying Class A ordinary shares or other deposited securities, to vote or to have its agents vote the Class A ordinary shares or other deposited securities as you instruct. The depositary will only vote or attempt to vote as you instruct. Holders are strongly encouraged to forward their voting instructions to the depositary as soon as possible. Voting instructions will not be deemed to be received until such time as the ADR department responsible for proxies and voting has received such instructions notwithstanding that such instructions may have been physically received by the depositary prior to such time. The depositary will not itself exercise any voting discretion. Furthermore, neither the depositary nor its agents are responsible for any failure to carry out any voting instructions, for the manner in which any vote is cast or for the effect of any vote. Notwithstanding anything contained in the deposit agreement or any ADR, the depositary may, to the extent not prohibited by law or regulations, or by the requirements of the stock exchange on which the ADSs are listed, in lieu of distribution of the materials provided to the depositary in connection with any meeting of, or solicitation of consents or proxies from, holders of deposited securities, distribute to the registered holders of ADRs a notice that provides such holders with, or otherwise publicizes to such holders, instructions on how to retrieve such materials or receive such materials upon request (i.e., by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials).

We have advised the depositary that under the Cayman Islands law and our constituent documents, each as in effect as of the date of the deposit agreement, voting at any meeting of shareholders is by show of hands unless a poll is (before or on the declaration of the

results of the show of hands) demanded. In the event that voting on any resolution or matter is conducted on a show of hands basis in accordance with our constituent documents, the depositary will refrain from voting and the voting instructions received by the depositary from holders shall lapse. The depositary will not demand a poll or join in demanding a poll, whether or not requested to do so by holders of ADSs. There is no guarantee that you will receive voting materials in time to instruct the depositary to vote and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

Reports and Other Communications

Will ADR holders be able to view our reports?

The depositary will make available for inspection by ADR holders at the offices of the depositary and the custodian the deposit agreement, the provisions of or governing deposited securities, and any written communications from us which are both received by the custodian or its nominee as a holder of deposited securities and made generally available to the holders of deposited securities.

Additionally, if we make any written communications generally available to holders of our Class A ordinary shares, and we furnish copies thereof (or English translations or summaries) to the depositary, it will distribute the same to registered ADR holders.

Fees and Expenses

What fees and expenses will I be responsible for paying?

The depositary may charge each person to whom ADSs are issued, including, without limitation, issuances against deposits of Class A ordinary shares, issuances in respect of share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split declared by us or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or deposited securities, and each person surrendering ADSs for withdrawal of deposited securities or whose ADRs are cancelled or reduced for any other reason, \$5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, as the case may be. The depositary may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights and/or other distribution prior to such deposit to pay such charge.

The following additional charges shall be incurred by the ADR holders, by any party depositing or withdrawing Class A ordinary shares or by any party surrendering ADSs and/or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us or an exchange of stock regarding the ADSs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of U.S.\$1.50 per ADR or ADRs for transfers of certificated or direct registration ADRs;
- a fee of up to U.S.\$0.05 per ADS for any cash distribution made pursuant to the deposit agreement;
- an aggregate fee of up to U.S.\$0.05 per ADS per calendar year (or portion thereof) for services performed by the depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against holders of ADRs as of the record date or record dates set by the depositary during each calendar year and shall be payable in the manner described in the next succeeding provision);
- a fee for the reimbursement of such fees, charges and expenses as are incurred by the depositary and/or any of its agents (including, without limitation, the custodian and expenses incurred on behalf of holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the Class A ordinary shares or other deposited securities, the sale of securities (including, without limitation, deposited securities), the delivery of deposited securities or otherwise in connection with the depositary's or its custodian's compliance with applicable law, rule or regulation (which fees and charges shall be assessed on a proportionate basis against holders as of the record date or dates set by the depositary and shall be payable at the sole discretion of the depositary by billing such holders or by deducting such charge from one or more cash dividends or other cash distributions);
- a fee for the distribution of securities (or the sale of securities in connection with a distribution), such fee being in an amount equal to the \$0.05 per ADS issuance fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities (treating all such securities as if they were shares) but which securities or the net cash proceeds from the sale thereof are instead distributed by the depositary to those holders entitled thereto;

- stock transfer or other taxes and other governmental charges;
- cable, telex and facsimile transmission and delivery charges incurred at your request in connection with the deposit or delivery of Class A ordinary shares, ADRs or deposited securities;
- transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities;
- in connection with the conversion of foreign currency into U.S. dollars, JPMorgan shall deduct out of such foreign currency the fees, expenses and other charges charged by it and/or its agent (which may be a division, branch or affiliate) so appointed in connection with such conversion; and
- fees of any division, branch or affiliate of the depositary utilized by the depositary to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement.

JPMorgan and/or its agent may act as principal for such conversion of foreign currency. For further details see <https://www.adr.com>.

We will pay all other charges and expenses of the depositary and any agent of the depositary (except the custodian) pursuant to agreements from time to time between us and the depositary. The charges described above may be amended from time to time by agreement between us and the depositary.

The depositary may make available to us a set amount or a portion of the depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as we and the depositary may agree from time to time. The depositary collects its fees for issuance and cancellation of ADSs directly from investors depositing Class A ordinary shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions, or by directly billing investors, or by charging the book-entry system accounts of participants acting for them. The depositary will generally set off the amounts owing from distributions made to holders of ADSs. If, however, no distribution exists and payment owing is not timely received by the depositary, the depositary may refuse to provide any further services to holders that have not paid those fees and expenses owing until such fees and expenses have been paid. At the discretion of the depositary, all fees and charges owing under the deposit agreement are due in advance and/or when declared owing by the depositary.

Payment of Taxes

If any taxes or other governmental charges (including any penalties and/or interest) shall become payable by or on behalf of the custodian or the depositary with respect to any ADR, any deposited securities represented by the ADSs evidenced thereby or any distribution thereon, including, without limitation, any Chinese Enterprise Income Tax owing if the Circular Guoshuifa [2009] No. 82 issued by the Chinese State Administration of Taxation (SAT) or any other circular, edict, order or ruling, as issued and as from time to time amended, is applied or otherwise, such tax or other governmental charge shall be paid by the holder thereof to the depositary and by holding or having held an ADR the holder and all prior holders thereof, jointly and severally, agree to indemnify, defend and save harmless each of the depositary and its agents in respect thereof. If an ADR holder owes any tax or other governmental charge, the depositary may (i) deduct the amount thereof from any cash distributions, or (ii) sell deposited securities (by public or private sale) and deduct the amount owing from the net proceeds of such sale. In either case the ADR holder remains liable for any shortfall. If any tax or governmental charge is unpaid, the depositary may also refuse to effect any registration, registration of transfer, split-up or combination of deposited securities or withdrawal of deposited securities until such payment is made. If any tax or governmental charge is required to be withheld on any cash distribution, the depositary may deduct the amount required to be withheld from any cash distribution or, in the case of a non-cash distribution, sell the distributed property or securities (by public or private sale) in such amounts and in such manner as the depositary deems necessary and practicable to pay such taxes and distribute any remaining net proceeds or the balance of any such property after deduction of such taxes to the ADR holders entitled thereto.

By holding an ADR or an interest therein, you will be agreeing to indemnify us, the depositary, its custodian and any of our or their respective officers, directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained.

Reclassifications, Recapitalizations and Mergers

If we take certain actions that affect the deposited securities, including (i) any change in par value, split-up, consolidation, cancellation or other reclassification of deposited securities or (ii) any distributions of shares or other property not made to holders of ADRs or (iii) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all of our assets, then the depositary may choose to, and shall if reasonably requested by us:

- (1) amend the form of ADR;
- (2) distribute additional or amended ADRs;
- (3) distribute cash, securities or other property it has received in connection with such actions;
- (4) sell any securities or property received and distribute the proceeds as cash; or
- (5) none of the above.

If the depositary does not choose any of the above options, any of the cash, securities or other property it receives will constitute part of the deposited securities and each ADS will then represent a proportionate interest in such property.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADSs without your consent for any reason. ADR holders must be given at least 30 days' notice of any amendment that imposes or increases any fees or charges (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, SWIFT, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or otherwise prejudices any substantial existing right of ADR holders. Such notice need not describe in detail the specific amendments effectuated thereby, but must identify to ADR holders a means to access the text of such amendment. If an ADR holder continues to hold an ADR or ADRs after being so notified, such ADR holder is deemed to agree to such amendment and to be bound by the deposit agreement as so amended. Notwithstanding the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations which would require amendment or supplement of the deposit agreement or the form of ADR to ensure compliance therewith, we and the depositary may amend or supplement the deposit agreement and the ADR at any time in accordance with such changed laws, rules or regulations, which amendment or supplement may take effect before a notice is given or within any other period of time as required for compliance. No amendment, however, will impair your right to surrender your ADSs and receive the underlying securities, except in order to comply with mandatory provisions of applicable law.

How may the deposit agreement be terminated?

The depositary may, and shall at our written direction, terminate the deposit agreement and the ADRs by mailing notice of such termination to the registered holders of ADRs at least 30 days prior to the date fixed in such notice for such termination; provided, however, if the depositary shall have (i) resigned as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered holders unless a successor depositary shall not be operating under the deposit agreement within 60 days of the date of such resignation, and (ii) been removed as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered holders of ADRs unless a successor depositary shall not be operating under the deposit agreement on the 120th day after our notice of removal was first provided to the depositary. After the date so fixed for termination, (a) all direct registration ADRs shall cease to be eligible for the direct registration system and shall be considered ADRs issued on the ADR register maintained by the depositary and (b) the depositary shall use its reasonable efforts to ensure that the ADSs cease to be DTC eligible so that neither DTC nor any of its nominees shall thereafter be a registered holder of ADRs. At such time as the ADSs cease to be DTC eligible and/or neither DTC nor any of its nominees is a registered holder of ADRs, the depositary shall (a) instruct its custodian to deliver all Class A ordinary shares to us along with a general stock power that refers to the names set forth on the ADR register maintained by the depositary and (b) provide us with a copy of the ADR register maintained by the depositary. Upon receipt of such Class A ordinary shares and the ADR register maintained by the depositary, we have agreed to use our best efforts to issue to each registered holder a Share certificate representing the Shares represented by the ADSs reflected on the ADR register maintained by the depositary in such registered holder's name and to deliver such Share certificate to the registered holder at the address set forth on the ADR register maintained by the depositary. After providing such instruction to the custodian and delivering a copy of the ADR register to us, the depositary and its agents will perform no further acts under the deposit agreement or the ADRs and shall cease to have any obligations under the deposit agreement and/or the ADRs.

Limitations on Obligations and Liability to ADR holders

Prior to the issue, registration, registration of transfer, split-up, combination, or cancellation of any ADRs, or the delivery of any distribution in respect thereof, and from time to time in the case of the production of proofs as described below, we or the depositary or its custodian may require:

- payment with respect thereto of (i) any stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of Class A ordinary shares or other deposited securities upon any applicable register and (iii) any applicable fees and expenses described in the deposit agreement;
- the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial ownership of any securities, compliance with applicable law, regulations, provisions of or governing deposited securities and terms of the deposit agreement and the ADRs, as it may deem necessary or proper; and
- compliance with such regulations as the depositary may establish consistent with the deposit agreement.

The issuance of ADRs, the acceptance of deposits of Class A ordinary shares, the registration, registration of transfer, split-up or combination of ADRs or the withdrawal of Class A ordinary shares, may be suspended, generally or in particular instances, when the ADR register or any register for deposited securities is closed or when any such action is deemed advisable by the depositary; provided that the ability to withdraw Class A ordinary shares may only be limited under the following circumstances: (i) temporary delays caused by closing transfer books of the depositary or our transfer books or the deposit of Class A ordinary shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes, and similar charges, and (iii) compliance with any laws or governmental regulations relating to ADRs or to the withdrawal of deposited securities.

The deposit agreement expressly limits the obligations and liability of the depositary, ourselves and our respective agents, provided, however, that no disclaimer of liability under the Securities Act of 1933 is intended by any of the limitations of liabilities provisions of the deposit agreement. In the deposit agreement it provides that neither we nor the depositary nor any such agent will be liable if:

- any present or future law, rule, regulation, fiat, order or decree of the United States, the Cayman Islands, the People's Republic of China (including the Hong Kong Special Administrative Region, the People's Republic of China) or any other country or jurisdiction, or of any governmental or regulatory authority or securities exchange or market or automated quotation system, the provisions of or governing any deposited securities, any present or future provision of our charter, any act of God, war, terrorism, nationalization, expropriation, currency restrictions, work stoppage, strike, civil unrest, revolutions, rebellions, explosions, computer failure or circumstance beyond our, the depositary's or our respective agents' direct and immediate control shall prevent or delay, or shall cause any of them to be subject to any civil or criminal penalty in connection with, any act which the deposit agreement or the ADRs provide shall be done or performed by us, the depositary or our respective agents (including, without limitation, voting);
- it exercises or fails to exercise discretion under the deposit agreement or the ADRs including, without limitation, any failure to determine that any distribution or action may be lawful or reasonably practicable;
- it performs its obligations under the deposit agreement and ADRs without gross negligence or willful misconduct;
- it takes any action or refrains from taking any action in reliance upon the advice of or information from legal counsel, accountants, any person presenting Class A ordinary shares for deposit, any registered holder of ADRs, or any other person believed by it to be competent to give such advice or information; or
- it relies upon any written notice, request, direction, instruction or document believed by it to be genuine and to have been signed, presented or given by the proper party or parties.

Neither the depositary nor its agents have any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs. We and our agents shall only be obligated to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs, which in our opinion may involve us in expense or liability, if indemnity satisfactory to us against all expense (including fees and disbursements of counsel) and liability is furnished as often as may be required. The depositary and its agents may fully respond to any and all demands or requests for information maintained by or on its behalf in connection with the deposit agreement, any registered holder or holders of ADRs, any ADRs or otherwise related to the deposit agreement or ADRs to the extent such information is requested or required by or pursuant to any

lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators. The depositary shall not be liable for the acts or omissions made by, or the insolvency of, any securities depository, clearing agency or settlement system. Furthermore, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of any custodian that is not a branch or affiliate of JPMorgan. Notwithstanding anything to the contrary contained in the deposit agreement or any ADRs, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the custodian except to the extent that the custodian has (i) committed fraud or willful misconduct in the provision of custodial services to the depositary or (ii) failed to use reasonable care in the provision of custodial services to the depositary as determined in accordance with the standards prevailing in the jurisdiction in which the custodian is located. The depositary and the custodian(s) may use third party delivery services and providers of information regarding matters such as pricing, proxy voting, corporate actions, class action litigation and other services in connection with the ADRs and the deposit agreement, and use local agents to provide extraordinary services such as attendance at annual meetings of issuers of securities. Although the depositary and the custodian will use reasonable care (and cause their agents to use reasonable care) in the selection and retention of such third party providers and local agents, they will not be responsible for any errors or omissions made by them in providing the relevant information or services. The depositary shall not have any liability for the price received in connection with any sale of securities, the timing thereof or any delay in action or omission to act nor shall it be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained in connection with any such sale or proposed sale.

The depositary has no obligation to inform ADR holders or other holders of an interest in any ADSs about the requirements of Cayman Islands or People's Republic of China law, rules or regulations or any changes therein or thereto.

Additionally, none of us, the depositary or the custodian shall be liable for the failure by any registered holder of ADRs or beneficial owner therein to obtain the benefits of credits on the basis of non-U.S. tax paid against such holder's or beneficial owner's income tax liability. Neither we nor the depositary shall incur any liability for any tax consequences that may be incurred by registered holders or beneficial owners on account of their ownership of ADRs or ADSs.

Neither the depositary nor its agents will be responsible for any failure to carry out any instructions to vote any of the deposited securities, for the manner in which any such vote is cast or for the effect of any such vote. The depositary may rely upon instructions from us or our counsel in respect of any approval or license required for any currency conversion, transfer or distribution. The depositary shall not incur any liability for the content of any information submitted to it by us or on our behalf for distribution to ADR holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the deposited securities, for the validity or worth of the deposited securities, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the deposit agreement or for the failure or timeliness of any notice from us. The depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the depositary or in connection with any matter arising wholly after the removal or resignation of the depositary. Neither the depositary nor any of its agents shall be liable to registered holders or beneficial owners of interests in ADSs for any indirect, special, punitive or consequential damages (including, without limitation, legal fees and expenses) or lost profits, in each case of any form incurred by any person or entity, whether or not foreseeable and regardless of the type of action in which such a claim may be brought.

In the deposit agreement each party thereto (including, for avoidance of doubt, each holder and beneficial owner and/or holder of interests in ADRs) irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any suit, action or proceeding against the depositary and/or us directly or indirectly arising out of or relating to the Class A ordinary shares or other deposited securities, the ADSs or the ADRs, the deposit agreement or any transaction contemplated therein, or the breach thereof (whether based on contract, tort, common law or any other theory).

The depositary and its agents may own and deal in any class of securities of our company and our affiliates and in ADRs.

Disclosure of Interest in ADSs

To the extent that the provisions of or governing any deposited securities may require disclosure of or impose limits on beneficial or other ownership of deposited securities, other shares and other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, you agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable instructions we may provide in respect thereof. We reserve the right to instruct you to deliver your ADSs for cancellation and withdrawal of the deposited securities so as to permit us to deal with you directly as a holder of shares and, by holding an ADS or an interest therein, you will be agreeing to comply with such instructions.

Books of Depositary

The depositary or its agent will maintain a register for the registration, registration of transfer, combination and split-up of ADRs, which register shall include the depositary's direct registration system. Registered holders of ADRs may inspect such records at the depositary's office at all reasonable times, but solely for the purpose of communicating with other holders in the interest of the business of our company or a matter relating to the deposit agreement. Such register may be closed at any time or from time to time, when deemed expedient by the depositary.

The depositary will maintain facilities for the delivery and receipt of ADRs.

Pre-release of ADSs

In its capacity as depositary, the depositary shall not lend shares or ADSs; provided, however, that the depositary may (i) issue ADSs prior to the receipt of Class A ordinary shares and (ii) deliver Class A ordinary shares prior to the receipt of ADSs for withdrawal of deposited securities, including ADSs which were issued under (i) above but for which shares may not have been received (each such transaction a "pre-release"). The depositary may receive ADSs in lieu of Class A ordinary shares under (i) above (which ADSs will promptly be canceled by the depositary upon receipt by the depositary) and receive Class A ordinary shares in lieu of ADSs under (ii) above. Each such pre-release will be subject to a written agreement whereby the person or entity (the "applicant") to whom ADSs or Class A ordinary shares are to be delivered (a) represents that at the time of the pre-release the applicant or its customer owns the Class A ordinary shares or ADSs that are to be delivered by the applicant under such pre-release, (b) agrees to indicate the depositary as owner of such Class A ordinary shares or ADSs in its records and to hold such Class A ordinary shares or ADSs in trust for the depositary until such Class A ordinary shares or ADSs are delivered to the depositary or the custodian, (c) unconditionally guarantees to deliver to the depositary or the custodian, as applicable, such Class A ordinary shares or ADSs, and (d) agrees to any additional restrictions or requirements that the depositary deems appropriate. Each such pre-release will be at all times fully collateralized with cash, U.S. government securities or such other collateral as the depositary deems appropriate, terminable by the depositary on not more than five (5) business days' notice and subject to such further indemnities and credit regulations as the depositary deems appropriate. The depositary will normally limit the number of ADSs and Class A ordinary shares involved in such pre-release at any one time to thirty percent (30%) of the ADSs outstanding (without giving effect to ADSs outstanding under (i) above), provided, however, that the depositary reserves the right to change or disregard such limit from time to time as it deems appropriate. The depositary may also set limits with respect to the number of ADSs and Class A ordinary shares involved in pre-release with any one person on a case-by-case basis as it deems appropriate. The depositary may retain for its own account any compensation received by it in conjunction with the foregoing. Collateral provided in connection with pre-release transactions, but not the earnings thereon, shall be held for the benefit of the ADR holders (other than the applicant).

Appointment

In the deposit agreement, each registered holder of ADRs and each person holding an interest in ADSs, upon acceptance of any ADSs (or any interest therein) issued in accordance with the terms and conditions of the deposit agreement will be deemed for all purposes to:

- be a party to and bound by the terms of the deposit agreement and the applicable ADR or ADRs, and
- appoint the depositary its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the deposit agreement and the applicable ADR or ADRs, to adopt any and all procedures necessary to comply with applicable laws and to take such action as the depositary in its sole discretion may deem necessary or appropriate to carry out the purposes of the deposit agreement and the applicable ADR and ADRs, the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof.

Conversion between ADSs and Class A Ordinary Shares (Items 12.D.1 and 12.D.4 of Form 20-F)

In connection with our initial public offering of Class A ordinary shares in Hong Kong, or the Hong Kong IPO, we have established a branch register of members in Hong Kong, or the Hong Kong share register, which is maintained by our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited. Our principal register of members, or the Cayman share register, will continue to be maintained by our principal share registrar, Conyers Trust Company (Cayman) Limited.

All Class A ordinary shares offered in the Hong Kong IPO are registered on the Hong Kong share register in order to be listed and traded on the Hong Kong Stock Exchange. As described in further detail below, holders of Class A ordinary shares registered on the Hong Kong share register are able to convert these shares into ADSs, and *vice versa*.

In connection with the Hong Kong public offering, and to facilitate fungibility and conversion between ADSs and Class A ordinary shares and trading between the Nasdaq and the Hong Kong Stock Exchange, we moved a portion of our issued Class A ordinary shares that are represented by ADSs from our Cayman share register to our Hong Kong share register.

Our ADSs

Our ADSs representing our Class A ordinary shares are traded on the Nasdaq Global Market, or Nasdaq. Dealings in our ADSs on Nasdaq are conducted in U.S. Dollars.

ADSs may be held either:

- directly, by having a certificated ADS, or an ADR, registered in the holder's name, or by holding in the direct registration system, pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements issued by the depositary to the ADS holders entitled thereto; or
- indirectly, by holding a security entitlement in ADSs through a broker or other financial institution that is a direct or indirect participant in The Depository Trust Company.

The depositary for our ADSs is JPMorgan, whose office is located at 383 Madison Avenue, Floor 11, New York, NY 10179.

Converting Class A Ordinary Shares Trading in Hong Kong into ADSs

An investor who holds ordinary shares registered in Hong Kong and who intends to convert them to ADSs to trade on Nasdaq must deposit or have his or her broker deposit the Class A ordinary shares with the depositary's Hong Kong custodian, JP Morgan Chase Bank, N.A., Hong Kong Branch, or the custodian, in exchange for ADSs.

A deposit of Class A ordinary shares trading in Hong Kong in exchange for ADSs involves the following procedures:

- If Class A ordinary shares have been deposited with CCASS, the investor must transfer Class A ordinary shares to the depositary's account with the custodian within CCASS by following the CCASS procedures for transfer and submit and deliver a duly completed and signed conversion form to the depositary via his or her broker.
- If Class A ordinary shares are held outside CCASS, the investor must arrange to deposit his or her Class A ordinary shares into CCASS for delivery to the depositary's account with the custodian within CCASS, submit and deliver a request for conversion form to the custodian and after duly completing and signing such conversion form, and deliver such conversion form to the custodian.
- Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable, the depositary will issue the corresponding number of ADSs in the name(s) requested by an investor and will deliver the ADSs to the designated DTC account of the person(s) designated by an investor or his or her broker.

For Class A ordinary shares deposited in CCASS, under normal circumstances, the above steps generally require two business days. For Class A ordinary shares held outside CCASS in physical form, the above steps may take 14 business days, or more, to complete. Temporary delays may arise. For example, the transfer books of the depositary may from time to time be closed to ADS issuances. The investor will be unable to trade the ADSs until the procedures are completed.

Converting ADSs to Class A Ordinary Shares Trading in Hong Kong

An investor who holds ADSs and who intends to convert his/her ADSs into Class A ordinary shares to trade on the Hong Kong Stock Exchange must cancel the ADSs the investor holds and withdraw Class A ordinary shares from our ADS program and cause his or her broker or other financial institution to trade such ordinary shares on the Hong Kong Stock Exchange.

An investor that holds ADSs indirectly through a broker should follow the broker's procedure and instruct the broker to arrange for cancellation of the ADSs, and transfer of the underlying ordinary shares from the depositary's account with the custodian within the CCASS system to the investor's Hong Kong stock account.

For investors holding ADSs directly, the following steps must be taken:

- To withdraw Class A ordinary shares from our ADS program, an investor who holds ADSs may turn in such ADSs at the office of the depositary (and the applicable ADR(s) if the ADSs are held in certificated form), and send an instruction to cancel such ADSs to the depositary.
- Upon payment or net of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable, the depositary will instruct the custodian to deliver Class A ordinary shares underlying the cancelled ADSs to the CCASS account designated by an investor.
- If an investor prefers to receive Class A ordinary shares outside CCASS, he or she must receive Class A ordinary shares in CCASS first and then arrange for withdrawal from CCASS. Investors can then obtain a transfer form signed by HKSCC Nominees Limited (as the transferor) and register Class A ordinary shares in their own names with the Hong Kong Share Registrar.

For Class A ordinary shares to be received in CCASS, under normal circumstances, the above steps generally require two business days. For Class A ordinary shares to be received outside CCASS in physical form, the above steps may take 14 business days, or more, to complete. The investor will be unable to trade the Class A ordinary shares on the Hong Kong Stock Exchange until the procedures are completed.

Temporary delays may arise. For example, the transfer books of the depositary may from time to time be closed to ADS cancellations. In addition, completion of the above steps and procedures is subject to there being a sufficient number of Class A ordinary shares on the Hong Kong share register to facilitate a withdrawal from the ADS program directly into the CCASS system. We are not under any obligation to maintain or increase the number of Class A ordinary shares on the Hong Kong share register to facilitate such withdrawals.

Depositary Requirements

Before the depositary issues ADSs or permits withdrawal of ordinary shares, the depositary may require:

- production of satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with procedures it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The depositary may refuse to deliver, transfer, or register issuances, transfers and cancellations of ADSs generally when the transfer books of the depositary or our Hong Kong or Cayman Share Registrars are closed or at any time if the depositary or we determine it advisable to do so or if it would violate any applicable law or the Depositary's policies and procedures.

All costs attributable to the transfer of Class A ordinary shares to effect a withdrawal from or deposit of ordinary shares into our ADS program will be borne by the investor requesting the transfer. In particular, holders of ordinary shares and ADSs should note that the Hong Kong Share Registrar will charge between HK\$2.50 to HK\$20, depending on the speed of service (or such higher fee as may from time to time be permitted under the Hong Kong Listing Rules), for each transfer of ordinary shares from one registered owner to another, each share certificate cancelled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong. In addition, holders of Class A ordinary shares and ADSs must pay up to US\$5.00 (or less) per 100 ADSs for each issuance of ADSs and each cancellation of ADSs, as the case may be, in connection with the deposit of Class A ordinary shares into, or withdrawal of Class A ordinary shares from, our ADS program.

Governing Law

The deposit agreement and the ADRs shall be governed by and construed in accordance with the laws of the State of New York. In the deposit agreement, we have submitted to the jurisdiction of the courts of the State of New York and appointed an agent for service of process on our behalf. Notwithstanding the foregoing, (i) any action based on the deposit agreement or the transactions contemplated thereby may be instituted by the depositary in any competent court in the Cayman Islands, Hong Kong, the People's Republic of China and/or the United States, (ii) the depositary may, in its sole discretion, elect to institute any action, controversy, claim or dispute directly or indirectly based on, arising out of or relating to the deposit agreement or the ADRs or the transactions contemplated thereby, including without limitation any question regarding its or their existence, validity, interpretation, performance or termination, against any other party or parties to the deposit agreement (including, without limitation, against ADR holders and owners of interests in ADSs), by having the matter referred to and finally resolved by an arbitration conducted under the terms described below, and (iii) the depositary may in its sole discretion require that any action, controversy, claim, dispute, legal suit or proceeding brought

against the depositary by any party or parties to the deposit agreement (including, without limitation, by ADR holders and owners of interests in ADSs) shall be referred to and finally settled by an arbitration conducted under the terms described below. Any such arbitration shall be conducted in the English language either in New York, New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association or in Hong Kong following the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL).

By holding an ADS or an interest therein, registered holders of ADRs and owners of ADSs each irrevocably agree that any legal suit, action or proceeding against or involving us or the depositary, arising out of or based upon the deposit agreement, the ADSs or the transactions contemplated thereby, may only be instituted in a state or federal court in New York, New York, and each irrevocably waives any objection which it may have to the laying of venue of any such proceeding, and irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

GDS HOLDINGS LIMITED

and

The Bank of New York Mellon

as Trustee

INDENTURE

Dated as of May 30, 2025

US\$550,000,000 2.25% CONVERTIBLE SENIOR NOTES DUE 2032

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INDENTURE dated as of May 30, 2025, between GDS Holdings Limited, a Cayman Islands exempted company, as issuer (the “**Company**”, as more fully set forth in Section 1.01) and The Bank of New York Mellon, a national banking association, as trustee (the “**Trustee**”, as more fully set forth in Section 1.01).

WITNESSETH:

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the issuance of its 2.25% Convertible Senior Notes due 2032 (the “**Notes**”), initially in an aggregate principal amount not to exceed US\$550,000,000, subject to Section 2.10, and in order to provide the terms and conditions upon which the Notes are to be authenticated, issued and delivered, the Company has duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Form of Note, the certificate of authentication to be borne by each Note, the Form of Notice of Conversion, the Form of Fundamental Change Repurchase Notice, the Form of Repurchase Notice, the Form of Assignment and Transfer, to be borne by the Notes are to be substantially in the forms hereinafter provided; and

WHEREAS, all acts and things necessary to make the Notes, when executed by the Company and authenticated and delivered by the Trustee, as in this Indenture provided, the valid, binding and legal obligations of the Company, and this Indenture a valid agreement according to its terms, have been done and performed, and the execution of this Indenture and the issuance hereunder of the Notes have in all respects been duly authorized.

NOW, THEREFORE, THIS INDENTURE

That in order to declare the terms and conditions upon which the Notes are, and are to be, authenticated, issued and delivered, and in consideration of the premises and of the purchase and acceptance of the Notes by the Holders thereof, the Company covenants and agrees with the Trustee for the equal and proportionate benefit of the respective Holders from time to time of the Notes (except as otherwise provided below), as follows:

ARTICLE 1
DEFINITIONS

Section 1.01 *Definitions*. The terms defined in this Section 1.01 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section 1.01. The words “herein,” “hereof,” “hereunder,” and words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. The terms defined in this Article include the plural as well as the singular.

“**Additional ADSs**” shall have the meaning specified in Section 14.03(a).

“**Additional Amounts**” shall have the meaning specified in Section 4.07(a).

“**Additional Interest**” means all amounts, if any, payable pursuant to Section 4.06(d), Section 4.06(e), and Section 6.03, as applicable.

“**ADS**” means an American Depositary Share, issued pursuant to the Deposit Agreement, representing eight ordinary shares of the Company as of the date of this Indenture, and deposited with the ADS Custodian.

“**ADS Custodian**” means JPMorgan Chase Bank, N.A., with respect to the ADSs delivered pursuant to the Deposit Agreement, or any successor entity thereto.

“**ADS Depositary**” means JPMorgan Chase Bank, N.A., as depositary for the ADSs.

“**ADS Price**” shall have the meaning specified in Section 14.03(c).

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control,” when used with respect to any specified Person means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Agents**” means the Paying Agent, the Transfer Agent, the Note Registrar and the Conversion Agent or any other agent, custodian or other Person employed to act hereunder, in each case, unless the Company is acting in such capacity.

“**Applicable PRC Rate**” means (i) in the case of deduction or withholding of PRC enterprise income tax, 10%, (ii) in the case of deduction or withholding of PRC individual income tax, 20%, (iii) in the case of deduction or withholding of PRC value added tax, 6%, (iv) in the case of deduction or withholding of both PRC enterprise income tax and PRC value added tax, 16%, or (v) in the case of deduction or withholding of both PRC individual income tax and PRC value added tax, 26%

“**Applicable Tax Law**” shall have the meaning specified in Section 4.07(a).

“**Applicable Taxes**” shall have the meaning specified in Section 4.07(a).

“**Bid Solicitation Agent**” means the Company or any Person appointed by the Company to solicit bids for the Trading Price in accordance with Section 14.01(b)(i). The Company shall initially act as the Bid Solicitation Agent.

“**Board of Directors**” means the board of directors of the Company or a committee of such board duly authorized to act for it hereunder.

“**Board Resolution**” means a copy of a resolution certified by the Secretary of the Company to have been duly adopted by the Board of Directors, and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“**Business Combination Event**” shall have the meaning specified in Section 11.01.

“**Business Day**” means, with respect to any Note, any day other than a Saturday, Sunday or day on which the Federal Reserve Bank of New York is, authorized or required by law or executive order to close or to be closed.

“**Capital Stock**” means, for any entity, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) stock issued by that entity.

“**Cash Settlement**” shall have the meaning specified in Section 14.02(a).

“**CCASS**” means Central Clearing and Settlement System of the Hong Kong Stock Exchange.

“**Change in Law**” has the meaning set forth in the definition of “Fundamental Change”.

“**Change in Tax Law**” shall have the meaning specified in Section 16.01(a).

“**Class B shares**” means the Class B ordinary shares of the Company, par value US\$0.00005 per share, at the date of this Indenture.

“**Clause A Distribution**” shall have the meaning specified in Section 14.04(c).

“**Clause B Distribution**” shall have the meaning specified in Section 14.04(c).

“**Clause C Distribution**” shall have the meaning specified in Section 14.04(c).

“**Cleanup Redemption**” shall have the meaning specified in Section 18.01.

“**Cleanup Redemption Date**” shall have the meaning specified in Section 18.01.

“**Cleanup Redemption Notice**” shall have the meaning specified in Section 18.02.

“**close of business**” means 5:00 p.m. (New York City time).

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended.

“**Combination Settlement**” shall have the meaning specified in Section 14.02(a).

“**Commission**” means the U.S. Securities and Exchange Commission.

“**Common Equity**” of any Person means ordinary share capital or Capital Stock of such Person that is generally entitled (a) to vote in the election of directors of such Person or (b) if such Person is not a corporation, to vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management or policies of such Person.

“**Company**” shall have the meaning specified in the first paragraph of this Indenture, and subject to the provisions of Article 11, shall include its successors and assigns.

“**Company Group**” has the meaning set forth in the definition of “Fundamental Change”.

“**Company Notice**” shall have the meaning specified in Section 15.01(a).

“**Company Order**” means a written order of the Company, signed by an Officer of the Company and delivered to the Trustee.

“**Conversion Agent**” shall have the meaning specified in Section 4.02.

“**Conversion Date**” shall have the meaning specified in Section 14.02(c).

“**Conversion Obligation**” shall have the meaning specified in Section 14.01.

“**Conversion Rate**” shall have the meaning specified in Section 14.01.

“**Corporate Trust Office**” means an office of the Trustee at which at any time its corporate trust business shall be administered, which office at the date hereof is located at 240 Greenwich Street, New York, NY 10286, United States of America and shall include a reference to the Hong Kong Branch located at Level 26, Three Pacific Place, 1 Queen’s Road East, Hong Kong, Attention: Global Corporate Trust, or such other address as the Trustee may designate from time to time by notice to the Holders and the Company, or the corporate trust office of any successor trustee (or such other address as such successor trustee may designate from time to time by notice to the Holders and the Company).

“**Daily Conversion Value**” means, for each of the 40 consecutive Trading Days during the Observation Period, 2.5% of the product of (a) the Conversion Rate on such Trading Day and (b) the Daily VWAP for such Trading Day.

“**Daily Measurement Value**” means the Specified Dollar Amount (if any), *divided by* 40.

“**Daily Settlement Amount**,” for each of the 40 consecutive Trading Days during the Observation Period, shall consist of:

- (a) cash in an amount equal to the lesser of (i) the Daily Measurement Value and (ii) the Daily Conversion Value on such Trading Day; and
- (b) if the Daily Conversion Value on such Trading Day exceeds the Daily Measurement Value, a number of ADSs equal to (i) the difference between the Daily Conversion Value and the Daily Measurement Value, *divided by* (ii) the Daily VWAP for such Trading Day.

“**Daily VWAP**” means, for each of the 40 consecutive Trading Days during the relevant Observation Period, the per ADS volume-weighted average price as displayed under the heading “Bloomberg VWAP” on Bloomberg page “GDS <equity> AQR” (or its equivalent successor if such page is not available) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such Trading Day (or if such volume-weighted average price is unavailable, the market value of one ADS on such Trading Day determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained for this purpose by the Company). The “**Daily VWAP**” shall be determined without regard to after-hours trading or any other trading outside of the regular trading session trading hours.

“**Default**” means any event that is, or after notice or passage of time, or both, would be, an Event of Default.

“**Defaulted Amounts**” means any amounts on any Note (including, without limitation, the Repurchase Price, the Redemption Price, the Fundamental Change Repurchase Price, principal and interest) that are payable but are not punctually paid or duly provided for (without taking into account any applicable grace period).

“**Default Interest**” shall have the meaning specified in Section 2.03(c).

“**Default Settlement Method**” shall have the meaning specified in Section 14.02(a)(iii).

“**Delisting Date**” shall have the meaning specified in Section 10.04.

“**Deposit Agreement**” means the deposit agreement dated as of November 1, 2016, by and among the Company, the ADS Depositary and all holders from time to time of ADSs issued thereunder or, if amended or supplemented as provided therein, as so amended or supplemented.

“**Depositary**” means, with respect to each Global Note, the Person specified in Section 2.05(c) as the Depositary with respect to such Notes, until a successor shall have been appointed and become such pursuant to the applicable provisions of this Indenture, and thereafter, “**Depositary**” shall mean or include such successor.

“**Designated Financial Institution**” shall have the meaning specified in Section 14.13(a).

“**Distributed Property**” shall have the meaning specified in Section 14.04(c).

“**DTC**” means The Depository Trust Company, a New York corporation.

“**Effective Date**” shall have the meaning specified in Section 14.03(c), except that, as used in Section 14.04 and Section 14.05, “**Effective Date**” means the first date on which ADSs trade on the applicable exchange or in the applicable market, regular way, reflecting the relevant share split or share combination, as applicable.

“**Electronic Means**” shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee and/or the Agents, or another method or system specified by the Trustee and/or the Agents as available for use in connection with its services hereunder.

“**Event of Default**” shall have the meaning specified in Section 6.01.

“Ex-Dividend Date” means the first date on which the ADSs trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Company or, if applicable, from the seller of the ADSs on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Exchange Election” shall have the meaning specified in Section 14.13(a).

“Exempted Fundamental Change” means any Fundamental Change with respect to which, in accordance with Section 15.02(d), the Company does not offer to repurchase any Notes.

“Expiring Rights” means any rights (other than in connection with a stockholders rights plan), options or warrants to purchase ordinary shares or ADSs that expire on or prior to the Maturity Date.

“FATCA” shall have the meaning specified in Section 4.07.

“Form of Assignment and Transfer” shall mean the “Form of Assignment and Transfer” attached as Attachment 4 to the Form of Note attached hereto as Exhibit A.

“Form of Fundamental Change Repurchase Notice” shall mean the “Form of Fundamental Change Repurchase Notice” attached as Attachment 2 to the Form of Note attached hereto as Exhibit A.

“Form of Notice of Conversion” shall mean the “Form of Notice of Conversion” attached as Attachment 1 to the Form of Note attached hereto as Exhibit A.

“Form of Repurchase Notice” shall mean the “Form of Repurchase Notice” attached as Attachment 3 to the Form of Note attached hereto as Exhibit A.

“Freely Tradable” shall have the meaning specified in Section 17.01.

“Fundamental Change” shall be deemed to have occurred at the time after the Notes are originally issued if any of the following occurs:

- (a) (1) a “person” or “group” within the meaning of Section 13(d) of the Exchange Act, other than:
 - (x) the Company and its Subsidiaries, and
 - (y) any party (together with any other “person” or “group” subject to aggregation of the Class A ordinary share capital of the Company (including Class A ordinary share capital held in the form of ADSs) with such party under Section 13(d) of the Exchange Act) that has filed a Schedule 13D with the Securities and Exchange Commission pursuant to the Exchange Act indicating that, as of the date of the Offering Memorandum, such party is the “beneficial owner” of at least 20.0% of the voting power of the Company’s Class A ordinary share capital (including Class A ordinary share capital held in the form of ADSs) (such party a “Major Shareholder”),

files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect “beneficial owner” of the Class A ordinary share capital (including Class A ordinary share capital held in the form of ADSs) of the Company representing more than 50.0% of the number of the Class A shares outstanding (including Class A ordinary shares held in the form of ADSs) of the Company; or

(2) any Major Shareholder (together with any other “person” or “group” subject to aggregation of the Class A ordinary share capital (including ordinary share capital held in the form of ADSs) of the Company with such Major Shareholder under Section 13(d) of the Exchange Act) has become the direct or indirect “beneficial owners” of the ordinary share capital (including ordinary share capital held in the form of ADSs) of the Company representing, in the aggregate, more than 66.67% of the voting power of the Class A ordinary share capital (including Class A ordinary share capital held in the form of ADSs) of the Company;

provided that, as used in this clause (a)(1), the term “beneficial owner” shall have the meaning defined in Rule 13d-3 under the Exchange Act;

- (b) the consummation of (1) any recapitalization, reclassification or change of the ordinary shares or the ADSs (other than changes resulting from a subdivision or combination) as a result of which the ordinary shares or the ADSs would be converted into, or exchanged for, stock, other securities, other property or assets; (2) any share exchange, consolidation or merger of the Company, or any similar transaction, pursuant to which the ordinary shares or the ADSs will be converted into cash, securities or other property; or (3) any conveyance, sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of the Company and its Subsidiaries, taken as a whole, to any Person other than one of the Company’s wholly-owned Subsidiaries; *provided*, however, that a transaction described in clause (2) in which the holders of all classes of the ordinary share capital of the Company immediately prior to such transaction own, directly or indirectly, more than 50% of all classes of Common Equity of the continuing or surviving corporation or transferee or the parent thereof immediately after such transaction in substantially the same proportions vis-à-vis each other as ownership immediately prior to such transaction shall not be a fundamental change pursuant to this clause (b);
- (c) the shareholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company (other than in a transaction described in clause (b) above);
- (d) both (i) the ADSs (or the ordinary shares or other Common Equity into which the Notes are then convertible) cease to be listed on The NASDAQ Global Market (or its successor or another U.S. Exchange) and (ii) the ordinary shares (or other Common Equity or depositary shares into which the notes are then convertible) cease to be listed on the Hong Kong Stock Exchange (or its successor or another Permitted Exchange); or
- (e) (i) there is any change in or amendment to the laws, regulations and rules of the People’s Republic of China (including any political subdivision or regulatory authority thereof or therein) or the official interpretation or official application thereof (any such event, a “Change in Law”) that results in (x) the Company, the Company’s Subsidiaries and its consolidated affiliated entities (collectively, the “Company Group”) (as in existence immediately subsequent to such Change in Law), as a whole, being legally prohibited from operating substantially all of the business operations conducted by the Company Group (as in existence immediately prior to such Change in Law) as of the last date of the period described in the Company’s consolidated financial statements for the most recent fiscal quarter and (y) the Company being unable to continue to derive substantially all of the economic benefits from the business operations conducted by the Company Group (as in existence immediately prior to such Change in Law) in the same manner as reflected in the Company’s consolidated financial statements for the most recent fiscal quarter and (ii) the Company has not furnished to the Trustee, prior to the date that is six months after the date of the Change in Law, an opinion from an independent financial advisor or an independent legal counsel stating either (x) that the Company is able to continue to derive substantially all of the economic benefits from the business operations conducted by the Company Group (as in existence immediately prior to such Change in Law), taken as a whole, as reflected in the Company’s consolidated financial statements for the most recent fiscal quarter (including after giving effect to any corporate restructuring or reorganization plan of the Company Group) or (y) that such Change in Law would not materially adversely affect the Company’s ability to make principal and interest payments on the Notes when due or to convert the Notes in accordance herewith;

provided, however, that a transaction or event described in clause (a) or (b) above shall not constitute a Fundamental Change, if at least 90% of the consideration received or to be received by holders of the ADSs (excluding cash payments for fractional ADSs) in the transaction or event that would otherwise constitute a Fundamental Change consists of shares of Common Equity or ADSs in respect of Common Equity that are listed on The New York Stock Exchange, the NASDAQ Global Select Market or The NASDAQ Global Market (or any of their respective successors) or that will be so listed when issued or exchanged in connection with such transaction or event that would otherwise constitute a Fundamental Change, and as a result of such transaction or event, the Notes become convertible into such consideration, excluding cash payments for any fractional ADSs (subject to settlement in accordance with the provisions of Article 14); for the avoidance of doubt, an event that is not considered a Fundamental Change pursuant to this *proviso* shall not be a Fundamental Change solely because such event could also be subject to clause (a) above.

“**Fundamental Change Company Notice**” shall have the meaning specified in Section 15.02(b).

“**Fundamental Change Repurchase Date**” shall have the meaning specified in Section 15.02.

“**Fundamental Change Repurchase Notice**” shall have the meaning specified in Section 15.02(a)(i).

“**Fundamental Change Repurchase Price**” shall have the meaning specified in Section 15.02.

“**Global Note**” shall have the meaning specified in Section 2.05(b).

“**Holder**,” as applied to any Note, or other similar terms (but excluding the term “beneficial holder”), shall mean any Person in whose name at the time a particular Note is registered on the Note Register.

“**Hong Kong Stock Exchange**” means the Main Board of The Stock Exchange of Hong Kong Limited.

“**Hong Kong Share Register**” means the Hong Kong branch register of members of the Company maintained by the Hong Kong Share Registrar.

“**Hong Kong Share Registrar**” means the share registrar engaged by the Company to maintain the branch register of members in Hong Kong for the ordinary shares, which shall initially be Computershare Hong Kong Investor Services Limited.

“**Indenture**” means this instrument as originally executed or, if amended or supplemented as herein provided, as so amended or supplemented.

“**Interest Payment Date**” means each June 1 and December 1 of each year, beginning on December 1, 2025.

“**Issue Date**” means May 30, 2025.

“**Judgment Currency**” shall have the meaning specified in Section 19.12.

“**Last Reported Sale Price**” of the ADSs on any date means the closing sale price per ADS (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the principal U.S. national or regional securities exchange on which the ADSs are listed. If the ADSs are not listed for trading on a U.S. national or regional securities exchange on the relevant date (an “**ADS Delisting**”), the “**Last Reported Sale Price**” shall be the last quoted bid price for the ADSs in the over-the-counter market on the relevant date as reported by OTC Markets Group Inc. or a similar organization. If the ADSs are not so quoted, the “**Last Reported Sale Price**” shall be the average of the mid-point of the last bid and ask prices for the ADSs on the relevant date from each of at least three nationally recognized independent investment banking firms selected by the Company for this purpose. For the avoidance of doubt, if an ADS Delisting has occurred and the Listed Equity is then listed on a Permitted Exchange, the “**Last Reported Sale Price**” will be determined based on the closing sale price of the

Listed Equity on the principal Permitted Exchange, with such changes to the foregoing definition (including the deletion of the second sentence in this definition) and the definition of “Trading Day” as the Board of Directors determines in good faith are necessary to reflect the replacement of ADS (or other security) with Listed Equity as set forth in a supplemental indenture to be executed by the Company and Trustee as described under Section 10.04. The “**Last Reported Sale Price**” shall be determined without regard to after-hours trading or any other trading outside of regular trading session hours.

“**Listed Equity**” shall have the meaning specified in Section 10.04.

“**Major Shareholder**” has the meaning set forth in the definition of “Fundamental Change”.

“**Make-Whole Fundamental Change**” means any transaction or event described in clause (a), (b), (c), (d) or (e) of the definition of Fundamental Change (determined after giving effect to any exceptions to or exclusions from such definition, including in the proviso immediately succeeding clause (e) of the definition thereof, but without regard to the proviso in clause (b) of the definition thereof).

“**Market Disruption Event**” means, for the purposes of determining amounts due upon conversion, (a) a failure by the primary U.S. national or regional securities exchange or market on which the ADSs are listed or admitted for trading to open for trading during its regular trading session or (b) the occurrence or existence prior to 1:00 p.m., New York City time, on any Scheduled Trading Day for the ADSs for more than one half-hour period in the aggregate during regular trading hours of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant stock exchange or otherwise) in the ADSs or in any options contracts or futures contracts relating to the ADSs.

“**Maturity Date**” means June 1, 2032.

“**Measurement Period**” shall have the meaning specified in Section 14.01(b)(i).

“**Non-affiliate Representation**” shall have the meaning specified in Section 14.02(b).

“**Note**” or “**Notes**” shall have the meaning specified in the first paragraph of the recitals of this Indenture.

“**Notes Fungibility Date**” means the date, if any, following the Resale Restriction Termination Date on which all of the Notes are no longer Restricted Securities, do not bear the restrictive legend required by Section 2.05(c) are assigned an identical, unrestricted CUSIP number.

“**Note Register**” shall have the meaning specified in Section 2.05(a).

“**Note Registrar**” shall have the meaning specified in Section 2.05(a).

“**Notice of Conversion**” shall have the meaning specified in Section 14.02(b).

“**Observation Period**” with respect to any Note surrendered for conversion means: (i) subject to clause (ii), if the relevant Conversion Date occurs prior to the 55th Scheduled Trading Day before the Maturity Date, the 40 consecutive Trading Day period beginning on, and including, the third Trading Day immediately succeeding such Conversion Date; (ii) if the relevant Conversion Date occurs on or after the date of the Company’s issuance of a Redemption Notice with respect to the Notes pursuant to Article 16, Article 17 or Article 18 and prior to the close of business on the second Scheduled Trading Day prior to the relevant Redemption Date, the 40 consecutive Trading Days beginning on, and including, the 41st Scheduled Trading Day immediately preceding such Redemption Date; and (iii) subject to clause (ii), if the relevant Conversion Date occurs on or after the 55th Scheduled Trading Day before the Maturity Date, the 40 consecutive Trading Days beginning on, and including, the 41st Scheduled Trading Day immediately preceding the Maturity Date.

“**Offering Memorandum**” means the preliminary offering memorandum dated May 27, 2025, as supplemented by the pricing term sheet dated May 27, 2025, relating to the offering and sale of the Notes.

“**Officer**” means, with respect to the Company, the Executive Chairman, the Directors, the Chief Executive Officer, the Chief Financial Officer or the Secretary (whether or not designated by a number or numbers or word or words added before or after the title “**Vice President**”).

“**Officers’ Certificate**” when used with respect to the Company, means a certificate that is delivered to the Trustee and that is signed by any two Officers of the Company. Each such certificate shall include the statements provided for in Section 19.06 if and to the extent required by the provisions of such Section. One of the Officers giving an Officers’ Certificate pursuant to Section 4.09 shall be the principal executive, financial or accounting officer of the Company.

“**open of business**” means 9:00 a.m. (New York City time).

“**Opinion of Counsel**” means an opinion in writing signed by legal counsel and in a form reasonably acceptable to the Trustee, who may be an employee of or counsel to the Company, or other counsel acceptable to the Trustee, that is delivered to the Trustee. Each such opinion shall include the statements provided for in Section 19.06 if and to the extent required by the provisions of such Section 19.06.

“**Optional Redemption**” shall have the meaning specified in Section 17.01.

“**Optional Redemption Date**” shall have the meaning specified in Section 17.02.

“**Optional Redemption Notice**” shall have the meaning specified in Section 17.02.

“**ordinary shares**” means the Class A ordinary shares of the Company, par value US\$0.00005 per share, at the date of this Indenture, subject to Section 14.07.

“**outstanding**,” when used with reference to Notes, shall, subject to the provisions of Section 8.04, mean, as of any particular time, all Notes authenticated and delivered by the Trustee under this Indenture, except:

- a) Notes theretofore canceled by the Trustee or accepted by the Trustee for cancellation;
- b) Notes, or portions thereof, that have become due and payable and in respect of which monies in the necessary amount shall have been deposited with the Trustee or with any Paying Agent (other than the Company) or shall have been set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent);
- c) Notes that have been paid pursuant to Section 2.06 or Notes in lieu of which, or in substitution for which, other Notes shall have been authenticated and delivered pursuant to the terms of Section 2.06 unless proof satisfactory to the Trustee is presented that any such Notes are held by protected purchasers in due course;
- d) Notes converted pursuant to Article 14 and required to be cancelled pursuant to Section 2.08; and
- e) Notes repurchased by the Company pursuant to Section 2.10.

“**Paying Agent**” shall have the meaning specified in Section 4.02.

“**Person**” means an individual, a corporation, a limited liability company, an association, a partnership, a joint venture, a joint stock company, a trust, an unincorporated organization or a government or an agency or a political subdivision thereof.

“**Permitted Exchange**” means the Hong Kong Stock Exchange, any U.S. Exchange, the London Stock Exchange or The Singapore Exchange Securities Trading Limited (or any of their respective successors).

“**Physical Notes**” means permanent certificated Notes in registered form issued in minimum denominations of US\$1,000 principal amount and multiples thereof.

“**Physical Settlement**” shall have the meaning specified in Section 14.02(a).

“**PRC Enterprise Income Tax Law**” means the Enterprise Income Tax Law of the People’s Republic of China, adopted on March 16, 2007 (as subsequently amended or substituted).

“**Predecessor Note**” of any particular Note means every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purposes of this definition, any Note authenticated and delivered under Section 2.06 in lieu of or in exchange for a mutilated, lost, destroyed or stolen Note shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Note that it replaces.

“**Principal Share Register**” means the principal register of members of the Company maintained by the Principal Share Registrar.

“**Principal Share Registrar**” means the share registrar engaged by the Company to maintain the principal register of members in Cayman Islands for the ordinary shares, which shall initially be Conyers Trust Company (Cayman) Limited.

“**Record Date**” means, with respect to any dividend, distribution or other transaction or event in which the holders of the ordinary shares (directly or in the form of ADSs) (or other applicable security) have the right to receive any cash, securities or other property or in which the ordinary shares (directly or in the form of ADSs) (or such other security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of security holders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors, statute, contract or otherwise).

“**Redemption Date**” means a Tax Redemption Date, a Cleanup Redemption Date or an Optional Redemption Date, as the context requires.

“**Redemption Notice**” means a Tax Redemption Notice, a Cleanup Redemption Notice or an Optional Redemption Notice, as the context requires.

“**Redemption Price**” means, for any Notes to be redeemed pursuant to Section 16.01, Section 17.01 or Section 18.01, 100% of the principal amount of the Notes to be redeemed, *plus* accrued and unpaid interest, if any, to, but excluding, the Redemption Date (unless the Redemption Date falls after a Regular Record Date but on or prior to the immediately succeeding Interest Payment Date, in which case the Redemption Price will be equal to 100% of the principal amount of such Notes), including, for the avoidance of doubt, any Additional Amounts with respect to such amount.

“**Redemption Reference Date**” shall have the meaning specified in Section 14.03(g).

“**Redemption Reference Price**” shall have the meaning specified in Section 14.03(g).

“**Reference Property**” shall have the meaning specified in Section 14.07(a).

“**Regular Record Date**,” with respect to any Interest Payment Date, shall mean the May 15 or November 15 (whether or not such day is a Business Day) immediately preceding the applicable June 1 or December 1 Interest Payment Date, respectively.

“**Relevant Taxing Jurisdiction**” shall have the meaning specified in Section 4.07(a).

“**Repurchase Date**” shall have the meaning specified in Section 15.01(a).

“**Repurchase Expiration Time**” shall have the meaning specified in Section 15.01(a).

“**Repurchase Notice**” shall have the meaning specified in Section 15.01(a).

“**Repurchase Price**” shall have the meaning specified in Section 15.01(a).

“**Resale Restriction Termination Date**” shall have the meaning specified in Section 2.05(c).

“**Responsible Officer**” means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee having direct responsibility for the administration of this Indenture, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

“**Restricted ADS(s)**” means restricted ADS(s) issued pursuant to the Deposit Agreement, the Restricted Issuance Agreement, each Restricted ADS representing eight ordinary shares of the Company as of the date of this Indenture, and deposited with the ADS Custodian.

“**Restricted Issuance Agreement**” means the restricted issuance agreement dated as of or about the date hereof by and among the Company, the ADS Depositary and the holders and beneficial owners of the restricted ADSs delivered thereunder or, if amended or supplemented as provided therein, as so amended or supplemented

“**Restricted Securities**” shall have the meaning specified in Section 2.05(c).

“**Rule 144**” means Rule 144 as promulgated under the Securities Act.

“**Rule 144A**” means Rule 144A as promulgated under the Securities Act.

“**Scheduled Trading Day**” means a day that is scheduled to be a Trading Day on the principal U.S. national or regional securities exchange or market on which the ADSs are listed or admitted for trading. If the ADSs are not so listed or admitted for trading, “Scheduled Trading Day” means a “Business Day.”

“**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“**Significant Subsidiary**” means a Subsidiary of the Company that meets the definition of “significant subsidiary” in Article 1, Rule 1-02 of Regulation S-X under the Exchange Act.

“**Settlement Amount**” has the meaning specified in Section 14.02(a)(v).

“**Settlement Method**” means, with respect to any conversion of Notes, Physical Settlement, Cash Settlement or Combination Settlement, as elected (or deemed to have been elected) by the Company.

“**Settlement Method Election Deadline**” shall have the meaning specified in Section 14.02(a)(iii).

“**Settlement Notice**” has the meaning specified in Section 14.02(a)(iii).

“**Specified Dollar Amount**” means the maximum cash amount per US\$1,000 principal amount of Notes to be received upon conversion as specified in the Settlement Notice related to any converted Notes (or deemed specified pursuant to Section 14.02(a)(iii)).

“**Spin-Off**” shall have the meaning specified in Section 14.04(c).

“**Subsidiary**” means, with respect to any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, general partners or trustees thereof is at the time owned or controlled, directly or indirectly, by

(i) such Person; (ii) such Person and one or more Subsidiaries of such Person; or (iii) one or more Subsidiaries of such Person.

“**Successor Company**” shall have the meaning specified in Section 11.01(a).

“**Tax Redemption**” shall have the meaning specified in Section 16.01(a).

“**Tax Redemption Date**” shall have the meaning specified in Section 16.02(a).

“**Tax Redemption Notice**” shall have the meaning specified in Section 16.02(a).

“**Tax Redemption Price**” means for any Notes to be redeemed pursuant to Section 16.01, 100% of the principal amount of such Notes, plus accrued and unpaid interest, if any, to, but excluding, the Tax Redemption Date (unless the Tax Redemption Date falls after a Regular Record Date but on or prior to the immediately succeeding Interest Payment Date, in which case the Tax Redemption Price will be equal to 100% of the principal amount of such Notes) including, for the avoidance of doubt, any Additional Amounts with respect to such amount.

“**Tender/Exchange Offer Consideration**” shall have the meaning specified in Section 14.04(e).

“**Trading Day**” means a day on which (i) trading in the ADSs of the Company generally occurs on The NASDAQ Global Market or, if the ADSs are not then listed on The NASDAQ Global Market, on the principal other United States national or regional securities exchange on which the ADSs are then listed or, if the ADSs are not then listed on a United States national or regional securities exchange, on the principal other market on which the ADSs are then traded, and (ii) a Last Reported Sale Price for the ADSs is available on such securities exchange or market; if the ADSs are not so listed or traded, “**Trading Day**” means a “Business Day.” For the purposes of determining the settlement amounts due upon conversion only, “**Trading Day**” means a day on which (i) there is no Market Disruption Event and (ii) trading in the ADSs generally occurs on The Nasdaq Global Market or, if the ADSs are not then listed on The Nasdaq Global Market, on the principal other United States national or regional securities exchange on which the ADSs are then listed or, if the ADSs are not then listed on a United States national or regional securities exchange, on the principal other market on which the ADSs are then listed or admitted for trading; if the ADSs are not so listed or traded, “**Trading Day**” means a “Business Day.”

“**Trading Price**” means, with respect to the Notes and any date of determination, the average of the secondary market bid quotations obtained by the Bid Solicitation Agent for US\$1,000,000 principal amount of Notes at approximately 3:30 p.m., New York City time, on such determination date from three independent nationally recognized securities dealers the Company selects for this purpose; *provided* that if three such bids cannot reasonably be obtained by the Bid Solicitation Agent but two such bids are obtained, then the average of the two bids shall be used, and if only one such bid can reasonably be obtained by the Bid Solicitation Agent, that one bid shall be used. If the Bid Solicitation Agent cannot reasonably obtain at least one bid for US\$1,000,000 principal amount of Notes from a nationally recognized securities dealer on any determination date, then the Trading Price per US\$1,000 principal amount of Notes on such determination date shall be deemed to be less than 98% of the product of the Last Reported Sale Price of the ADSs and the Conversion Rate.

“**transfer**” shall have the meaning specified in Section 2.05(c).

“**Transfer Agent**” shall have the meaning specified in Section 2.05(a).

“**Trigger Event**” shall have the meaning specified in Section 14.04(c).

“**Trust Indenture Act**” means the Trust Indenture Act of 1939, as amended, as it was in force at the date of execution of this Indenture; *provided*, however, that in the event the Trust Indenture Act of 1939 is amended after the date hereof, the term “Trust Indenture Act” shall mean, to the extent required by such amendment, the Trust Indenture Act of 1939, as so amended.

“**Trustee**” means the Person named as the “**Trustee**” in the first paragraph of this Indenture until a successor trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “**Trustee**” shall mean or include each Person who is then a Trustee hereunder.

“**unit of Reference Property**” shall have the meaning specified in Section 14.07(a).

“**U.S. Exchange**” means any of The New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or any of their respective successors).

“**Valuation Period**” shall have the meaning specified in Section 14.04(c).

Section 1.03 *References to Interest*. Unless the context otherwise requires, any reference to interest on, or in respect of, any Note in this Indenture shall be deemed to include Additional Interest if, in such context, Additional Interest is, was or would be payable pursuant to any of Section 4.06(d), Section 4.06(e) and Section 6.03. Unless the context otherwise requires, any express mention of Additional Interest in any provision hereof shall not be construed as excluding Additional Interest in those provisions hereof where such express mention is not made.

Section 1.04 *References to Ordinary Shares in lieu of ADSs*. Unless the context otherwise requires, any reference to ordinary shares in lieu of any ADSs deliverable upon conversion in this Indenture shall be deemed to refer to the ordinary shares delivered or deliverable upon conversion of the Notes in lieu of such ADSs at a Holder’s election pursuant to Section 14.02(a)(vii).

ARTICLE 2 ISSUE, DESCRIPTION, EXECUTION, REGISTRATION AND EXCHANGE OF NOTES

Section 2.01 *Designation and Amount*. The Notes shall be designated as the “2.25% Convertible Senior Notes due 2032” and shall bear interest at the rate of 2.25% per annum. The aggregate principal amount of Notes that may be authenticated and delivered under this Indenture is initially limited to US\$550,000,000 (the “**Notes**”), subject to Section 2.10 and except for Notes authenticated and delivered upon registration or transfer of, or in exchange for, or in lieu of other Notes pursuant to Section 2.05, Section 2.06, Section 2.07, Section 10.05, Section 14.02 and Section 15.04.

Section 2.02 *Form of Notes*. The Notes and the Trustee’s certificate of authentication to be borne by such Notes shall be substantially in the respective forms set forth in Exhibit A, the terms and provisions of which shall constitute, and are hereby expressly incorporated in and made a part of this Indenture. To the extent applicable, the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. To the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

Any Global Note may be endorsed with or have incorporated in the text thereof such legends or recitals or changes not inconsistent with the provisions of this Indenture as may be required by the Depositary, or as may be required to comply with any applicable law or any regulation thereunder or with the rules and regulations of any securities exchange or automated quotation system upon which the Notes may be listed or traded or designated for issuance or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Notes are subject.

Any of the Notes may have such letters, numbers or other marks of identification and such notations, legends or endorsements as the Officers executing the same may approve (execution thereof to be conclusive evidence of such approval) and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any securities exchange or automated quotation system on which the Notes may be listed or designated for issuance, or to conform to usage or to indicate any special limitations or restrictions to which any particular Notes are subject.

Each Global Note shall represent such principal amount of the outstanding Notes as shall be specified therein and shall provide that it shall represent the aggregate principal amount of outstanding Notes from time to

time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be increased or reduced to reflect repurchases, redemptions, cancellations, conversions, transfers or exchanges permitted hereby. Any endorsement of the Global Note to reflect the amount of any increase or decrease in the amount of outstanding Notes represented thereby shall be made by the Trustee or the Note Registrar in such manner and upon instructions given by the Holder of such Notes in accordance with this Indenture. Payment of principal (including the Repurchase Price, the Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest on, the Global Note shall be made to the Holder of such Note on the date of payment, unless a record date or other means of determining Holders eligible to receive payment is provided for herein.

Section 2.03 *Date and Denomination of Notes; Payments of Interest and Defaulted Amounts.* (a) The Notes shall be issuable in registered form without coupons in minimum denominations of US\$1,000 principal amount and integral multiples of US\$1,000 in excess thereof. Each Note shall be dated the date of its authentication and shall bear interest from the date specified on the face of such Note. Accrued interest on the Notes shall be computed on the basis of a 360-day year composed of twelve 30-day months and, for partial months, on the basis of actual days elapsed in a 30-day month.

(b) The Person in whose name any Note (or its Predecessor Note) is registered on the Note Register at the close of business on any Regular Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date. Interest shall be payable at the office or agency of the Company maintained by the Company for such purposes, which shall initially be the Corporate Trust Office. The Company shall pay, or cause the Paying Agent to pay, interest (i) on Physical Notes, if any, (A) to Holders holding Physical Notes, if any, having an aggregate principal amount of US\$1,000,000 or less, by check mailed (at the Company's expense) to the Holders of these Notes at their address as it appears in the Note Register and (B) to Holders holding Physical Notes having an aggregate principal amount of more than US\$1,000,000, either by check mailed (at the Company's expense) to such Holders or, upon application by such Holder to the Note Registrar not later than the relevant Regular Record Date, by wire transfer in immediately available funds to that Holder's account within the United States, which application shall remain in effect until the Holder notifies, in writing, the Note Registrar to the contrary or (ii) on any Global Note by wire transfer of immediately available funds to the account of the Depository or its nominee.

(c) Any Defaulted Amounts shall forthwith cease to be payable to the Holder on the relevant payment date but shall accrue interest per annum at the rate per annum borne by the Notes plus 1.00% (such interest, if any, is referred to as "**Default Interest**"), subject to the enforceability thereof under applicable law, from, and including, such relevant payment date, and such Defaulted Amounts together with such interest thereon shall be paid by the Company as provided in Section 2.03(d) below.

(d) The Company may elect to make payment of any Defaulted Amounts to the Persons in whose names the Notes (or their respective Predecessor Notes) are registered at the close of business on a special record date for the payment of such Defaulted Amounts, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of the Defaulted Amounts proposed to be paid on each Note and the date of the proposed payment (which shall be not less than 25 days after the receipt by the Trustee of such notice), and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount to be paid in respect of such Defaulted Amounts or shall make arrangements satisfactory to the Trustee for such deposit on or prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Amounts as in this clause provided. Thereupon the Company shall fix a special record date for the payment of such Defaulted Amounts which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment, and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Company shall promptly notify the Trustee in writing of such special record date and the Trustee, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Amounts and the special record date therefor to be mailed, first-class postage prepaid (at the Company's expense), to each Holder at its address as it appears in the Note Register or, in the case of Global Notes, sent electronically in accordance with the applicable procedures of the Depository, not less than 10 days prior to such special record date, in the form of notice prepared by the

Company. Notice of the proposed payment of such Defaulted Amounts and the special record date therefor having been so sent, such Defaulted Amounts shall be paid to the Persons in whose names the Notes (or their respective Predecessor Notes) are registered at the close of business on such special record date.

Section 2.04 Execution, Authentication and Delivery of Notes. The Notes shall be signed in the name and on behalf of the Company by the manual or facsimile signature of its Chief Executive Officer or Chief Financial Officer. With the delivery of this Indenture, the Company is furnishing, and from time to time thereafter may furnish, a certificate substantially in the form of Exhibit B (an “**Authorization Certificate**”) identifying and certifying the incumbency and specimen (and/or facsimile) signatures of its active authorized Officers. Until the Trustee receives a subsequent Authorization Certificate, the Trustee shall be entitled to conclusively rely on the last Authorization Certificate delivered to it for purposes of determining the relevant authorized Officers. Typographical and other minor errors or defects in any signature shall not affect the validity or enforceability of any Note which has been duly authenticated and delivered by the Trustee.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Notes executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Notes, and the Trustee in accordance with such Company Order shall authenticate and deliver such Notes, without any further action by the Company hereunder.

The Company Order shall specify the amount of Notes to be authenticated, the applicable rate at which interest will accrue on such Notes, the date on which the original issuance of such Notes is to be authenticated, the date from which interest will begin to accrue, the date or dates on which interest on such Notes will be payable and the date on which the principal of such Notes will be payable and other terms relating to such Notes. The Trustee shall thereupon authenticate and deliver said Notes to or upon the written order of the Company (as set forth in such Company Order).

The Trustee shall have the right to decline to authenticate and deliver any Notes under this Indenture (a) unless and until it receives from the Company a Company Order instructing it to so authenticate and deliver such Notes and an Officers’ Certificate and Opinion of Counsel in accordance with Section 19.06 hereof; (b) if the Trustee determines that such action may not lawfully be taken; or (c) if the Trustee determines that such action would expose to Trustee to personal liability, unless indemnity and/or security and/or pre-funding satisfactory to the Trustee against such liability is provided to the Trustee and Note Registrar.

Only such Notes as shall bear thereon a certificate of authentication substantially in the form set forth on the Form of Note attached as Exhibit A hereto, executed manually by an authorized officer of the Trustee, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certificate by the Trustee upon any Note executed by the Company shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered hereunder and that the Holder is entitled to the benefits of this Indenture.

In case any Officer of the Company who shall have signed any of the Notes shall cease to be such Officer before the Notes so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Company, such Notes nevertheless may be authenticated and delivered or disposed of as though the Person who signed such Notes had not ceased to be such Officer of the Company; and any Note may be signed on behalf of the Company by such Persons as, at the actual date of the execution of such Note, shall be the Officers of the Company, although at the date of the execution of this Indenture any such Person was not such an Officer.

Section 2.05 Exchange and Registration of Transfer of Notes; Restrictions on Transfer; Depositary. (a) The Company shall cause to be kept a register (the register maintained in such office or in any other office or agency of the Company designated pursuant to Section 4.02, the “**Note Register**”) in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Notes and of transfers of Notes. Such register shall be in written form or in any form capable of being converted into written form within a reasonable period of time. The Trustee is hereby initially appointed the “**Note Registrar**” and “**Transfer Agent**” for the purpose of registering Notes and transfers of Notes as herein provided. The Company may appoint one or more co-Note Registrars in accordance with Section 4.02.

Prior to the Notes Fungibility Date, upon surrender for registration of transfer of any physical Note, to the Note Registrar or any co-Note Registrar, and satisfaction of the requirements for such transfer set forth in this Section 2.05, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new physical Notes, of any authorized denominations and of a like aggregate principal amount and bearing such restrictive legends as may be required by this Indenture. Following the Notes Fungibility Date, upon surrender for registration of transfer of any Physical Note to the Note Registrar or any co-Note Registrar, and satisfaction of the requirements for such transfer set forth in this Section 2.05, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Physical Notes of any authorized denominations and of a like aggregate principal amount and not bearing the restrictive legends required by Section 2.05(c).

Prior to the Notes Fungibility Date, Notes may be exchanged for other Notes of any authorized denominations and of a like aggregate principal amount, upon surrender of the Notes to be exchanged at any such office or agency maintained by the Company pursuant to Section 4.02. Whenever any Notes are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Notes that the Holder making the exchange is entitled to receive, bearing registration numbers not contemporaneously outstanding. Following the Notes Fungibility Date, Notes may be exchanged for other Notes of any authorized denominations and of a like aggregate principal amount but not bearing the restrictive legend required by Section 2.05(c), upon surrender of the Notes to be exchanged at any such office or agency maintained by the Company pursuant to Section 4.02. Whenever any Notes are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Notes that the Holder making the exchange is entitled to receive, bearing registration numbers not contemporaneously outstanding. Whenever any Notes are so surrendered for exchange, the Company shall execute, and the Trustee shall, upon receipt of a Company Order, authenticate and deliver, the Notes that the Holder making the exchange is entitled to receive, bearing registration numbers not contemporaneously outstanding.

All Notes presented or surrendered for registration of transfer or for exchange, redemption, repurchase or conversion shall (if so required by the Company, the Trustee, the Note Registrar or any co-Note Registrar) be duly endorsed, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Note Registrar and Trustee and duly executed, by the Holder thereof or its attorney-in-fact duly authorized in writing.

No service charge shall be imposed by the Company, the Trustee, the Transfer Agent, the Note Registrar, any co-Note Registrar or the Paying Agent for any exchange or registration of transfer of Notes, but the Company may require a Holder to pay a sum sufficient to cover any transfer tax or other similar governmental charge required by law or that may be imposed in connection therewith as a result of the name of the Holder of new Notes issued upon such exchange or registration of transfer being different from the name of the Holder of the old Notes surrendered for exchange or registration of transfer.

None of the Company, the Trustee, the Note Registrar or any co-Note Registrar shall be required to exchange or register a transfer of (i) any Notes surrendered for conversion or, if a portion of any Note is surrendered for conversion, such portion thereof surrendered for conversion or (ii) any Notes, or a portion of any Note, surrendered for repurchase (and not withdrawn) in accordance with Article 15.

All Notes issued upon any registration of transfer or exchange of Notes in accordance with this Indenture shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture as the Notes surrendered upon such registration of transfer or exchange.

The Trustee shall have no responsibility or obligation to any direct or indirect participant or any other Person with respect to the accuracy of the books or records, or the acts or omissions, of the Depositary or its nominee or of any participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery to any direct or indirect participant or other Person (other than the Depositary) of any notice (including any Redemption Notice) or the payment of any amount, under or with respect to such Notes. All notices and communications to be given to the Holders and all payments to be made to Holders under the Notes shall be given or made only to or upon the order of the registered Holders (which shall be the Depositary or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note shall be exercised only through the Depositary subject to the customary procedures of the Depositary. The Trustee may rely and shall be fully protected in relying upon information furnished by the Depositary with respect to its direct or indirect participants.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among direct or indirect participants in any Global Note) other than to require delivery of such certificates as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(b) So long as the Notes are eligible for book-entry settlement with the Depositary, unless otherwise required by law, subject to the fourth paragraph from the end of Section 2.05(c) all Notes shall be represented by one or more Notes in global form (each, a “**Global Note**”) registered in the name of the Depositary or the nominee of the Depositary. The transfer and exchange of beneficial interests in a Global Note that does not involve the issuance of a Physical Note shall be effected through the Depositary in accordance with this Indenture (including the restrictions on transfer set forth herein) and the procedures of the Depositary therefor.

(c) Every Note that bears or is required under this Section 2.05(c) to bear the legend set forth in this Section 2.05 (c) (together with any ADSs (including the ordinary shares represented thereby) delivered upon conversion of the Notes that is required to bear the legend set forth in Section 2.05(d), the ordinary shares deliverable in lieu of any ADSs deliverable upon conversion of the Notes that are required to be subject to certain transfer restrictions set forth in Section 2.05(d), collectively, the “**Restricted Securities**”) shall be subject to the restrictions on transfer set forth in this Section 2.05(c) (including the legend set forth below), unless such restrictions on transfer shall be eliminated or otherwise waived by written consent of the Company, and the Holder of each such Restricted Security, by such Holder’s acceptance thereof, agrees to be bound by all such restrictions on transfer. As used in this Section 2.05(c) and Section 2.05(d), the term “**transfer**” encompasses any sale, pledge, transfer or other disposition whatsoever of any Restricted Security.

Until the date (the “**Resale Restriction Termination Date**”) that is the later of (1) the date that is one year after the Issue Date, or such shorter period of time as permitted by Rule 144 under the Securities Act or any successor provision thereto, and (2) such later date, if any, as may be required by applicable law, any certificate evidencing a Note (and all securities issued in exchange therefor or substitution thereof, other than ADSs (including the ordinary shares represented thereby or deliverable in lieu thereof) issued upon conversion thereof, which shall bear the legend set forth in Section 2.05(d), if applicable) shall bear a legend in substantially the following form (unless such Notes have been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer, or sold pursuant to the exemption from registration provided by Rule 144 or any similar provision then in force under the Securities Act, or unless otherwise agreed by the Company in writing, with notice thereof to the Trustee):

THIS SECURITY, THE AMERICAN DEPOSITARY SHARES DELIVERABLE UPON CONVERSION OF THIS SECURITY, IF ANY, AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY OR DELIVERABLE IN LIEU THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), ARE “RESTRICTED SECURITIES” WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT OR CONTRACTUALLY RESTRICTED SECURITIES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A “QUALIFIED INSTITUTIONAL BUYER” (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT AND THAT IT AND ANY SUCH ACCOUNT IS NOT, AND HAS NOT BEEN FOR THE IMMEDIATELY PRECEDING THREE MONTHS, AN AFFILIATE OF GDS HOLDINGS LIMITED (THE “COMPANY”), AND

(2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY, THE AMERICAN DEPOSITARY SHARES

DELIVERABLE UPON CONVERSION OF THIS SECURITY, IF ANY, AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY OR DELIVERABLE IN LIEU THEREOF OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN PRIOR TO THE DATE THAT IS THE LATER OF (X) ONE YEAR AFTER THE ISSUE DATE OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THERETO AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW, EXCEPT:

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(C) TO A PERSON REASONABLY BELIEVED TO BE A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, OR

(D) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), OR

(E) PURSUANT TO ANY OTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(D) OR (2)(E) ABOVE, THE COMPANY, THE ADS DEPOSITARY AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

NO AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY OR PERSON THAT HAS BEEN AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY DURING THE THREE IMMEDIATELY PRECEDING MONTHS MAY PURCHASE, OTHERWISE ACQUIRE OR OWN THIS NOTE, THE AMERICAN DEPOSITARY SHARES DELIVERABLE UPON CONVERSION HEREOF, IF ANY, AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY OR DELIVERABLE IN LIEU THEREOF, OR A BENEFICIAL INTEREST HEREIN OR THEREIN.

No transfer of any Note prior to the Resale Restriction Termination Date will be registered by the Note Registrar unless the applicable box on the Form of Assignment and Transfer has been checked.

Any Note (or security issued in exchange or substitution therefor) as to which such restrictions on transfer shall have expired in accordance with their terms may, upon surrender of such Note for exchange to the Note Registrar in accordance with the provisions of this Section 2.05, be exchanged for a new Note or Notes, of like tenor and aggregate principal amount, which shall not bear the restrictive legend required by this Section 2.05(c) and shall not be assigned a restricted CUSIP number. The Company shall be entitled to instruct the Trustee in writing to so surrender any Global Note as to which such restrictions on transfer shall have expired in accordance with their terms for exchange, and, upon such instruction, and provided that all applicable procedures of the Depositary in connection with any such exchange have been complied with, the Trustee shall so surrender such Global Note for exchange; and any new Global Note so exchanged therefor shall not bear the restrictive legend specified in this Section 2.05(c) and shall not be assigned a restricted CUSIP number. The Company shall promptly notify the Trustee upon the occurrence of the Resale Restriction Termination Date and after a registration statement, if any, with respect to the Notes or the ADSs (including the ordinary shares represented thereby or deliverable in lieu thereof) issued upon conversion of the Notes has been declared effective under the Securities Act.

Notwithstanding any other provisions of this Indenture (other than the provisions set forth in this Section 2.05(c)), a Global Note may not be transferred as a whole or in part except (i) by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary and (ii) for transfers of portions of a Global Note in certificated form made upon request of a member of, or a participant in, the Depositary (for itself or on behalf of a beneficial owner) by written notice given to the Trustee by or on behalf of the Depositary in accordance with customary procedures of the Depositary and in compliance with this Section 2.05(c).

The Depositary shall be a clearing agency registered under the Exchange Act. The Company initially appoints The Depositary Trust Company to act as Depositary with respect to each Global Note. Initially, each Global Note shall be issued to the Depositary, registered in the name of Cede & Co., as the nominee of the Depositary, and deposited with the Trustee as custodian for Cede & Co.

If (i) the Depositary notifies the Company at any time that the Depositary is unwilling or unable to continue as depositary for the Global Notes and a successor depositary is not appointed within 90 days, (ii) the Depositary ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days or (iii) an Event of Default with respect to the Notes has occurred and is continuing and, subject to the Depositary's applicable procedures, a beneficial owner of any Note requests that its beneficial interest therein be issued as a Physical Note, the Company shall execute, and the Trustee, upon receipt of an Officers' Certificate and a Company Order for the authentication and delivery of Notes, shall authenticate and deliver (x) in the case of clause (iii), a Physical Note to such beneficial owner in a principal amount equal to the principal amount of such Note corresponding to such beneficial owner's beneficial interest and (y) in the case of clause (i) or (ii), Physical Notes to each beneficial owner of the related Global Notes (or a portion thereof) in an aggregate principal amount equal to the aggregate principal amount of such Global Notes in exchange for such Global Notes, and upon delivery of the Global Notes to the Trustee such Global Notes shall be canceled.

Physical Notes issued in exchange for all or a part of the Global Note pursuant to this Section 2.05(c) shall be registered in such names and in such authorized denominations as the Depositary, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee in writing. Upon execution and authentication, the Trustee shall deliver such Physical Notes to the Persons in whose names such Physical Notes are so registered.

At such time as all interests in a Global Note have been converted, canceled, redeemed, repurchased or transferred, such Global Note shall be, upon receipt thereof, canceled by the Trustee in accordance with standing procedures and existing instructions of the Depositary. At any time prior to such cancellation, if any interest in a Global Note is exchanged for Physical Notes, converted, canceled, repurchased or transferred to a transferee who receives Physical Notes therefor or any Physical Note is exchanged or transferred for part of such Global Note, the principal amount of such Global Note shall, in accordance with the standing procedures and existing instructions of the Depositary, be appropriately reduced or increased, as the case may be, and an endorsement shall be made on such Global Note, by the Trustee, to reflect such reduction or increase.

None of the Company, the Trustee, the Paying Agent, any agent of the Company or any agent of the Trustee shall have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Note or maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(d) Until the Resale Restriction Termination Date, any certificate representing ADSs (including the ordinary shares represented thereby) issued upon conversion of a Note shall bear a legend in substantially the following form (unless the Note or such ADSs (including the ordinary shares represented thereby) have been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer, or pursuant to the exemption from registration provided by Rule 144 or any similar provision then in force under the Securities Act, or such ADSs or the ordinary shares represented thereby have been issued upon conversion of Notes that have been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer, or pursuant to the exemption from registration provided by Rule 144 or any similar provision then in force under the

Securities Act, or unless otherwise agreed by the Company with written notice thereof to the Trustee and any transfer agent for the ADSs):

THE AMERICAN DEPOSITARY SHARES EVIDENCED HEREBY AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT AND THAT IT AND ANY SUCH ACCOUNT IS NOT, AND HAS NOT BEEN FOR THE IMMEDIATELY PRECEDING THREE MONTHS, AN AFFILIATE OF GDS HOLDINGS LIMITED (THE "COMPANY"), AND

(2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY, THE CLASS A ORDINARY SHARES REPRESENTED THEREBY OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN PRIOR TO THE DATE THAT IS THE LATER OF (X) ONE YEAR AFTER THE ISSUE DATE OF THE NOTES UPON CONVERSION OF WHICH THIS SECURITY HAS BEEN ISSUED OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THERETO AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW, EXCEPT:

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(C) TO A PERSON REASONABLY BELIEVED TO BE A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, OR

(D) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR OTHER EXEMPTIONS FROM, OR TRANSACTIONS NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(D) ABOVE, THE COMPANY AND THE ADS DEPOSITARY RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

NO AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY OR PERSON THAT HAS BEEN AN AFFILIATE OF THE COMPANY DURING THE THREE IMMEDIATELY PRECEDING MONTHS MAY PURCHASE, OTHERWISE ACQUIRE OR OWN THIS SECURITY, OR A BENEFICIAL INTEREST HEREIN OR THEREIN.

THE LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER, PROVIDED THAT THE COMPANY AND THE ADS DEPOSITARY RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE LEGEND IS BEING

REMOVED IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

Any such ADSs as to which such restrictions on transfer shall have expired in accordance with their terms may, upon surrender of the certificates representing such ADSs for exchange in accordance with the procedures of the ADS Depositary and the Restricted Issuance Agreement, as applicable, be exchanged for a new certificate or certificates for a like aggregate number of ADSs, which shall not bear the restrictive legend required by this Section 2.05(d).

Until the Resale Restriction Termination Date, the ordinary shares deliverable in lieu of ADSs upon conversion shall be subject to the same transfer restrictions as described in the legend in this Section 2.05(d) and as imposed by the Hong Kong Share Registrar, unless the Note or such ordinary share has been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer, or pursuant to the exemption from registration provided by Rule 144 or any similar provision then in force under the Securities Act, or such ordinary shares in lieu thereof have been issued upon conversion of Notes that have been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer, or pursuant to the exemption from registration provided by Rule 144 under the Securities Act or any similar provision then in force under the Securities Act, or unless otherwise agreed by the Company and the Hong Kong Share Registrar with written notice thereof to the Note Registrar.

(e) Any Note or ADS delivered upon the conversion (or ordinary shares delivered in lieu thereof) or exchange of a Note that is repurchased or owned by any Affiliate (or a Holder that was the Company's Affiliate at any time during three months immediately preceding the resale) of the Company may not be resold by such Affiliate unless registered under the Securities Act or resold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act in a transaction that results in such Note or ADS (or ordinary shares in lieu thereof), as the case may be, no longer being a "**restricted security**" (as defined under Rule 144 under the Securities Act). The Company shall cause any Note that is repurchased or owned by it to be surrendered to the Trustee for cancellation in accordance with Section 2.08.

Section 2.06 *Mutilated, Destroyed, Lost or Stolen Notes*. In case any Note shall become mutilated or be destroyed, lost or stolen, the Company in its discretion may execute, and upon the receipt of a Company Order, the Trustee shall authenticate and deliver, a new Note, bearing a registration number not contemporaneously outstanding, in exchange and substitution for the mutilated Note, or in lieu of and in substitution for the Note so destroyed, lost or stolen. In every case the applicant for a substituted Note shall furnish to the Company and to the Trustee such security and/or indemnity as may be required by them to save each of them harmless from any loss, liability, cost or expense caused by or connected with such substitution, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company and to the Trustee evidence to their satisfaction of the destruction, loss or theft of such Note and of the ownership thereof.

The Trustee may authenticate any such substituted Note and deliver the same upon the receipt of such security and/or indemnity as the Trustee and the Company may require. No service charge shall be imposed by the Company, the Note Registrar, any co-Note Registrar or the Paying Agent upon the issuance of any substitute Note, but the Company and the Trustee may require a Holder to pay a sum sufficient to cover any transfer tax or other similar governmental charge required by law or that may be imposed in connection therewith as a result of the name of the Holder of the new substitute Note being different from the name of the Holder of the old Note that became mutilated or was destroyed, lost or stolen. In case any Note that has matured or is about to mature or has been surrendered for required repurchase or redemption or is about to be converted in accordance with Article 14 shall become mutilated or be destroyed, lost or stolen, the Company may, in its sole discretion, instead of issuing a substitute Note, pay or authorize the payment of, or convert or authorize the conversion of, the same (without surrender thereof except in the case of a mutilated Note), as the case may be, if the applicant for such payment or conversion shall furnish to the Company and to the Trustee such security and/or indemnity as may be required by them to save each of them harmless for any loss, liability, cost or expense caused by or connected with such substitution, and, in every case of destruction, loss or theft, evidence satisfactory to the Company, and the Trustee evidence of their satisfaction of the destruction, loss or theft of such Note and of the ownership thereof.

Every substitute Note issued pursuant to the provisions of this Section 2.06 by virtue of the fact that any Note is destroyed, lost or stolen shall constitute an additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Note shall be found at any time, and shall be entitled to all the benefits of (but shall be subject to all the limitations set forth in) this Indenture equally and proportionately with any and all other Notes duly issued hereunder. To the extent permitted by law, all Notes shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment or conversion or repurchase or redemption of mutilated, destroyed, lost or stolen Notes and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment or redemption or conversion of negotiable instruments or other securities without their surrender.

Section 2.07 Temporary Notes. Pending the preparation of Physical Notes, the Company may execute and the Trustee shall, upon receipt of a Company Order, authenticate and deliver temporary Notes (printed or lithographed). Temporary Notes shall be issuable in any authorized denomination, and substantially in the form of the Physical Notes but with such omissions, insertions and variations as may be appropriate for temporary Notes, all as may be determined by the Company. Every such temporary Note shall be executed by the Company and authenticated by the Trustee upon the same conditions and in substantially the same manner, and with the same effect, as the Physical Notes. Without unreasonable delay, the Company shall execute and deliver to the Trustee Physical Notes (other than any Global Note) and thereupon any or all temporary Notes (other than any Global Note) may be surrendered in exchange therefor, at each office or agency maintained by the Company pursuant to Section 4.02 and the Trustee shall, upon receipt of a Company Order, authenticate and deliver in exchange for such temporary Notes an equal aggregate principal amount of Physical Notes. Such exchange shall be made by the Company at its own expense and without any charge therefor. Until so exchanged, the temporary Notes shall in all respects be entitled to the same benefits and subject to the same limitations under this Indenture as Physical Notes authenticated and delivered hereunder.

Section 2.08 Cancellation of Notes Paid, Converted, Etc. The Company shall cause all Notes surrendered for the purpose of payment, repurchase, redemption, registration of transfer or exchange or conversion, if surrendered to any Person other than the Trustee (including any of the Company's agents, Subsidiaries or Affiliates), to be delivered and surrendered to the Trustee for cancellation. All Notes delivered to the Trustee shall be canceled promptly by it, and, except in the case of Notes surrendered for registration of transfer or exchange, no Notes shall be authenticated in exchange thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall cancel such Notes in accordance with its customary procedures and, after such cancellation, shall deliver a certificate of such cancellation to the Company, at the Company's written request in a Company Order.

Section 2.09 CUSIP Numbers. The Company in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in all notices issued to Holders as a convenience to such Holders; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or on such notice and that reliance may be placed only on the other identification numbers printed on the Notes. The Company shall promptly notify the Trustee in writing of any change in the "CUSIP" numbers.

Section 2.10 Additional Notes; Repurchases. The Company may, without the consent of, or notice to, the Holders and notwithstanding Section 2.01, reopen this Indenture and issue additional Notes hereunder with the same terms as the Notes issued hereunder (except for any differences in the issue price, issue date and interest accrued, if any, and if applicable, restrictions on transfer in respect of such additional Notes) in an unlimited aggregate principal amount; *provided* that any such additional Notes (and any Notes that have been resold after they have been purchased or otherwise acquired by the Company or its Subsidiaries or Affiliates) must be issued under a separate CUSIP, ISIN or other identifying number from the Notes issued hereunder, unless (i) they are fungible with the Notes issued hereunder for securities law purposes and (ii) they are issued pursuant to a "qualified reopening" of the Notes issued hereunder, are otherwise treated as part of the same "issue" of debt instruments as the Notes issued hereunder, or are issued with no more than a *de minimis* amount of original discount, in each case for U.S. federal income tax purposes. Prior to the issuance of any such additional Notes, the Company shall deliver to the Trustee a Company Order, an Officers' Certificate and an Opinion of Counsel, such Officers' Certificate and Opinion of Counsel to cover such matters, in addition to those required by Section 19.06, as the Trustee shall reasonably request. The Notes issued hereunder and any additional Notes would be treated as a single class for all purposes

under this Indenture and would vote together as one class on all matters with respect to the Notes. In addition, the Company may, to the extent permitted by law, and directly or indirectly (regardless of whether such Notes are surrendered to the Company), repurchase Notes in the open market or otherwise, whether by the Company or through its Subsidiaries or consolidated affiliated entities or through a private or public tender or exchange offer or through counterparties to private agreements without giving prior notice to, or receiving the consent of, Holders. The Company may also enter into cash-settled swaps or other derivatives with respect to the Notes. For the avoidance of doubt, any Notes that the Company, its Subsidiaries or consolidated affiliated entities have purchased or otherwise acquired are not be required to be surrendered to the Trustee for cancellation in accordance with Section 2.08 and will be deemed to remain outstanding for purposes of this Indenture until such time that the Company delivers them to the Trustee for cancellation, subject to the provisions of Section 8.04.

ARTICLE 3 SATISFACTION AND DISCHARGE

Section 3.01 *Satisfaction and Discharge*. This Indenture shall, upon request of the Company contained in an Officers' Certificate cease to be of further effect, and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when (a) (i) all Notes theretofore authenticated and delivered (other than (x) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.06 and (y) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 4.04(d)) have been delivered to the Trustee for cancellation; or (ii) the Company has deposited cash with the Trustee or delivered ADSs (or ordinary shares in lieu thereof) to Holders (solely to satisfy the Company's Conversion Obligation, if applicable), as applicable, after the Notes have become due and payable, whether on the Maturity Date, the Repurchase Date, any Fundamental Change Repurchase Date, any Redemption Date or upon conversion or otherwise, sufficient to pay all of the outstanding Notes and all other sums due and payable under this Indenture by the Company (including, without limitation sums due to the Trustee with respect to the Notes); and (b) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with. Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 7.06 shall survive.

ARTICLE 4 PARTICULAR COVENANTS OF THE COMPANY

Section 4.01 *Payment of Principal and Interest*. The Company covenants and agrees that it will cause to be paid the principal (including the Repurchase Price, the Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest on, each of the Notes at the places, at the respective times and in the manner provided herein and in the Notes.

Section 4.02 *Maintenance of Office or Agency*. The Company will maintain an office or agency (which will be the Corporate Trust Office initially) where the Notes may be surrendered for registration of transfer or exchange or for presentation for payment or repurchase ("**Paying Agent**") or for conversion ("**Conversion Agent**") and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made at the Corporate Trust Office; *provided, however*, the legal service of process against the Company shall in no circumstances be made at an office of the Trustee.

The Company may also from time to time designate as co-Note Registrars one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency. The terms "**Paying Agent**" and "**Conversion Agent**" include any such additional or other offices or agencies, as applicable.

The Company hereby initially designates the Trustee as the Paying Agent, Note Registrar and Conversion Agent, and the office or agency of the Trustee shall be considered as one such office or agency of the Company for each of the aforesaid purposes.

Section 4.03 *Appointments to Fill Vacancies in Trustee's Office.* The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.09, a Trustee, so that there shall at all times be a Trustee hereunder.

Section 4.04 *Provisions as to Paying Agent.* (a) If the Company shall appoint a Paying Agent other than the Trustee, the Company will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 4.04:

- (i) that it will hold all sums held by it as such agent for the payment of the principal (including the Repurchase Price, Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest on, the Notes for the benefit of the Holders of the Notes;
- (ii) that it will give the Trustee prompt notice of any failure by the Company to make any payment of the principal (including the Repurchase Price, Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest on, the Notes when the same shall be due and payable; and
- (iii) that at any time during the continuance of an Event of Default, upon request of the Trustee, it will forthwith pay to the Trustee all sums so held.

The Company shall, on or before each due date of the principal (including the Repurchase Price, Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, or accrued and unpaid interest on, the Notes, deposit with the Paying Agent a sum sufficient to pay such principal (including the Repurchase Price, Redemption Price and the Fundamental Change Repurchase Price, if applicable) or accrued and unpaid interest and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of any failure to take such action; *provided* that such deposit must be received by the Paying Agent by 10:00 a.m., New York City time, on the Business Day immediately preceding the relevant due date. The Paying Agent shall not be bound to make any payment until it has received, in immediately available and cleared funds, an amount which shall be sufficient to pay, as applicable, the aggregate amount of principal (including Repurchase Price, Redemption Price and Fundamental Change Repurchase Price, if applicable) of, or accrued and unpaid interest on, the Notes when such principal or interest shall become due and payable. The Paying Agent shall not be responsible or liable for any delay in making the payment if it does not receive funds before 10:00 a.m. on the payment date. The Company shall procure that, before 10:00 a.m., New York City time, on the second Business Day before each Payment Date, the bank effecting payment for it has confirmed to the Paying Agent the payment instructions relating to such payment.

(b) If the Company shall act as its own Paying Agent, it will, on or before each due date of the principal (including the Repurchase Price, Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest on, the Notes, set aside, segregate and hold in trust for the benefit of the Holders of the Notes a sum sufficient to pay such principal (including the Repurchase Price, Redemption Price and the Fundamental Change Repurchase Price, if applicable) and accrued and unpaid interest so becoming due and will promptly notify the Trustee in writing of any failure to take such action and of any failure by the Company to make any payment of the principal (including the Repurchase Price, Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, or accrued and unpaid interest on, the Notes when the same shall become due and payable. Upon an Event of Default under Section 6.01(i) or Section 6.01(j), the Trustee shall automatically become the Paying Agent.

(c) Anything in this Section 4.04 to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, pay, cause to be paid or deliver to the Trustee all sums or amounts held by the Company in trust or by any Paying Agent as required by this Section 4.04, such sums or amounts to be held by the Trustee upon the trusts herein contained and upon such payment or delivery by the Company or any Paying Agent to the

Trustee, the Company or such Paying Agent shall be released from all further liability but only with respect to such sums or amounts.

(d) Subject to applicable abandoned property law and the Trustee's and the Paying Agent's customary procedures, any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of principal (including the Repurchase Price, Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest on, any Note and remaining unclaimed for two years after such principal (including consideration upon conversion, the Repurchase Price, Redemption Price and the Fundamental Change Repurchase Price, if applicable) or interest has become due and payable shall be paid or delivered, as the case may be, to the Company on request of the Company contained in an Officers' Certificate, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such money, and all liability of the Company as trustee thereof, shall thereupon cease; *provided, however*, that the Trustee or such Paying Agent, before being required to make any such repayment or delivery, may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in The Borough of Manhattan, The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid or delivered to the Company.

Section 4.05 *Existence*. Subject to Article 11, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence. The Company shall promptly provide the Trustee with written notice of any change to its name, jurisdiction of incorporation or change to its corporate organization.

Section 4.06 *Rule 144A Information Requirement and Annual Reports*. (a) At any time the Company is not subject to Section 13 or 15(d) of the Exchange Act, the Company shall, so long as any of the Notes, any ADSs (or ordinary shares in lieu thereof) deliverable upon conversion thereof, if any, or any ordinary shares represented thereby or deliverable in lieu thereof shall, at such time, constitute "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, promptly provide to the Trustee and shall, upon written request, provide to any Holder, beneficial owner or prospective purchaser of such Notes, the ADSs deliverable upon conversion of such Notes or ordinary shares represented thereby or deliverable in lieu thereof (as the case may be), the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to facilitate the resale of such Notes, ADSs or such ordinary shares represented thereby or deliverable in lieu thereof pursuant to Rule 144A. The Company (or its successor) shall take such further action as any Holder or beneficial owner of such Notes, such ADSs or such ordinary shares in lieu thereof may reasonably request, to the extent from time to time required to enable such Holder or beneficial owner to sell such Notes, ADSs or ordinary shares represented thereby or deliverable in lieu thereof (as the case may be) in accordance with Rule 144A, as such rule may be amended from time to time.

(b) The Company shall deliver to the Trustee within 15 days after the same are required to be filed with the Commission (giving effect to any applicable grace period provided by Rule 12b-25 under the Exchange Act), copies of any documents or reports that the Company is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act (excluding any such information, documents or reports, or portions thereof, for which the Company has received, or with respect to which the Company is actively seeking in good faith and has not been denied, confidential treatment by the Commission). Any such document or report that the Company files with the Commission via the Commission's EDGAR system (or any successor thereto) shall be deemed to be delivered to the Trustee for purposes of this Section 4.06 (b) at the time such documents are filed via the EDGAR system (or any successor thereto). The Trustee shall have no obligation to determine if and when the Company's statements or reports are publicly available and/or accessible electronically.

(c) Delivery of the reports and documents described in this Section 4.06 to the Trustee is for informational purposes only, and the Trustee's receipt of such shall not constitute actual or constructive notice or knowledge of any information contained therein or determinable from information contained

therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to conclusively rely on an Officers' Certificate).

(d) If, at any time during the six-month period beginning on, and including, the date that is six months after the Issue Date of the Notes, the Company fails to timely file any document or report that it is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act, as applicable (after (i) giving effect to all applicable grace periods thereunder and (ii) other than reports on Form 6-K to the extent such report are not required to satisfy the "current public information" requirement of Rule 144), or the Notes are not otherwise freely tradable by Holders other than the Company's Affiliates or Holders that were the Company's Affiliates at any time during the three months immediately preceding (as a result of restrictions pursuant to U.S. federal securities laws or the terms of this Indenture or the Notes), the Company shall pay Additional Interest on the Notes. Such Additional Interest shall accrue on the Notes at the rate of 0.50% per annum of the principal amount of the Notes outstanding for each day during such period for which the Company's failure to file has occurred and is continuing or the period during which the Notes are not freely tradable by Holders that are not Affiliates of the Company (or are not the Company's Affiliates at any time during the three months immediately preceding), as the case may be, without restrictions pursuant to U.S. federal securities laws or the terms of this Indenture or the Notes. As used in this Section 4.06(d), documents or reports that the Company is required to "file" with the Commission pursuant to Section 13 or 15(d) of the Exchange Act do not include documents or reports that the Company furnishes to the Commission pursuant to Section 13 or 15(d) of the Exchange Act.

(e) If, and for so long as, the restrictive legend on the Notes specified in Section 2.05(c) has not been removed, the Notes are assigned a restricted CUSIP or the Notes are not otherwise freely tradable by Holders other than the Company's Affiliates or Holders that were the Company's Affiliates at any time during the three months immediately preceding (as a result of restrictions pursuant to U.S. federal securities laws or the terms of this Indenture or the Notes) as of the 380th day after the Issue Date of the Notes, the Company shall pay Additional Interest on the Notes at a rate equal to 0.50% per annum of the principal amount of Notes outstanding until the restrictive legend on the Notes has been removed in accordance with Section 2.05(c), the Notes have been assigned an unrestricted CUSIP and the Notes are freely tradable by Holders other than by the Company's Affiliates (or Holders that were the Company's Affiliates at any time during the three months immediately preceding), without restrictions pursuant to U.S. federal securities laws or the terms of this Indenture or the Notes.

(f) Additional Interest will be payable in arrears on each Interest Payment Date following accrual in the same manner as regular interest on the Notes.

(g) The Additional Interest that is payable in accordance with Section 4.06(d) or Section 4.06(e) shall be in addition to, and not in lieu of, any Additional Interest that may be payable as a result of the Company's election pursuant to Section 6.03. In no event shall Additional Interest accrue on any day under the terms of this Indenture (taking any Additional Interest payable pursuant to Section 4.06(d) and Section 4.06(e) together with any Additional Interest payable pursuant to Section 6.03) at annual rate in excess of 0.50%, in the aggregate, for any violation or Default caused by the Company's failure to be current in respect of its Exchange Act reporting obligations.

(h) If Additional Interest is payable by the Company pursuant to Section 4.06(d) or Section 4.06(e), the Company shall deliver to the Trustee an Officers' Certificate to that effect stating (i) the amount of such Additional Interest that is payable and (ii) the date on which such Additional Interest is payable. Unless and until a Responsible Officer of the Trustee receives at the Corporate Trust Office such a certificate, the Trustee may assume without inquiry that no such Additional Interest is payable.

(i) The accrual of Additional Interest will be the exclusive remedy available to Holders of the Notes for a failure of their Notes to become freely tradable.

(j) Notwithstanding anything to the contrary, Additional Interest on any note for any period on or after the de-legending deadline date of such note will accrue, but will not be payable on any Interest Payment Date occurring on or after such de-legending deadline date unless (i) a Holder (or an owner of a

beneficial interest in a Global Note) has delivered to the Company (with a copy to the Trustee), before the Regular Record Date immediately before such Interest Payment Date, a written notice demanding payment of Additional Interest; or (ii) the Company, in its sole and absolute discretion, elects, by sending notice of such election to Holders before such Regular Record Date, to pay such Additional Interest on such Interest Payment Date.

Any accrued and unpaid Additional Interest that, in accordance with the provision described in Section 4.06(j) is not paid on such Interest Payment Date is referred to as “Deferred Additional Interest,” and without further action by the Company or any other Person, interest will automatically accrue on such Deferred Additional Interest from, and including, such Interest Payment Date at a rate per annum equal to the stated interest rate to, but excluding, the date on which such Deferred Additional Interest, together with interest thereon, is paid. Each reference in this Indenture to any accrued interest (including in the calculations of the Redemption Price and Fundamental Change Repurchase Price for any Note) or to any accrued Additional Interest includes, to the extent applicable, and without duplication, any Deferred Additional Interest, together with accrued and unpaid interest thereon.

Once any accrued and unpaid Additional Interest becomes payable on an Interest Payment Date (whether as a result of the delivery of a written notice as described in Section 4.06(j) or, if earlier, the Company’s election to pay the same), Additional Interest will thereafter not be subject to deferral as described above. In addition, all accrued and unpaid Additional Interest, if any, will be paid on the Interest Payment Date occurring on the Maturity Date of the Notes, and no portion thereof may be deferred.

For the avoidance of doubt, the failure to pay any accrued and unpaid Additional Interest on an Interest Payment Date will not constitute a default or an event of default under this Indenture or the Notes if such payment is deferred in accordance with the provisions described above. Otherwise, such a failure to pay will be subject to Section 6.01(a).

The Company will send notice to the Holder of each Note (with a copy to the Trustee) of the commencement and termination of any period in which Additional Interest accrues on such note, except that no such notice is required in respect of any Additional Interest that is deferred in accordance with this Section 4.06.

The Trustee shall have no duty to determine whether any Additional Interest is payable or the amount thereof or if deferred additional interest is accruing on the Notes, and may assume without inquiry that no Additional Interest is payable or has been deferred until written notice of such Additional Interest has been provided to it by the Company.

Section 4.07 Additional Amounts. (a) All payments and deliveries made by, or on behalf of, the Company or any successor to the Company under or with respect to this Indenture and the Notes, including, but not limited to, payments of principal (including, if applicable, the Repurchase Price, the Redemption Price and the Fundamental Change Repurchase Price), premium, if any, payments of interest, including any Additional Interest, and payments of cash and/or deliveries of ADSs or ordinary shares in lieu thereof deliverable, or any other consideration due, on conversion of a Note (together with payments of cash for any fractional ADS or other consideration), shall be made without withholding, deduction or reduction for any other collection at source for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied (including any penalties and interest related thereto) (the “**Applicable Taxes**”), unless such withholding, deduction or reduction is required by law or by other regulation or governmental policy having the force of law (“**Applicable Tax Law**”). In the event that any such withholding, deduction or reduction is required with respect to any such payments or deliveries (but excluding, for the avoidance of doubt, any payments or deliveries that are made upon conversion of the Notes, whether made in cash, ADSs, ordinary shares or other consideration (including any payments of cash for any fractional ADS or other consideration)) by or within (x) the Cayman Islands, Hong Kong or the People’s Republic of China (or, in each case, any political subdivision or taxing authority thereof or therein), (y) any jurisdiction in which the Company or any successor is, for tax purposes, incorporated, organized or resident or doing business (or any political subdivision or taxing authority thereof or therein) or (z) any jurisdiction from or through which payment is made or deemed made (or any political subdivision or taxing authority thereof or therein) (each of (x), (y) and (z), as applicable, a “**Relevant Taxing Jurisdiction**”), the Company shall pay or deliver to the Holder of each Note such additional amounts of cash, ADSs or other consideration, as applicable (the

“Additional Amounts”), as may be necessary to ensure that the net amount received by the beneficial owners of the Notes after such withholding, deduction or reduction (and after deducting any Applicable Taxes imposed by the Relevant Taxing Jurisdiction on the Additional Amounts) will equal the amounts that would have been received by such beneficial owners had no such withholding, deduction or reduction been required; provided that no Additional Amounts will be payable:

(i) for or on account of:

(A) any Applicable Taxes that would not have been imposed but for:

(1) the existence of any present or former connection between the relevant Holder or beneficial owner of such Note and the Relevant Taxing Jurisdiction, other than merely acquiring or holding such Note, receiving cash, ADSs or other consideration upon conversion of such Note, or the receipt of payments or the exercise or enforcement of rights thereunder, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Taxing Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

(2) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of (including the Repurchase Price, the Redemption Price and the Fundamental Change Repurchase Price, if applicable) or interest became due and payable pursuant to the terms thereof or was made or duly provided for (except to the extent that the Holder or beneficial owner of such Note would have been entitled to Additional Amounts had such Note been presented on any day on or before the last day of such 30-day period); or

(3) the failure of the Holder or beneficial owner to comply with a timely written request from the Company or any successor of the Company, addressed to the Holder or beneficial owner, to provide, in each case to the extent such Holder or beneficial owner is legally entitled to do so, certification, information, documents or other evidence concerning such Holder’s or beneficial owner’s nationality, residence, identity or connection with the Relevant Taxing Jurisdiction, or to make any declaration or satisfy any other reporting requirement relating to such matters, if and to the extent that due and timely compliance with such request is required by statute, regulation or administrative practice of the Relevant Taxing Jurisdiction to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder or beneficial owner; *provided* that, in the case of Applicable Taxes imposed by the People’s Republic of China, the provision of any certification, information, documents or other evidence described in this clause (i)(A)(3) would not be materially more onerous, in form, in procedure, or in the substance of information disclosed, to a Holder or beneficial owner than comparable information or other reporting requirements imposed under U.S. tax law, regulations and administrative practice (such as U.S. Internal Revenue Service Forms W-8BEN, W-8BEN-E and W-9, or any successor forms), and reasonable procedure for the collection of such documentation has been implemented and is in effect at the time that such written request is received;

(B) any estate, inheritance, gift, sale, transfer, personal property or similar Applicable Taxes;

(C) any Applicable Taxes that are payable otherwise than by withholding or deduction from payments under or with respect to the Notes;

(D) any Applicable Taxes that are imposed in connection with any payments or deliveries that are made upon conversion of the Notes, whether made in cash, ADSs, ordinary shares or other consideration, and including, for the avoidance of doubt, any payments of cash for any fractional ADS or other consideration;

(E) any Applicable Taxes required to be withheld or deducted under Sections 1471 to 1474 of the Code (or any amended or successor versions of such Sections that is substantively comparable and not materially more onerous to comply with) (“FATCA”), any regulations or other official guidance thereunder, any intergovernmental agreement or agreement pursuant to Section 1471(b)(1) of the Code entered into in connection with FATCA, or any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA or an intergovernmental agreement; or

(F) any combination of Applicable Taxes referred to in the preceding clauses (A), (B), (C), (D) or (E); or

(ii) with respect to any payment of the principal of (including the Repurchase Price, the Redemption Price and the Fundamental Change Repurchase Price, if applicable), premium, if any, or interest on such Note, if the Holder is a fiduciary, partnership or Person other than the sole beneficial owner of that payment, to the extent that such payment would be required to be included in the income under the laws of the Relevant Taxing Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, member or beneficial owner been the Holder thereof.

In addition to the foregoing, the Company will also pay and indemnify the Holders and beneficial owners of the Notes for any present or future stamp, issue, registration, transfer, value added, court or documentary taxes, or any other excise or property taxes, charges or similar levies or taxes (including penalties, interest and any other reasonable expenses related thereto) which are levied by any Relevant Taxing Jurisdiction (and in the case of enforcement, any jurisdiction) on the execution, delivery, registration or enforcement of any of the Notes, this Indenture or any other document or instrument referred to herein or therein, or the receipt of payments with respect hereto or thereto (limited, solely in the case of taxes, charges or levies (including penalties, interest and any other reasonable expenses related thereto) attributable to the receipt of any payments with respect hereto or thereto, to any such amounts levied by any Relevant Taxing Jurisdiction that are not (x) described in (A), (B), (D) or (E) of clause (i) above (or any combination thereof) or (y) levied on payments described in clause (ii) above). Any such payments and indemnities shall be treated as Additional Amounts payable pursuant to Applicable Tax Law for purposes of Article 16 hereof.

If the Company becomes obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes, the Company will deliver to the Trustee and the Paying Agent, if other than the Trustee, on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises after the 30th day prior to that payment date, in which case the Company will notify the Trustee and the Paying Agent promptly thereafter) an Officers’ Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable; provided that no such Officers’ Certificate will be required prior to any date of payment if there has been no change with respect to the matters set forth in a prior Officers’ Certificate. The Officers’ Certificate must also set forth any other information reasonably necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date. The Trustee and the Paying Agent shall be entitled to rely solely on such Officers’ Certificate as conclusive proof that such payments are necessary. The Company will provide the Trustee and the Paying Agent, if other than the Trustee, with documentation reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts.

The Company will make all withholdings and deductions required by law and will remit the full amount deducted or withheld to the relevant tax authority in accordance with applicable law. The Company

will provide to the Trustee, within 60 days after the date the payment of any Applicable Taxes so deducted or withheld is made, an official receipt or, if official receipts are not reasonably obtainable, such other documentation that provides reasonable evidence of the payment of any Applicable Taxes so deducted or withheld. Upon written request, copies of those receipts or other documentation, as the case may be, will be made available by the Trustee to the Holders.

(b) Any reference in this Indenture or the Notes in any context to the payment of principal of (including the Repurchase Price, the Redemption Price and the Fundamental Change Repurchase Price, if applicable), and any premium or interest, including any Additional Interest, on, any Note or any other amount payable with respect to such Note shall be deemed to include any payment of Additional Amounts provided for in this Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

(c) The foregoing obligations shall survive termination, defeasance or discharge of this Indenture or any transfer by a Holder or a beneficial owner of its Notes and will apply *mutatis mutandis* to any jurisdiction in which any Successor Company is then, for tax purposes, incorporated, organized or resident or doing business (or any political subdivision or taxing authority thereof or therein) or any jurisdiction from or through which payment under or with respect to the Notes is made or deemed made by or on behalf of such Successor Company (or any political subdivision or taxing authority thereof or therein).

(d) Notwithstanding anything to the contrary herein, the Company, the Trustee and the Paying Agent shall be entitled to make any withholding or deduction pursuant to FATCA.

Section 4.08 *Stay, Extension and Usury Laws*. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law that would prohibit or forgive the Company from paying all or any portion of the principal of or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or that may affect the covenants or the performance of this Indenture; and the Company (to the extent it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 4.09 *Compliance Certificate; Statements as to Defaults*. The Company shall deliver to the Trustee within 120 days after the end of each fiscal year of the Company (beginning with the fiscal year ending on December 31, 2025) an Officers' Certificate stating that a review has been conducted of the Company's activities under this Indenture and whether the Company has fulfilled its obligations hereunder, and whether the signers thereof have knowledge of any Default by the Company that occurred during the previous year and, if so, specifying each such Default and the nature thereof.

In addition, the Company shall deliver to the Trustee, as soon as possible, and in any event within 30 days after the Company becomes aware of the occurrence of any Default if such Default is then continuing, an Officers' Certificate setting forth the details of such Default, its status and the action that the Company is taking or proposing to take in respect thereof. The Trustee shall have no responsibility to take any steps to ascertain whether any Event of Default or Default has occurred, and until (i) a Responsible Officer of the Trustee has received an Officers' Certificate regarding such an occurrence, or (ii) the Trustee has received written notice at the Corporate Trust Office from the Holders of at least 25% in aggregate principal amount of the Notes then outstanding regarding such an occurrence, the Trustee is entitled to assume, without liability, that no Event of Default or Default has occurred. However, the Company shall not be required to provide such notification at any time after such Default or Event of Default is cured or waived.

Section 4.10 *Further Instruments and Acts*. Upon request of the Trustee, the Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Indenture.

ARTICLE 5
LISTS OF HOLDERS AND REPORTS BY THE COMPANY AND THE TRUSTEE

Section 5.01 *Lists of Holders*. The Company covenants and agrees that it will furnish or cause to be furnished to the Trustee, semi annually, not more than 15 days after each May 15 and November 15 in each year beginning with November 15, 2025, and at such other times as the Trustee may request in writing, within 30 days after receipt by the Company of any such request (or such lesser time as the Trustee may reasonably request in order to enable it to timely provide any notice to be provided by it hereunder), a list in such form as the Trustee may reasonably require of the names and addresses of the Holders as of a date not more than 15 days (or such other date as the Trustee may reasonably request in order to so provide any such notices) prior to the time such information is furnished, except that no such list need be furnished so long as the Trustee is acting as Note Registrar.

Section 5.02 *Preservation and Disclosure of Lists*. The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the Holders contained in the most recent list furnished to it as provided in Section 5.01 or maintained by the Trustee in its capacity as Note Registrar, if so acting. The Trustee may destroy any list furnished to it as provided in Section 5.01 upon receipt of a new list so furnished.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01 *Events of Default*. The following events shall be “**Events of Default**” with respect to the Notes:

- (a) failure by the Company to pay any installment of interest or Additional Amounts, if any, on any of the Notes, when due and payable, which failure continues for 30 days after the date when due;
- (b) failure by the Company to pay when due the principal, the Redemption Price, the Repurchase Price or any Fundamental Change Repurchase Price of any Note, in each case, when the same becomes due and payable;
- (c) failure by the Company to deliver when due the consideration deliverable upon conversion of any Notes and such failure continues for a period of four Business Days;
- (d) failure by the Company to issue the Company Notice pursuant to Section 15.01(a), a Fundamental Change Company Notice in accordance with Section 15.02(b) or notice of a Make-Whole Fundamental Change, a Tax Redemption, an Optional Redemption or a Cleanup Redemption in accordance with Section 14.03, in each case, when due, and such failure continues for a period of five Business Days;
- (e) failure by the Company to comply with its obligations under Article 11;
- (f) failure by the Company for 60 days after written notice to the Company by the Trustee or to the Company and the Trustee by Holders of at least 25% in the aggregate principal amount of the Notes then outstanding to perform or observe (or obtain a waiver with respect to) any of its terms, covenants or agreements contained in the Notes or this Indenture not otherwise provided for in this Section 6.01;
- (g) default by the Company or any Significant Subsidiary of the Company with respect to any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any indebtedness for money borrowed in excess of US\$50 million (or the foreign currency equivalent at the time) in the aggregate of the Company and/or any such Significant Subsidiary, whether such indebtedness now exists or shall hereafter be created (i) resulting in such indebtedness becoming or being declared due and payable or (ii) constituting a failure to pay the principal or interest of any such indebtedness when due and payable at its stated maturity, upon redemption, upon required repurchase, upon declaration of acceleration or otherwise, in each case, after the expiration of any applicable grace period, if such default is not cured or waived, or such acceleration is not rescinded, within

30 days after written notice to the Company by the Trustee or to the Company and the Trustee by holders of at least 25% in the aggregate principal amount of the Notes then outstanding, in accordance with this Indenture;

(h) a final judgment for the payment of US\$50 million (or the foreign currency equivalent thereof) or more (excluding any amounts covered by insurance or bond) rendered against the Company or any Significant Subsidiary of the Company by a court of competent jurisdiction, which judgment is not discharged, bonded, stayed, vacated, paid or otherwise satisfied within 60 days after (i) the date on which the right to appeal thereof has expired if no such appeal has commenced, or (ii) the date on which all rights to appeal have been extinguished;

(i) the Company or any Significant Subsidiary shall commence a voluntary case or other proceeding or procedure (including, without limitation, the passing of a resolution for its voluntary liquidation) seeking liquidation, reorganization or other relief with respect to the Company or any such Significant Subsidiary or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Company or any such Significant Subsidiary or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due; or

(j) an involuntary case or other proceeding shall be commenced against the Company or any Significant Subsidiary seeking liquidation, reorganization or other relief with respect to the Company or such Significant Subsidiary or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Company or such Significant Subsidiary or any substantial part of its property.

Section 6.02 *Acceleration; Rescission and Annulment.* If one or more Events of Default shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), then, and in each and every such case (other than an Event of Default specified in Section 6.01(i) or Section 6.01(j) with respect to the Company), unless the principal of all of the Notes shall have already become due and payable, the Trustee may by notice in writing to the Company, or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding determined subject to Section 8.04, by notice in writing to the Company may, and the Trustee at the request of such Holders shall (subject to being indemnified and/or secured and/or pre-funded to its satisfaction), declare 100% of the principal of, and accrued and unpaid interest on, all the Notes to be due and payable immediately, and upon any such declaration the same shall become and shall automatically be immediately due and payable, anything contained in this Indenture or in the Notes to the contrary notwithstanding. For the avoidance of doubt, if such Event of Default is not continuing at the time such notice is provided (that is, such Event of Default has been cured or waived as of such time), then such notice will not be effective to cause such amounts to become due and payable immediately. If an Event of Default specified in Section 6.01(i) or Section 6.01(j) with respect to the Company (and not involving solely one or more of its Significant Subsidiaries) occurs and is continuing, 100% of the principal of, and accrued and unpaid interest on, all Notes shall become and shall automatically be immediately due and payable without any action on the part of the Trustee. If an Event of Default occurs and is continuing, all agents of the Company appointed under this Indenture will be required to act on the direction of the Trustee.

The immediately preceding paragraph, however, is subject to the conditions that if, at any time after the principal of the Notes shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered as hereinafter provided, the Company shall pay or shall deposit with the Trustee a sum sufficient to pay installments of accrued and unpaid interest upon all Notes and the principal of any and all Notes that shall have become due otherwise than by acceleration (with interest on overdue installments of accrued and unpaid interest to the extent that payment of such interest is enforceable under applicable law, and on such principal at the rate per annum borne by the Notes *plus* 1.00%) and amounts due to the Trustee pursuant to Section 7.06, and if (1) rescission would not conflict with any judgment or decree of a court of competent jurisdiction, (2) all payments to the Trustee have been made, and (3) any and all existing Events of

Default under this Indenture, other than the nonpayment of the principal of and accrued and unpaid interest on Notes that shall have become due solely by such acceleration, shall have been cured or waived pursuant to Section 6.09, then and in every such case (except as provided in the immediately succeeding sentence) the Holders of a majority in aggregate principal amount of the Notes then outstanding, by written notice to the Company and to the Trustee, may waive all Defaults or Events of Default with respect to the Notes and rescind and annul such declaration and its consequences and such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent Default or Event of Default, or shall impair any right consequent thereon. Notwithstanding anything to the contrary herein, no such waiver or rescission and annulment shall extend to or shall affect any Default or Event of Default resulting from (i) the nonpayment of the principal of, or accrued and unpaid interest on, any Notes, (ii) a failure to pay the Redemption Price, the Repurchase Price or any Fundamental Change Repurchase Price of any Note or (iii) a failure to deliver the consideration due upon conversion of the Notes.

Section 6.03 *Additional Interest*. Notwithstanding anything in this Indenture or in the Notes to the contrary, to the extent the Company elects, the sole remedy for an Event of Default relating to the Company's failure to comply with its obligations as set forth in Section 4.06(b) shall after the occurrence of such an Event of Default (which, with respect to an Event of Default described in Section 6.01(f), shall be the 60th day after written notice is provided to the Company in accordance with Section 6.01(f)) consist exclusively of the right to receive Additional Interest on the Notes at a rate equal to:

- (a) 0.25% per annum of the principal amount of the Notes outstanding for each day during the period beginning on, and including, the date on which such an Event of Default first occurs and ending on the earlier of (i) the date on which such Event of Default is cured or validly waived or (ii) the 180th day immediately following, and including, the date on which such Event of Default first occurred; and
- (b) if such Event of Default has not been cured or validly waived prior to the 181st day immediately following, and including, the date on which such an Event of Default first occurred, 0.50% per annum of the principal amount of the Notes outstanding for each day during the period beginning on, and including, the 180th day immediately following, and including, the date on which such an Event of Default first occurred and ending on the earlier of (i) the date on which such Event of Default is cured or validly waived or (ii) the 360th day immediately following, and including, the date on which such Event of Default first occurred.

Interest payable pursuant to this Section 6.03 shall be in addition to, not in lieu of, any Additional Interest payable pursuant to Section 4.06(d) or Section 4.06(e). In no event shall Additional Interest accrue on the Notes on any day under this Indenture (taking any Additional Interest payable pursuant to this Section 6.03 together with any Additional Interest payable pursuant to Section 4.06(d) and Section 4.06(e)) at an annual rate accruing in excess of 0.50%, in the aggregate, for any violation or Default caused by the Company's failure to be current in respect of its Exchange Act reporting obligations. With regard to any violation specified in the immediately preceding paragraph, no Additional Interest shall accrue, and no right to declare the principal or other amounts due and payable in respect of the Notes shall exist, after such violation has been cured. If the Company so elects, such Additional Interest shall be payable in the same manner and on the same dates as regular interest on the Notes. On the 361st day after such Event of Default (if the Event of Default with respect to the Company's obligations under Section 4.06(b) is not cured or waived prior to such 360th day), the Notes will be subject to acceleration as provided in Section 6.02. In the event the Company does not elect to pay Additional Interest following an Event of Default in accordance with this Section 6.03 or the Company elected to make such payment but does not pay the Additional Interest when due, the Notes shall be subject to acceleration as provided in Section 6.02.

In order to elect to pay Additional Interest as the sole remedy during the first 360 days after the occurrence of any Event of Default described in the immediately preceding paragraph, the Company must notify in writing all Holders of the Notes, the Trustee and the Paying Agent of such election prior to the beginning of such 360-day period. Upon the failure to timely give such notice, the Notes shall be immediately subject to acceleration as provided in Section 6.02.

Section 6.04 *Payments of Notes on Default; Suit Therefor*. If an Event of Default described in clause (a) or (b) of Section 6.01 shall have occurred, the Company shall, upon demand of the Trustee or at the request of

Holders of at least 25% in aggregate principal amount of the Notes then outstanding determined subject to Section 8.04 and subject to indemnity and/or security and/or pre-funding satisfactory to the Trustee, pay to the Trustee, for the benefit of the Holders of the Notes, the whole amount then due and payable on the Notes for principal and interest, if any, with interest on any overdue principal and interest, if any, at the rate per annum borne by the Notes at such time *plus* 1.00%, and, in addition thereto, such further amount as shall be sufficient to cover any amounts due to the Trustee under Section 7.06. If the Company shall fail to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon the Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon the Notes, wherever situated.

In the event there shall be pending proceedings for the bankruptcy or for the reorganization of the Company or any other obligor on the Notes under title 11 of the United States Code, or any other applicable law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Company or such other obligor, the property of the Company or such other obligor, or in the event of any other judicial proceedings relative to the Company or such other obligor upon the Notes, or to the creditors or property of the Company or such other obligor, the Trustee, irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 6.04, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal and accrued and unpaid interest, if any, in respect of the Notes, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents and to take such other actions as it may deem necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceedings relative to the Company or any other obligor on the Notes, its or their creditors, or its or their property, and to collect and receive any monies or other property payable or deliverable on any such claims, and to distribute the same after the deduction of any amounts due to the Trustee under Section 7.06; and any receiver, assignee or trustee in bankruptcy or reorganization, liquidator, custodian or similar official is hereby authorized by each of the Holders to make such payments to the Trustee, as administrative expenses, and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for reasonable compensation, expenses, advances and disbursements, including agents and counsel fees, and including any other amounts due to the Trustee under Section 7.06, incurred by it up to the date of such distribution. To the extent that such payment of reasonable compensation, expenses, advances and disbursements out of the estate in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, monies, securities and other property that the Holders of the Notes may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting such Holder or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

All rights of action and of asserting claims under this Indenture, or under any of the Notes, may be enforced by the Trustee without the possession of any of the Notes, or the production thereof at any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name or as as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Notes.

In any proceedings brought by the Trustee (and in any proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be a party) the Trustee shall be held to represent all the Holders of the Notes, and it shall not be necessary to make any Holders of the Notes parties to any such proceedings.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of any waiver pursuant to Section 6.09 or any rescission and annulment pursuant to Section 6.02 or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company, the Holders, and the Trustee shall, subject to any determination in such proceeding, be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Company, the Holders, and the Trustee shall continue as though no such proceeding had been instituted.

Section 6.05 *Application of Monies or Property Collected by Trustee.* Any monies or property collected by the Trustee pursuant to this Article 6 or otherwise after an Event of Default has occurred and is continuing with respect to the Notes shall be applied in the following order, at the date or dates fixed by the Trustee for the distribution of such monies or property, upon presentation of the several Notes, and stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

First, to the payment of all amounts due to the Trustee, including its agents and counsel, under Section 7.06 and any payments due to the Paying Agent, the Conversion Agent and the Note Registrar;

Second, in case the principal of the outstanding Notes shall not have become due and be unpaid, to the payment of interest on, and any cash due upon conversion of, the Notes in default in the order of the date due of the payments of such interest and cash due upon conversion, as the case may be, with interest (to the extent that such interest has been collected by the Trustee) upon such overdue payments at the rate per annum borne by the Notes at such time *plus* 1.00%, such payments to be made ratably to the Persons entitled thereto;

Third, in case the principal of the outstanding Notes shall have become due, by declaration or otherwise, and be unpaid to the payment of the whole amount (including, if applicable, the payment of the Repurchase Price, Redemption Price or Fundamental Change Repurchase Price and any cash due upon conversion) then owing and unpaid upon the Notes for principal and interest, if any, with interest on the overdue principal and, to the extent that such interest has been collected by the Trustee, upon overdue installments of interest at the rate per annum borne by the Notes at such time *plus* 1.00%, and in case such monies shall be insufficient to pay in full the whole amounts so due and unpaid upon the Notes, then to the payment of such principal (including, if applicable, the Repurchase Price, Redemption Price or Fundamental Change Repurchase Price) and interest without preference or priority of principal over interest, or of interest over principal or of any installment of interest over any other installment of interest, or of any Note over any other Note, ratably to the aggregate of such principal (including, if applicable, the Repurchase Price or Fundamental Change Repurchase Price and any cash due upon conversion) and accrued and unpaid interest; and

Fourth, to the payment of the remainder, if any, to the Company or as a court of competent jurisdiction shall direct.

Section 6.06 *Proceedings by Holders.* Except to enforce the right to receive payment of principal (including, if applicable, the Repurchase Price, Redemption Price or Fundamental Change Repurchase Price) or interest when due, or the right to receive payment or delivery of the consideration due upon conversion, no Holder of any Note shall have any right by virtue of or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture, or for the appointment of a receiver, trustee, liquidator, custodian or other similar official, or for any other remedy hereunder, unless:

(a) such Holder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof, as herein provided;

(b) Holders of at least 25% in aggregate principal amount of the Notes then outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder;

(c) such Holders shall have offered to the Trustee such security and/or indemnity and/or pre-funding satisfactory to it against any loss, liability or expense to be incurred therein or thereby;

(d) the Trustee for 60 days after its receipt of such notice, request and offer of security and/or indemnity and/or pre-funding, shall have neglected or refused to institute any such action, suit or proceeding; and

(e) no direction that, in the opinion of the Trustee, is inconsistent with such written request shall have been given to the Trustee by the Holders of a majority of the aggregate principal amount of the Notes then outstanding within such 60-day period pursuant to Section 6.09,

it being understood and intended, and being expressly covenanted by the taker and Holder of every Note with every other taker and Holder and the Trustee that no one or more Holders shall have any right in any manner whatever by virtue of or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other Holder, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Holders (except as otherwise provided herein). For the protection and enforcement of this Section 6.06, each and every Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provision of this Indenture and any provision of any Note, the right of any Holder to receive payment or delivery, as the case may be, of (x) the principal (including the Repurchase Price, Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, (y) accrued and unpaid interest on, and (z) the consideration due upon conversion of, such Note, on or after the respective due dates expressed or provided for in such Note or in this Indenture, or to institute suit for the enforcement of any such payment or delivery, as the case may be, on or after such respective dates against the Company shall not be impaired or affected without the consent of such Holder.

Section 6.07 *Proceedings by Trustee.* In case of an Event of Default, the Trustee may proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as are necessary to protect and enforce any of such rights, either by suit in equity or by action at law or by proceeding in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

Section 6.08 *Remedies Cumulative and Continuing.* Except as provided in the last paragraph of Section 6.06, all powers and remedies given by this Article 6 to the Trustee or to the Holders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the Holders of the Notes, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any Holder of any of the Notes to exercise any right or power accruing upon any Default or Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Default or Event of Default or any acquiescence therein; and, subject to the provisions of Section 6.06, every power and remedy given by this Article 6 or by law to the Trustee or to the Holders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Holders.

Section 6.09 *Direction of Proceedings and Waiver of Defaults by Majority of Holders.* The Holders of a majority of the aggregate principal amount of the Notes at the time outstanding determined subject to Section 8.04 shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to Notes; *provided, however*, that (a) such direction shall not be in conflict with any rule of law or with this Indenture, and (b) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. The Trustee may refuse to follow any direction that it determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability, or if it is not provided with security and/or indemnity and/or pre-funding to its satisfaction. Prior to taking any action under this Indenture, the Trustee will be entitled to security and/or indemnification and/or pre-funding satisfactory to it in its sole discretion against all losses, liabilities and expenses caused by taking or not taking such action. In addition, the Trustee will not be required to expend its own funds

under any circumstances. The Holders of a majority in aggregate principal amount of the Notes at the time outstanding determined subject to Section 8.04 may on behalf of the Holders of all of the Notes waive any past Default or Event of Default hereunder and its consequences except (i) a default in the payment of accrued and unpaid interest on, or the principal (including, if applicable, the Repurchase Price, Redemption Price or Fundamental Change Repurchase Price) of, the Notes when due that has not been cured pursuant to the provisions of Section 6.02, (ii) a failure by the Company to pay or deliver, or cause to be delivered, as the case may be, the consideration due upon conversion of the Notes or (iii) a default in respect of a covenant or provision hereof which under Article 10 cannot be modified or amended without the consent of each Holder of an outstanding Note affected. Upon any such waiver the Company, the Trustee and the Holders of the Notes shall be restored to their former positions and rights hereunder; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. Whenever any Default or Event of Default hereunder shall have been waived as permitted by this Section 6.09, said Default or Event of Default shall for all purposes of the Notes and this Indenture be deemed to have been cured and to be not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

For the avoidance of doubt, and without limiting the manner in which any “Default” can be cured,

- (a) a Default consisting of a failure to send a notice in accordance with the terms of this Indenture will be cured upon the sending of such notice;
- (b) a Default in making any payment on (or delivering any other consideration in respect of) any Note will be cured upon the delivery, in accordance with this Indenture, of such payment (or other consideration) together, if applicable, with Default Interest thereon; and
- (c) a Default that is or, after notice, passage of time or both, would be an Event of Default relating to the Company’s failure to comply with its obligations as set forth in Section 4.06(b) will be cured upon the filing of the relevant report(s) giving rise to such reporting Event of Default.

In addition, for the avoidance of doubt, if a Default that is not an Event of Default is cured or waived before such Default would have constituted an Event of Default, then no Event of Default will result from such Default.

Section 6.10 *Notice of Defaults and Events of Default*. If a Default or Event of Default occurs and is continuing and a Responsible Officer of the Trustee is notified in writing, the Trustee shall, within 90 days after a Responsible Officer of the Trustee has obtained such knowledge of the occurrence and continuance of such Default or Event of Default, send to all Holders (at the Company’s expense) as the names and addresses of such Holders appear upon the Note Register, notice of all such Defaults known to a Responsible Officer, unless such Defaults shall have been cured or waived before the giving of such notice; *provided* that the Trustee shall not be deemed to have knowledge of any occurrence of a Default or Event of Default unless a Responsible Officer has received written notice at the Corporate Trust Office from the Company or a Holder. For the avoidance of doubt, the Trustee shall not be required to deliver such notice at any time after such Default or Event of Default is cured or waived. Except in the case of a Default in the payment of the principal of (including the Repurchase Price, Redemption Price and the Fundamental Change Repurchase Price, if applicable), or accrued and unpaid interest on, any of the Notes or a Default in the payment or delivery of the consideration due upon conversion, the Trustee shall be protected in withholding such notice if and so long as a Responsible Officer of the Trustee (in its sole discretion) in good faith determines that the withholding of such notice is in the interests of the Holders.

Section 6.11 *Undertaking to Pay Costs*. All parties to this Indenture agree, and each Holder of any Note by its acceptance thereof shall be deemed to have agreed, that any court may, in its discretion, require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit and that such court may in its discretion assess reasonable costs, including reasonable attorneys’ fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; *provided* that the provisions of this Section 6.11 (to the extent permitted by law) shall not apply to any suit instituted by or against the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Notes at the time outstanding determined subject to Section 8.04, or to any suit instituted by any Holder for the enforcement of the payment of the

principal of or accrued and unpaid interest on any Note (including, but not limited to, the Repurchase Price, Redemption Price and the Fundamental Change Repurchase Price) on or after the due date expressed or provided for in such Note or to any suit for the enforcement of the right to convert any Note in accordance with the provisions of Article 14.

ARTICLE 7 CONCERNING THE TRUSTEE

Section 7.01 *Duties and Responsibilities of Trustee*. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred that has not been cured or waived, of which a Responsible Officer of the Trustee has received actual written notice pursuant to Section 7.02(j) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs; *provided* that if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security and/or pre-funding satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act or its own willful misconduct as proven in a final decision in a court of competent jurisdiction, except that:

- (a) prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default that may have occurred:
 - (i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and
 - (ii) in the absence of gross negligence and willful misconduct on the part of the Trustee as proven in a final decision in a court of competent jurisdiction, the Trustee may conclusively and without liability rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but, in the case of any such certificates or opinions that by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of any mathematical calculations or other facts stated therein);
- (b) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Trustee, unless it shall be proved in a final decision in a court of competent jurisdiction that the Trustee was grossly negligent in ascertaining the pertinent facts;
- (c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority of the aggregate principal amount of the Notes at the time outstanding determined as provided in Section 8.04 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture;
- (d) whether or not therein provided, every provision of this Indenture relating to the conduct or affecting the liability of, or affording protection to, the Trustee shall be subject to the provisions of this Section and Section 7.02;

- (e) the Trustee shall not be liable in respect of any payment (as to the correctness of amount, entitlement to receive or any other matters relating to payment) or notice effected by the Company or any Paying Agent or any records maintained by any co-Note Registrar with respect to the Notes;
- (f) if any party fails to deliver a notice relating to an event the fact of which, pursuant to this Indenture, requires notice to be sent to the Trustee, the Trustee may conclusively and without liability rely on its failure to receive such notice as reason to act as if no such event occurred;
- (g) in the event that the Trustee is also acting as Note Registrar, Paying Agent or Conversion Agent, the rights, privileges, immunities and protections, including without limitation, its right to be indemnified, afforded to the Trustee pursuant to this Article 7 shall also be afforded to such Note Registrar, Paying Agent or Conversion Agent;
- (h) the Trustee shall have no duty to inquire, no duty to determine and no duty to monitor as to the performance of the Company's covenants in this Indenture or the financial performance of the Company; the Trustee shall be entitled to assume, until it has received written notice in accordance with this Indenture, that the Company is properly performing its duties hereunder;
- (i) the Trustee shall be under no obligation to enforce any of the provisions of this Indenture unless it is instructed by Holders of at least 25% of the aggregate principal amount of outstanding Notes determined as provided in Section 8.04 and is provided with security and/or indemnity and/or pre-funding satisfactory to it; and
- (j) the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security and/or pre-funding satisfactory to it against any costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

Section 7.02 *Reliance on Documents, Opinions, Etc.* Except as otherwise provided in Section 7.01:

- (a) the Trustee may conclusively and without liability rely and shall be fully protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, Note, coupon or other paper or document (whether in its original or facsimile form) believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties;
- (b) any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any Board Resolution may be evidenced to the Trustee by a copy thereof certified by the Secretary of the Company;
- (c) the Trustee may consult with counsel and require an Opinion of Counsel and any advice of such counsel or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in reliance upon such advice or Opinion of Counsel;
- (d) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises

of the Company, personally or by agent or attorney at the expense of the Company and shall incur no liability of any kind by reason of such inquiry or investigation;

(e) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, delegates, custodians, nominees or attorneys and the Trustee shall not be responsible for the supervision, or for any misconduct or negligence on the part of any agent, delegate, representative, custodian, nominee or attorney appointed by it with due care hereunder;

(f) the permissive rights of the Trustee enumerated herein shall not be construed as duties;

(g) under no circumstances and notwithstanding any contrary provision included herein, neither the Trustee, the Paying Agent, the Conversion Agent nor the Note Registrar shall be responsible or liable for special, indirect, punitive, or consequential damages or loss of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether any of them have been advised of the likelihood of such loss or damage and regardless of the form of action; this provision shall remain in full force and effect notwithstanding the discharge of the Notes, the termination of this Indenture or the resignation, replacement or removal of the Trustee, the Paying Agent, the Conversion Agent and the Note Registrar;

(h) the Trustee, the Paying Agent, the Conversion Agent and the Note Registrar may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction or, to the extent applicable, of New York; furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any Person in that jurisdiction or New York or if, in its opinion based on such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or in New York or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power;

(i) the Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder;

(j) the Trustee shall not be deemed to have knowledge of an Event of Default except (i) any Event of Default described in Section 6.01(a), Section 6.01(b) or Section 6.01(c) or (ii) any Event of Default of which a Responsible Officer of the Trustee shall have received at the Corporate Trust Office written notification thereof from the Company or a Holder, and such notice references the Notes of this Indenture;

(k) the Trustee may request that the Company deliver Officers' Certificates setting forth the names of individuals and their titles and specimen signatures of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificates may be signed by any Person authorized to sign an Officers' Certificate, as the case may be, including any Person specified as so authorized in any such certificate previously delivered and not superseded;

(l) the Trustee shall not be responsible or liable for any action it takes or omits to take in good faith which it reasonably believes to be authorized or within its rights or powers;

(m) the Trustee shall not be responsible or liable for any action taken or omitted by it in good faith at the direction, in accordance with Section 6.09, of the Holders of not less than a majority in aggregate principal amount of the Notes at the time outstanding determined in accordance with Section 8.04 as to the time, method and place of conducting any proceeding for any remedy available to the Trustee or the exercising of any power conferred by this Indenture;

(n) the Trustee shall not be responsible for any inaccuracy in the information obtained from the Company or for any inaccuracy or omission in the records which may result from such information or any failure by the Trustee to perform its duties as set forth herein as a result of any inaccuracy or incompleteness; and

- (o) neither the Trustee nor any agent thereof shall have any responsibility or liability for any actions taken or not taken by the Depositary.

Section 7.03 *No Responsibility for Recitals, Etc.* The recitals, statements, warranties and representations contained herein and in the Notes (except in the Trustee's certificate of authentication) shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the accuracy or correctness of the same or for any failure by the Company or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information, or the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this Indenture or of the Notes. The Trustee shall not be accountable for the use or application by the Company of any Notes or the proceeds of any Notes authenticated and delivered by the Trustee in conformity with the provisions of this Indenture. Notwithstanding the generality of the foregoing, each Holder shall be solely responsible for making its own independent appraisal of, and investigation into, the financial condition, creditworthiness, condition, affairs, status and nature of the Company, and the Trustee shall not at any time have any responsibility for the same and each Holder shall not rely on the Trustee in respect thereof.

Section 7.04 *Trustee, Paying Agents, Conversion Agents or Note Registrar May Own Notes.* The Trustee, any Paying Agent, any Conversion Agent or Note Registrar, in its individual or any other capacity, may engage in business and contractual relationships with the Company or its Affiliates and may become the owner or pledgee of Notes with the same rights it would have if it were not the Trustee, Paying Agent, Conversion Agent or Note Registrar, and nothing herein shall obligate any of them to account for any profits earned from any business or transactional relationship.

Section 7.05 *Monies to Be Held in Trust.* All monies received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust or by the Paying Agent hereunder need not be segregated from other funds except to the extent required by law. Neither the Trustee nor the Paying Agent shall be under any liability for interest on any money received by it hereunder.

Section 7.06 *Compensation and Expenses of Trustee.* The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, compensation for all services rendered by it hereunder in any capacity (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) as mutually agreed to in writing between the Trustee and the Company (which sum shall be paid free and clear of deduction and withholding on account of taxation, set off and counterclaim), and the Company will pay or reimburse the Trustee upon its request for all expenses, disbursements and advances properly incurred or made by the Trustee in accordance with any of the provisions of this Indenture in any capacity thereunder (including the properly incurred compensation and the expenses and disbursements of its agents and counsel and of all Persons not regularly in its employ) except any such expense, disbursement or advance as shall have been caused by its gross negligence or willful misconduct as proven in a final decision in a court of competent jurisdiction. The Company also covenants to indemnify the Trustee (which for the purposes of this Section 7.06 shall be deemed to include its officers, directors, agents and employees) in any capacity under this Indenture (including without limitation as Note Registrar, Conversion Agent and Paying Agent) and any other document or transaction entered into in connection herewith, and to hold it harmless against, any loss, claim, damage, liability or expense (whether arising from third party claims or claims by or against the Company) incurred without gross negligence or willful misconduct on the part of the Trustee, its officers, directors, agents or employees, as the case may be as proven in a final decision in a court of competent jurisdiction, and arising out of or in connection with the acceptance or administration of this Indenture or in any other capacity hereunder, including the costs and expenses of defending themselves against any claim of liability in the premises or enforcing this indemnity. The obligations of the Company under this Section 7.06 to compensate or indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall be secured by a senior claim to which the Notes are hereby made subordinate on all money or property held or collected by the Trustee, except, subject to the effect of Section 6.05, funds held in trust herewith for the benefit of the Holders of particular Notes. The Trustee's right to receive payment of any amounts due under this Section 7.06 shall not be subordinate to any other liability or indebtedness of the Company. The indemnity under this Section 7.06 is payable upon demand by the Trustee. The obligation of the Company under this Section 7.06 shall survive the satisfaction and discharge of the Notes, the termination of this Indenture and the resignation or removal of the Trustee. The indemnification provided in this Section 7.06 shall extend to the officers, directors,

agents and employees of the Trustee. Subject to Section 7.02(e), any negligence or misconduct of any agent, delegate, attorney or representative, in each case, of the Trustee, shall not affect indemnification of the Trustee.

Without prejudice to any other rights available to the Trustee under applicable law, when the Trustee and its agents incur expenses or render services after an Event of Default specified in Section 6.01(i) or Section 6.01(j) occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any bankruptcy, insolvency or similar laws.

Section 7.07 *Officers' Certificate as Evidence.* Except as otherwise provided in Section 7.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such Officers' Certificate shall be full warrant to the Trustee for any action taken or omitted by it under the provisions of this Indenture upon the faith thereof.

Section 7.08 *Eligibility of Trustee.* There shall at all times be a Trustee hereunder which shall be a Person that is eligible pursuant to the Trust Indenture Act (as if the Trust Indenture Act were applicable hereto) to act as such and has a combined capital and surplus of at least US\$50,000,000. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 7.09 *Resignation or Removal of Trustee.* (a) The Trustee may at any time resign by giving 60 days written notice of such resignation to the Company and by sending notice thereof to the Holders at their addresses as they shall appear on the Note Register. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within 60 days after the sending of such notice of resignation to the Holders, the resigning Trustee may appoint a successor trustee on behalf of and at the expense of the Company or it may, upon ten Business Days' notice to the Company and the Holders, at the expense of the Company petition any court of competent jurisdiction for the appointment of a successor trustee, or any Holder who has been a bona fide holder of a Note or Notes for at least six months may, subject to the provisions of Section 6.11, on behalf of himself or herself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(i) the Trustee shall cease to be eligible in accordance with the provisions of Section 7.08 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(ii) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in either case, the Company may by a Board Resolution remove the Trustee and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 6.11, any Holder who has been a bona fide holder of a Note or Notes for at least six months may, on behalf of himself or herself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The Holders of a majority in aggregate principal amount of the Notes at the time outstanding, as determined in accordance with Section 8.04, may at any time remove the Trustee and nominate a successor trustee that shall be deemed appointed as successor trustee unless within ten days after notice to the Company of such nomination the Company objects thereto, in which case the Trustee so removed or any Holder, upon the terms and conditions and otherwise as in Section 7.09(a) provided, may petition any court of competent jurisdiction for an appointment of a successor trustee.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section 7.09 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 7.10.

Section 7.10 *Acceptance by Successor Trustee.* Any successor trustee appointed as provided in Section 7.09 shall execute, acknowledge and deliver to the Company and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, on the written request of the Company or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due to it pursuant to the provisions of Section 7.06, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a senior claim to which the Notes are hereby made subordinate on all money or property held or collected by such trustee as such, except for funds held in trust for the benefit of Holders of particular Notes, to secure any amounts then due to it pursuant to the provisions of Section 7.06.

No successor trustee shall accept appointment as provided in this Section 7.10 unless at the time of such acceptance such successor trustee shall be eligible under the provisions of Section 7.08.

Upon acceptance of appointment by a successor trustee as provided in this Section 7.10, each of the Company and the successor trustee, at the written direction and at the expense of the Company shall send or cause to be sent notice of the succession of such trustee hereunder to the Holders at their addresses as they shall appear on the Note Register. If the Company fails to send such notice within ten days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be sent at the expense of the Company.

Section 7.11 *Succession by Merger, Etc.* Any corporation or other entity into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation or other entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation or other entity succeeding to all or substantially all of the corporate trust business of the Trustee (including the administration of this Indenture), shall be the successor to the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto; *provided* that in the case of any corporation or other entity succeeding to all or substantially all of the corporate trust business of the Trustee such corporation or other entity shall be eligible under the provisions of Section 7.08.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor trustee hereunder or in the name of the successor trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have; *provided, however*, that the right to adopt the certificate of authentication of any predecessor trustee or to authenticate Notes in the name of any predecessor trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 7.12 *Trustee's Application for Instructions from the Company.* Any application by the Trustee for written instructions from the Company (other than with regard to any action proposed to be taken or omitted to be taken by the Trustee that affects the rights of the Holders of the Notes under this Indenture) may, at the option of

the Trustee, set forth in writing any action proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than three Business Days after the date any Officer that the Company has indicated to the Trustee should receive such application actually receives such application, unless any such Officer shall have consented in writing to any earlier date), unless, prior to taking any such action (or the effective date in the case of any omission), the Trustee shall have received written instructions in accordance with this Indenture in response to such application specifying the action to be taken or omitted.

ARTICLE 8 CONCERNING THE HOLDERS

Section 8.01 *Action by Holders.* Whenever in this Indenture it is provided that the Holders of a specified percentage of the aggregate principal amount of the Notes may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action, the Holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Holders in person or by agent or proxy appointed in writing, or (b) by the record of the Holders voting in favor thereof at any meeting of Holders duly called and held in accordance with the provisions of Article 9, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Holders. Whenever the Company or the Trustee solicits the taking of any action by the Holders of the Notes, the Company or the Trustee may fix, but shall not be required to, in advance of such solicitation, a date as the record date for determining Holders entitled to take such action. The record date if one is selected shall be not more than fifteen days prior to the date of commencement of solicitation of such action.

Section 8.02 *Proof of Execution by Holders.* Subject to the provisions of Section 7.01, Section 7.02 and Section 9.05, proof of the execution of any instrument by a Holder or its agent or proxy shall be sufficient if made in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee. The holding of Notes shall be proved by the Note Register or by a certificate of the Note Registrar. The record of any Holders' meeting shall be proved in the manner provided in Section 9.06.

Section 8.03 *Who Are Deemed Absolute Owners.* The Company, the Trustee, any Paying Agent, any Conversion Agent and any Note Registrar may deem the Person in whose name a Note shall be registered upon the Note Register to be, and may treat it as, the absolute owner of such Note (whether or not such Note shall be overdue and notwithstanding any notation of ownership or other writing thereon made by any Person other than the Company or any Note Registrar) for the purpose of receiving payment of or on account of the principal of and (subject to Section 2.03) accrued and unpaid interest on such Note, for the purpose of conversion of such Note and for all other purposes; and neither the Company nor the Trustee nor any Paying Agent nor any Conversion Agent nor any Note Registrar shall be affected by any notice to the contrary. The sole registered holder of a Global Note shall be the Depositary or its nominee. All such payments or deliveries so made to any Holder for the time being, or upon its order, shall be valid, and, to the extent of the sums or ADSs so paid or delivered, effectual to satisfy and discharge the liability for monies payable or ADSs deliverable upon any such Note. Notwithstanding anything to the contrary in this Indenture or the Notes following an Event of Default, any Holder of a beneficial interest in a Global Note may directly enforce against the Company, without the consent, solicitation, proxy, authorization or any other action of the Depositary or any other Person, such Holder's right to exchange such beneficial interest for a Note in certificated form in accordance with the provisions of this Indenture.

Section 8.04 *Company-Owned Notes Disregarded.* In determining whether the Holders of the requisite aggregate principal amount of Notes have concurred in any direction, consent, waiver or other action under this Indenture, Notes that are owned by the Company, by any Subsidiary or by any Affiliate of the Company or any Subsidiary shall be disregarded and deemed not to be outstanding for the purpose of any such determination; *provided* that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent, waiver or other action only Notes in respect of which a Responsible Officer is notified in writing shall be so disregarded. Notwithstanding the foregoing, Notes so owned that have been pledged in good faith may be regarded as outstanding for the purposes of this Section 8.04 if the pledgee shall establish its right to so act with

respect to such Notes and that the pledgee is not the Company, a Subsidiary or an Affiliate of the Company or a Subsidiary. Within five days of acquisition of the Notes by any of the above described Persons or at the request of the Trustee, the Company shall furnish to the Trustee promptly an Officers' Certificate listing and identifying all Notes, if any, known by the Company to be owned or held by or for the account of any of the above described Persons; and, subject to Section 7.01, the Trustee shall be entitled to accept such Officers' Certificate as conclusive evidence of the facts therein set forth and of the fact that all Notes not listed therein are outstanding for the purpose of any such determination.

Section 8.05 *Revocation of Consents; Future Holders Bound.* At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the Holders of the percentage of the aggregate principal amount of the Notes specified in this Indenture in connection with such action, any Holder of a Note that is shown by the evidence to be included in the Notes the Holders of which have consented to such action may, by filing written notice with the Trustee at its Corporate Trust Office and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Note. Except as aforesaid, any such action taken by the Holder of any Note shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Note and of any Notes issued in exchange or substitution therefor or upon registration of transfer thereof, irrespective of whether any notation in regard thereto is made upon such Note or any Note issued in exchange or substitution therefor or upon registration of transfer thereof.

ARTICLE 9 HOLDERS' MEETINGS

Section 9.01 *Purpose of Meetings.* A meeting of Holders may be called at any time and from time to time pursuant to the provisions of this Article 9 for any of the following purposes:

- (a) to give any notice to the Company or to the Trustee or to give any directions to the Trustee permitted under this Indenture, or to consent to the waiving of any Default or Event of Default hereunder (in each case, as permitted under this Indenture) and its consequences, or to take any other action authorized to be taken by Holders pursuant to any of the provisions of Article 6;
- (b) to remove the Trustee and nominate a successor trustee pursuant to the provisions of Article 7;
- (c) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 10.02; or
- (d) to take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the Notes under any other provision of this Indenture or under applicable law.

Section 9.02 *Call of Meetings by Trustee.* The Trustee may (in its sole discretion and without obligation) at any time call a meeting of Holders to take any action specified in Section 9.01, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Holders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting and the establishment of any record date pursuant to Section 8.01, shall be sent to Holders of such Notes at their addresses as they shall appear on the Note Register. Such notice shall also be sent to the Company. Such notices shall be sent not less than 20 nor more than 90 days prior to the date fixed for the meeting.

Any meeting of Holders shall be valid without notice if the Holders of all Notes then outstanding are present in person or by proxy or if notice is waived before or after the meeting by the Holders of all Notes then outstanding, and if the Company and the Trustee are either present by duly authorized representatives or have, before or after the meeting, waived notice.

Section 9.03 *Call of Meetings by Company or Holders.* In case at any time the Company, pursuant to a Board Resolution, or the Holders of at least 10% of the aggregate principal amount of the Notes then outstanding,

shall have requested the Trustee to call a meeting of Holders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have sent the notice of such meeting within 20 days after receipt of such request, then the Company or such Holders may determine the time and the place for such meeting and may call such meeting to take any action authorized in Section 9.01, by sending notice thereof as provided in Section 9.02.

Section 9.04 *Qualifications for Voting.* To be entitled to vote at any meeting of Holders a Person shall (a) be a Holder of one or more Notes on the record date pertaining to such meeting or (b) be a Person appointed by an instrument in writing as proxy by a Holder of one or more Notes on the record date pertaining to such meeting. The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

Section 9.05 *Regulations.* Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders, in regard to proof of the holding of Notes and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Holders as provided in Section 9.03, in which case the Company or the Holders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Holders of a majority in principal amount of the Notes represented at the meeting and entitled to vote at the meeting.

Subject to the provisions of Section 8.04, at any meeting of Holders each Holder or proxy-holder shall be entitled to one vote for each US\$1,000 principal amount of Notes held or represented by him or her; provided, however, that no vote shall be cast or counted at any meeting in respect of any Note challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Notes held by it or instruments in writing as aforesaid duly designating it as the proxy to vote on behalf of other Holders. Any meeting of Holders duly called pursuant to the provisions of Section 9.02 or Section 9.03 may be adjourned from time to time by the Holders of a majority of the aggregate principal amount of Notes represented at the meeting, whether or not constituting a quorum, and the meeting may be held as so adjourned without further notice.

Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting of Holders of the Notes, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

Section 9.06 *Voting.* The vote upon any resolution submitted to any meeting of Holders shall be by written ballot on which shall be subscribed the signatures of the Holders or of their representatives by proxy and the outstanding aggregate principal amount of the Notes held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more Persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was sent as provided in Section 9.02. The record shall show the aggregate principal amount of the Notes voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 9.07 *No Delay of Rights by Meeting*. Nothing contained in this Article 9 shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Holders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Holders under any of the provisions of this Indenture or of the Notes.

ARTICLE 10
SUPPLEMENTAL INDENTURES

Section 10.01 *Supplemental Indentures Without Consent of Holders*. The Company, when authorized by the resolutions of the Board of Directors, and the Trustee, at the Company's expense and direction, may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

- (a) to provide for the assumption by a Successor Company of the obligations of the Company under this Indenture and the Notes pursuant to Article 11;
- (b) to add to the covenants or Events of Defaults of the Company for the benefit of the Holders or surrender any right or power conferred upon the Company;
- (c) to add guarantees with respect to the Notes or otherwise secure the Notes;
- (d) to evidence and provide for the acceptance of the appointment of a successor trustee and the assumption by a successor trustee of the obligations of the Trustee under this Indenture pursuant to Article 7;
- (e) to cure any ambiguity, omission, inconsistency or correct or supplement any defective provision contained in this Indenture or the Notes
- (f) to make any other changes to the Indenture or the Notes in a manner that does not adversely affect the interests of the Holders in any material respect;
- (g) to enter into supplemental indentures pursuant to, and in accordance with, the provisions described under Section 14.07;
- (h) upon the occurrence of any transaction or event described in Section 14.07(a), to
 - (i) provide that the Notes are convertible into Reference Property, subject to Section 14.07, and
 - (ii) effect the related changes to the terms of the Notes described under Section 14.07(a), in each case, in accordance with Section 14.07;
- (i) to irrevocably elect or eliminate any Settlement Method or Specified Dollar Amount; *provided, however*, that no such election or elimination will affect any Settlement Method theretofore elected (or deemed to be elected) with respect to any Note pursuant to Section 14.02;
- (j) to make changes in connection with a listing on a Permitted Exchange, as contemplated under Section 10.04;
- (k) to provide for or confirm the issuance of additional Notes pursuant to this Indenture;
- (l) to increase the Conversion Rate of the Notes;
- (m) to comply with the rules of any applicable securities depository, including the DTC; or

(n) to conform the provisions of this Indenture or the Notes to the “Description of the Notes” section of the Offering Memorandum, as supplemented by the related pricing term sheet.

Upon the written request of the Company, the Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to, but may in its discretion, enter into any supplemental indenture that affects the Trustee’s own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section 10.01 may be executed by the Company and the Trustee without the consent of the Holders of any of the Notes at the time outstanding, notwithstanding any of the provisions of Section 10.02.

Section 10.02 *Supplemental Indentures with Consent of Holders.* With the consent (evidenced as provided in Article 8) of the Holders of at least a majority of the aggregate principal amount of the Notes then outstanding (determined in accordance with Article 8 and including, without limitation, consents obtained in connection with a repurchase of, or tender or exchange offer for, Notes), the Company, when authorized by the resolutions of the Board of Directors, and the Trustee, at the Company’s expense, may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or any supplemental indenture or of modifying in any manner the rights of the Holders; *provided, however*, that, without the consent of each Holder of an outstanding Note affected, no such supplemental indenture shall:

- (a) alter the manner of calculation or rate of accrual of interest on any Note or change the time of payment of any installment of interest on any Note;
- (b) make any Note payable in a currency or securities other than that stated in the Notes;
- (c) change the Maturity Date of any Note;
- (d) reduce the principal amount with respect to any of the Notes or reduce the Redemption Price, the Repurchase Price or the Fundamental Change Repurchase Price of any Note;
- (e) make any change that adversely affects the rights of Holders to require the Company to purchase the Notes on the Repurchase Date or upon a Fundamental Change or that adversely affects the rights of holders in connection with a Tax Redemption, Cleanup Redemption or Optional Redemption;
- (f) impair the right of any Holder to institute suit for the enforcement of any payment on or with respect to any Note or with respect to the conversion of any Note; or
- (g) make any change that adversely affects the conversion rights of any Notes, including by modifying any of the notice provisions;
- (h) change the percentage in aggregate principal amount of then outstanding Notes whose Holders must consent to a modification or amendment or to waive any past Default or Event of Default;
- (i) change the ranking of the Notes;
- (j) change the Company’s obligation to pay Additional Amounts on any Note; or
- (k) make any change in this Article 10 that requires each Holder’s consent or in the waiver provisions in Section 6.02 or Section 6.09 or change the percentage in aggregate principal amount of outstanding Notes necessary to amend this Indenture under this Article 10 or in the waiver provisions in Section 6.02 or Section 6.09.

Upon the written request of the Company, and upon the filing with the Trustee of evidence of the consent of Holders as aforesaid and subject to Section 10.06, the Trustee shall join with the Company in the execution of such supplemental indenture unless (i) the Trustee has not received an Officers' Certificate and Opinion of Counsel as contemplated by Section 10.06 or (ii) such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

Holders do not need under this Section 10.02 to approve the particular form of any proposed supplemental indenture. It shall be sufficient if such Holders approve the substance thereof. After any supplemental indenture becomes effective under Section 10.01 or Section 10.02, the Company shall send or cause to be sent to the Holders a notice briefly describing such supplemental indenture. However, the failure to give such notice to all the Holders, or any defect in the notice, will not impair or affect the validity of the supplemental indenture.

Section 10.03 *Effect of Supplemental Indentures.* (a) Upon the execution of any supplemental indenture pursuant to the provisions of this Article 10, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitation of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the Holders shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.04 *Supplemental Indenture in respect of an ADS Delisting.* If an ADS Delisting has occurred and the ordinary shares, (or, as applicable, other Common Equity underlying the Notes or the Reference Property referred to herein) remain listed or have been accepted for listing on a Permitted Exchange (such ordinary shares, other Common Equity or the Reference Property, the "**Listed Equity**"), from and after the later to occur of (x) the date of such acceptance for listing on a Permitted Exchange, if applicable, or (y) the Effective Date of such ADS Delisting (the "**Reference Date**"), Section 14.07 of this Indenture will be deemed to apply mutatis mutandis as if the Reference Property for the Notes were the Listed Equity. No later than five Business Days after the Reference Date, the Company shall execute with the Trustee a supplemental indenture containing such provisions that the Board of Directors determines in good faith are appropriate to preserve the economic interests of the Holders and are necessary to reflect the replacement of the ADSs (or ordinary shares or other Common Equity or ADSs in respect of Reference Property then underlying the Notes) with the Listed Equity. The Company shall notify the Holders and the Conversion Agent (if other than the Trustee) in writing promptly following the date the Company and the Trustee execute such supplemental indenture and the Company shall substantially concurrently with such notice either post such supplemental indenture on the Company's website or disclose the same in a current report on Form 6-K (or any successor form) that is filed with the Commission. If, as of the Reference Date, the Listed Equity is listed or accepted for listing on more than one Permitted Exchange, which includes the Hong Kong Stock Exchange, the relevant exchange on which the Listed Equity is listed for purpose of such supplemental indenture (the "**Relevant Exchange**") will be the Hong Kong Stock Exchange; otherwise the Relevant Exchange will be the Specified Exchange that is the primary stock exchange for the Listed Equity with the highest trading volume of the Listed Equity as of the Reference Date.

Section 10.05 *Notation on Notes.* Notes authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article 10 may, at the Company's expense, bear a notation as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Notes so modified as to conform, in the opinion of the Board of Directors, to any modification of this Indenture contained in any such supplemental indenture may, at the Company's expense, be prepared and executed by the Company, authenticated by the Trustee upon receipt of a Company Order and delivered in exchange for the Notes then outstanding, upon surrender of such Notes then outstanding.

Section 10.06 *Evidence of Compliance of Supplemental Indenture to Be Furnished Trustee.* In addition to the documents required by Section 19.06, the Trustee shall receive an Officers' Certificate and an Opinion of Counsel each stating and as conclusive evidence that any supplemental indenture executed pursuant hereto complies with the requirements of this Article 10 and is permitted or authorized by this Indenture and is not contrary to law and, with respect to such Opinion of Counsel, that such supplemental indenture is the legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, subject to customary exceptions.

ARTICLE 11
CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE

Section 11.01 *Company May Consolidate, Etc. on Certain Terms.* Subject to the provisions of Section 11.02, the Company shall not consolidate with, merge with or into, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets to another Person other than to one or more of the wholly-owned Subsidiaries of the Company (a “**Business Combination Event**”), unless:

- (a) the resulting, surviving or transferee Person or the Person which acquires by conveyance, transfer, lease or other disposition all or substantially all of the Company’s properties and assets (the “**Successor Company**”), if not the Company, shall (i) be a corporation or its foreign equivalent treated for U.S. federal income tax purposes as a corporation (or, if such Business Combination Event constitutes a Share Exchange Event whose Reference Property consists entirely of cash in U.S. dollars, is a corporation, limited liability company, partnership, trust or other business entity) organized and existing under the laws of the United States of America, any State thereof, the District of Columbia, the Cayman Islands, the British Virgin Islands, Bermuda or Hong Kong, and (ii) the Successor Company (if not the Company) shall expressly assume, by a supplemental indenture all of the obligations of the Company under the Notes and this Indenture (including, for the avoidance of doubt, the obligation to pay Additional Amounts pursuant to Section 4.07); and
- (b) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing under this Indenture;

For purposes of this Section 11.01, the sale, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company to another Person, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the sale, conveyance, transfer or lease of all or substantially all of the properties and assets of the Company to another Person.

Section 11.02 *Successor Corporation to Be Substituted.* In case of any such consolidation, merger, sale, conveyance, transfer, lease or disposition and upon the assumption by the Successor Company, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of and accrued and unpaid interest on all of the Notes (including, for the avoidance of doubt, any Additional Amounts), the due and punctual delivery or payment, as the case may be, of any consideration due upon conversion of the Notes (including, for the avoidance of doubt, any Additional Amounts) and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Company, such Successor Company (if not the Company) shall succeed to and, except in the case of a lease of all or substantially all of the Company’s properties and assets, shall be substituted for the Company, with the same effect as if it had been named herein as the party of the first part. Such Successor Company thereupon may cause to be signed, and may issue either in its own name or in the name of the Company any or all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such Successor Company instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver, or cause to be authenticated and delivered, any Notes that previously shall have been signed and delivered by the Officers of the Company to the Trustee for authentication, and any Notes that such Successor Company thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Notes so issued shall in all respects have the same legal rank and benefit under this Indenture as the Notes theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Notes had been issued at the date of the execution hereof. In the event of any such consolidation, merger, sale, conveyance, transfer or disposition (but not in the case of a lease), upon compliance with this Article 11 the Person named as the “Company” in the first paragraph of this Indenture (or any successor that shall thereafter have become such in the manner prescribed in this Article 11) may be dissolved, wound up and liquidated at any time thereafter and, except in the case of a lease, such Person shall be released from its liabilities as obligor and maker of the Notes and from its obligations under this Indenture and the Notes.

In case of any such consolidation, merger, sale, conveyance, transfer, lease or disposition, such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to be issued as may be appropriate.

Section 11.03 *Opinion of Counsel to Be Given to Trustee.* If the Company is not the Successor Company, no consolidation, merger, sale, conveyance, transfer, lease or other disposition shall be effective unless the Company shall deliver to the Trustee an Officers' Certificate and an Opinion of Counsel each stating and as conclusive evidence that any such consolidation, merger, sale, conveyance, transfer, lease or disposition and any such assumption and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture, complies with the provisions of this Article 11, that all conditions precedent thereto have been satisfied and that the Notes and such supplemental indenture are the legal, valid and binding obligation of the Successor Company, enforceable against it in accordance with its terms, subject to customary exceptions.

ARTICLE 12
IMMUNITY OF INCORPORATORS, SHAREHOLDERS, OFFICERS AND DIRECTORS

Section 12.01 *Indenture and Notes Solely Corporate Obligations.* No recourse for the payment of the principal of or accrued and unpaid interest on any Note, nor for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company in this Indenture or in any supplemental indenture or in any Note, nor because of the creation of any indebtedness represented thereby, shall be had against any incorporator, shareholder, stockholder, employee, agent, Officer or director or Subsidiary, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Notes.

ARTICLE 13
[RESERVED]

ARTICLE 14
CONVERSION OF NOTES

Section 14.01 *Conversion Privilege.*

(a) Subject to and upon compliance with the provisions of this Article 14, each Holder of a Note shall have the right, at such Holder's option, to convert all or any portion (if the portion to be converted is US\$1,000 principal amount or an integral multiple thereof) of such Note (i) subject to satisfaction of the conditions described in Section 14.01(b), at any time prior to the close of business on the Business Day immediately preceding December 1, 2031 under the circumstances and during the periods set forth in Section 14.01(b), and (ii) regardless of the conditions described in Section 14.01(b), on or after December 1, 2031 and prior to the close of business on the second Scheduled Trading Day immediately preceding the Maturity Date, in each case, at an initial conversion rate of 30.2343 ADSs (subject to adjustment as provided in this Article 14, the "**Conversion Rate**") per US\$1,000 principal amount of Notes (subject to, and in accordance with, the settlement provisions of Section 14.02, the "**Conversion Obligation**"). For the avoidance of doubt, "Conversion Rate" as of a particular date without setting forth a particular time on such date shall mean the Conversion Rate immediately after the close of business on such date.

(b) (i) Prior to the close of business on the Business Day immediately preceding December 1, 2031, a Holder may surrender all or any portion of its Notes for conversion at any time during the five Business Day period immediately after any ten consecutive Trading Day period (the "**Measurement Period**") in which the Trading Price per US\$1,000 principal amount of Notes, as determined following a request by a Holder of Notes in accordance with this subsection (b)(i), for each Trading Day of the Measurement Period was less than 98% of the product of the Last Reported Sale Price of the ADSs on each such Trading Day and the Conversion Rate on each such Trading Day. The Trading Prices shall be determined by the Bid Solicitation Agent pursuant to this subsection (b)(i) and the definition of Trading Price set forth in this Indenture. The Company shall provide written notice to the Bid Solicitation Agent (if other than the Company) of the three independent nationally recognized securities dealers selected by the Company pursuant to the definition of Trading Price, along with appropriate contact information for each.

The Bid Solicitation Agent (if other than the Company) shall have no obligation to determine the Trading Price per US\$1,000 principal amount of Notes unless the Company has requested such determination in writing, and the Company shall have no obligation to make such request (or, if the Company is acting as Bid Solicitation Agent, the Company shall have no obligation to determine the Trading Price per US\$1,000 principal amount of Notes) unless a Holder or Holders of at least US\$2,000,000 aggregate principal amount of Notes provides the Company with reasonable evidence that the Trading Price per US\$1,000 principal amount of Notes on any Trading Day would be less than 98% of the product of the Last Reported Sale Price of the ADSs on such Trading Day and the Conversion Rate on such Trading Day, at which time the Company shall instruct the Bid Solicitation Agent (if other than the Company) in writing to determine, or if the Company is acting as Bid Solicitation Agent, the Company shall determine, the Trading Price per US\$1,000 principal amount of Notes beginning on the next Trading Day and on each successive Trading Day until the Trading Price per US\$1,000 principal amount of Notes is greater than or equal to 98% of the product of the Last Reported Sale Price of the ADSs and the Conversion Rate. At such time as the Company directs the Bid Solicitation Agent in writing to solicit bid quotations, the Company will provide the Bid Solicitation Agent with the names and contact details of the three independent nationally recognized securities dealers the Company selects, and the Company will direct those securities dealers to provide bids to the Bid Solicitation Agent. If (x) the Company is not acting as Bid Solicitation Agent, and the Company does not, when the Company is required to, instruct the Bid Solicitation Agent to determine the Trading Price per US\$1,000 principal amount of Notes when obligated as provided in the preceding sentence, or if the Company instructs the Bid Solicitation Agent in writing to obtain bids and the Bid Solicitation Agent fails to make such determination, or (y) the Company is acting as Bid Solicitation Agent and the Company fails to make such determination when obligated as provided in the preceding sentence, then, in either case, the Trading Price per US\$1,000 principal amount of Notes shall be deemed to be less than 98% of the product of the Last Reported Sale Price of the ADSs and the Conversion Rate on each Trading Day of such failure. If the Trading Price condition set forth above has been met, the Company shall so notify the Holders, the Trustee and the Conversion Agent (if other than the Trustee) in writing. Any such determination will be conclusive absent manifest error. If, at any time after the Trading Price condition set forth above has been met, the Trading Price per US\$1,000 principal amount of Notes is greater than or equal to 98% of the product of the Last Reported Sale Price of the ADSs and the Conversion Rate for such date, the Company shall so notify in writing the Holders, the Trustee and the Conversion Agent (if other than the Trustee).

(ii) If, prior to the close of business on the Business Day immediately preceding December 1, 2031, the Company elects to:

(A) issue to all or substantially all holders of the ordinary shares (directly or in the form of ADSs) any rights, options or warrants (other than rights issued pursuant to a stockholder rights plan, so long as such rights have not separated from the ordinary shares and are not exercisable until the occurrence of a triggering event, except that such rights will be deemed to be distributed under this clause (A) upon their separation from the ordinary shares or upon the occurrence of such triggering event) entitling them, for a period of not more than 45 calendar days after the announcement date of such issuance, to subscribe for or purchase ordinary shares (directly or in the form of ADSs) at a price per share that is less than the average of the Last Reported Sale Prices of the ADSs, *divided by* the number of ordinary shares then represented by one ADS, for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance; or

(B) distribute to all or substantially all holders of the ordinary shares (directly or in the form of ADSs) the Company's assets, securities or rights to purchase securities of the Company, which distribution has a per share value, as determined by the Board of Directors, exceeding 10% of (i) the Last Reported Sale Price of the ADSs on the Trading Day preceding the date of announcement for such distribution, *divided by* (ii) the number of ordinary shares then represented by one ADS,

then, in either case, the Company shall notify all Holders of the Notes, the Trustee and the Conversion Agent (if other than the Trustee) in writing at least 50 Scheduled Trading Days prior to the Ex-Dividend Date for such issuance or distribution (or, if later in the case of any such separation of rights issued pursuant to a stockholder rights plan or the occurrence of any such triggering event under a stockholder rights plan, as soon as reasonably practicable after the Company becomes aware that such separation or triggering event has occurred or will occur). Once the Company has given such notice, a Holder may surrender all or any portion of its Notes for conversion at any time until the earlier of (1) the close of business on the Business Day immediately preceding the Ex-Dividend Date for such issuance or distribution and (2) the Company's announcement that such issuance or distribution will not take place, in each case, even if the Notes are not otherwise convertible at such time. A Holder may not exercise this right to convert if it participates, at the same time and upon the same terms as holders of the ADSs and solely as a result of holding the Notes, in such issuance or distribution described in this clause (ii) without having to convert its Notes as if it held a number of ADSs equal to the applicable Conversion Rate in effect on the record date for such issuance or distribution *multiplied* by the principal amount (expressed in thousands) of Notes held by such Holder.

(iii) If (1) a transaction or event that constitutes a Fundamental Change or a Make-Whole Fundamental Change occurs, regardless of whether a Holder has the right to require the Company to repurchase the Notes pursuant to Section 15.02, or (2) if the Company is a party to a consolidation, merger, binding share exchange, or transfer or lease of all or substantially all of its assets pursuant to which the ADSs would be converted into cash, securities or other assets, all or any portion of a Holder's Notes may be surrendered for conversion at any time from the Effective Date of such transaction until 35 Trading Days after the Effective Date of such transaction or, if such transaction also constitutes a Fundamental Change (other than an Exempted Fundamental Change), until the close of business on the second Business Day immediately prior to the related Fundamental Change Repurchase Date. The Company shall notify Holders, the Trustee and the Conversion Agent (if other than the Trustee) of such transaction in writing no later than such Effective Date. If the Company does not provide such notice by the Effective Date of such transaction, then the last day on which the Notes are convertible shall be extended by the number of Business Days from, and including, the Effective Date thereof to, but excluding, the date the Company provides the notice.

(iv) Prior to the close of business on the Business Day immediately preceding December 1, 2031, a Holder may surrender all or any portion of its Notes for conversion at any time during any calendar quarter commencing after the calendar quarter ending on September 30, 2025 (and only during such calendar quarter), if the Last Reported Sale Price of the ADSs for at least 20 Trading Days (whether or not consecutive) during the period of 30 consecutive Trading Days ending on, and including, the last Trading Day of the immediately preceding calendar quarter is greater than or equal to 130% of the Conversion Price on each applicable Trading Day.

(v) If the Company calls any or all of the Notes for redemption pursuant to Article 16, Article 17 or Article 18, then a Holder may surrender any or all of its Notes so called for conversion at any time prior to the close of business on the second Scheduled Trading Day prior to the Redemption Date, even if the Notes are not otherwise convertible at such time. After that time, the right to convert such Notes on account of the Company's delivery of the Redemption Notice shall expire, unless the Company defaults in the payment of the Redemption Price on the Redemption Date, in which case a Holder may convert any or all of its Notes called for redemption until the Redemption Price has been paid or duly provided for.

Section 14.02 *Conversion Procedure; Settlement Upon Conversion.*

(a) Upon conversion of any Note and subject to this Section 14.02, the Company shall pay or deliver, as the case may be, to the converting Holder, in respect of each US\$1,000 principal amount of Notes being converted, cash ("**Cash Settlement**"), ADSs together with cash, if applicable, in lieu of delivering any fractional ADSs (in accordance with subsection (j) of this Section 14.02 ("**Physical**"))

Settlement”)) or a combination of cash and ADSs, together with cash, if applicable, in lieu of delivering any fractional ADS in accordance with subsection (j) of this Section 14.02 (“**Combination Settlement**”), at its election, subject to the Holder’s election to receive ordinary shares in lieu of such ADSs, as set forth in this Section 14.02. Notwithstanding the foregoing, and as further specified in Section 10.04 of this Indenture, if an ADS Delisting has occurred and the Listed Equity remains listed or has been accepted for listing on a Permitted Exchange, from and after the later to occur of the Reference Date, Section 14.07 of this Indenture will be deemed to apply mutatis mutandis as if the Reference Property for the Notes were the Listed Equity.

(i) All conversions for which the relevant Conversion Date occurs after the Company’s issuance of a Redemption Notice with respect to the Notes and prior to the close of business on the second Scheduled Trading Day prior to the related Redemption Date, and all conversions for which the relevant Conversion Date occurs on or after the 55th Scheduled Trading Day before the Maturity Date shall be settled using the same Settlement Method.

(ii) Except for any conversions for which the relevant Conversion Date occurs after the Company’s issuance of a Redemption Notice with respect to the Notes but prior to the close of business on the second Scheduled Trading Day prior to the related Redemption Date, and any conversions for which the relevant Conversion Date occurs on or after the 55th Scheduled Trading Day before the Maturity Date, the Company shall use the same Settlement Method for all conversions with the same Conversion Date, but the Company shall not have any obligation to use the same Settlement Method with respect to conversions with different Conversion Dates.

(iii) If, in respect of any Conversion Date (or, in the case of any conversions for which the relevant Conversion Date occurs (i) after the date of issuance of a Redemption Notice with respect to the Notes and prior to the close of business on the second Scheduled Trading Day prior to the related Redemption Date, in such Redemption Notice or (ii) on or after the 55th Scheduled Trading Day before the Maturity Date, no later than the 55th Scheduled Trading Day before the Maturity Date, as the case may be), the Company elects a Settlement Method, the Company shall deliver a written notice (the “**Settlement Notice**”) of the relevant Settlement Method in respect of such Conversion Date (or such period, as the case may be) to converting Holders, the Trustee and the Conversion Agent (if other than the Trustee) no later than the close of business on the Trading Day immediately following the relevant Conversion Date (or, in the case of any conversions for which the relevant Conversion Date occurs (i) after the date of issuance of a Redemption Notice with respect to the Notes and prior to the close of business on the second Scheduled Trading Day prior to the related Redemption Date, in such Redemption Notice or (ii) on or after the 55th Scheduled Trading Day before the Maturity Date, no later than the 55th Scheduled Trading Day before the Maturity Date) (in each case, the “**Settlement Method Election Deadline**”). If the Company does not elect a Settlement Method prior to the deadline set forth in the immediately preceding sentence, the Company shall no longer have the right to elect Cash Settlement or Combination Settlement and the Company shall be deemed to have elected Physical Settlement in respect of its Conversion Obligation (such settlement method, the “**Default Settlement Method**” initially elected by the Company). Such Settlement Notice shall specify the relevant Settlement Method and in the case of an election of Combination Settlement, the relevant Settlement Notice shall indicate the Specified Dollar Amount per US\$1,000 principal amount of Notes. If the Company delivers a Settlement Notice electing Combination Settlement in respect of its Conversion Obligation but does not indicate a Specified Dollar Amount per US\$1,000 principal amount of Notes in such Settlement Notice, the Specified Dollar Amount per US\$1,000 principal amount of Notes shall be deemed to be US\$1,000.

(iv) The Company may, by written notice to Holders, the Trustee and the Conversion Agent (if other than the Trustee), before the 55th Scheduled Trading Day before the Maturity Date, at the Company’s option, change the Default Settlement Method or elect to irrevocably fix the Settlement Method to any Settlement Method that the Company is then permitted to elect, including Combination Settlement with a Specified Dollar Amount per \$1,000 principal amount of Notes of \$1,000 or with an ability to continue to set the Specified Dollar Amount per \$1,000

principal amount of Notes at or above any specific amount set forth in such election notice, that will apply to all Note conversions with a Conversion Date that is after the date the Company sends such notice. If the Company changes the Default Settlement Method or elects to irrevocably fix the Settlement Method, in either case, to Combination Settlement with an ability to continue to set the Specified Dollar Amount per \$1,000 principal amount of Notes at or above a specified amount, the Company shall, after the date of such change or election, as the case may be, inform Holders converting their Notes, the Trustee and the Conversion Agent (if other than the Trustee) in writing of such Specified Dollar Amount in respect of the relevant conversion or conversions no later than the relevant Settlement Method Election Deadline for such conversion or conversions, or, if the Company does not timely inform the Holders, the Trustee and the Conversion Agent of the Specified Dollar Amount, such Specified Dollar Amount shall be the specific amount set forth in the change or election notice or, if no specific amount was set forth in the change or election notice, such Specified Dollar Amount shall be deemed to be \$1,000 per \$1,000 principal amount of Notes. If the Company changes the Default Settlement Method or irrevocably fixes the Settlement Method, then the Company shall concurrently either post the Default Settlement Method or fixed Settlement Method, as applicable, on the Company's website or disclose the same in a current report on Form 6-K (or any successor form) that is filed with the Commission. Notwithstanding the foregoing, no such change in the Default Settlement Method or irrevocable election will affect any Settlement Method theretofore elected (or deemed to be elected) with respect to any Conversion Date pursuant to this Section 14.02. For the avoidance of doubt, such change or election (as the case may be), if made, will be effective without the need to amend this Indenture or the Notes, including pursuant to Section 10.02(a). However, the Company may nonetheless choose to execute such an amendment at the Company's option.

(v) The cash, ADSs or a combination of cash and ADSs, as applicable, in respect of any conversion of Notes (the "**Settlement Amount**") shall be computed as follows:

(A) if the Company elects (or is deemed to have elected) to satisfy its Conversion Obligation in respect of such conversion by Physical Settlement, the Company shall deliver to the converting Holder in respect of each US\$1,000 principal amount of Notes being converted a number of ADSs equal to the Conversion Rate in effect on the Conversion Date for such conversion, subject to Holder's election to receive ordinary shares in lieu of such ADSs, all as set forth in this Section 14.02;

(B) if the Company elects (or is deemed to have elected) to satisfy its Conversion Obligation in respect of such conversion by Cash Settlement, the Company shall pay to the converting Holder in respect of each US\$1,000 principal amount of Notes being converted cash in an amount equal to the sum of the Daily Conversion Values for each of the 40 consecutive Trading Days during the related Observation Period; and

(C) if the Company elects (or is deemed to have elected) to satisfy its Conversion Obligation in respect of such conversion by Combination Settlement, the Company shall pay or deliver, as the case may be, in respect of each US\$1,000 principal amount of Notes being converted, a Settlement Amount equal to the sum of the Daily Settlement Amounts for each of the 40 consecutive Trading Days during the related Observation Period.

(vi) The Daily Settlement Amounts (if applicable) and the Daily Conversion Values (if applicable) shall be determined by the Company promptly following the last day of the Observation Period. Promptly after such determination of the Daily Settlement Amounts or the Daily Conversion Values, as the case may be, and the amount of cash payable in lieu of delivering any fractional ADS, the Company shall notify the Trustee and the Conversion Agent (if other than the Trustee) in writing of the Daily Settlement Amounts or the Daily Conversion Values, as the case may be, and the amount of cash payable in lieu of delivering fractional ADSs. The Trustee and the Conversion Agent (if other than the Trustee) shall have no responsibility for any such determination.

(vii) When converting the Notes, the Holders may elect to receive ordinary shares in lieu of any ADSs deliverable upon conversion by specifying in the relevant Notice of Conversion such election, provided that such election shall apply to all (but not part) of the ADSs deliverable upon conversion and Holders make the Non-affiliate Representation in the Notice of Conversion. If a Holder elects to receive ordinary shares in lieu of any ADSs deliverable upon conversion, and the Company elects to settle the relevant Conversion Obligation by Physical Settlement or Combination Settlement, the Company shall register in the Hong Kong Share Register the Person or Persons designated in the Notice of Conversion as holder of such number of ordinary shares equal to (i) in the case of Physical Settlement, the number of ADSs deliverable upon conversion as described above under the "Settlement Amounts" in Section 14.02(a)(v) (without taking into account any fractional ADS) multiplied by the number of ordinary shares then represented by one ADS immediately after the close of business as of the relevant Conversion Date, rounded down to the nearest whole number or (ii) in the case of a Combination Settlement, for each of the 40 consecutive Trading Days during the related Observation Period, the number of ADSs deliverable upon conversion as described in the definition of "Daily Settlement Amount" (without taking into account any fractional ADS) in respect of such Trading Day multiplied by the number of ordinary shares then represented by one ADS immediately after the close of business on the relevant Conversion Date, rounded down to the nearest whole number. If a Holder is unable to make the Non-affiliate Representation as of the Conversion Date, such Holder may not elect to receive ordinary shares in lieu of any ADSs deliverable upon Conversion. If the Holder has requested to receive ordinary shares in the Notice of Conversion, to the extent permitted under applicable law and the rules and procedures of CCASS, the Company shall take all necessary action to enable the ordinary shares, if any, deliverable to such holder, in settlement upon conversion to be delivered to such Holder's designated Hong Kong stock account in CCASS for so long as the ordinary shares are listed on the Hong Kong Stock Exchange; provided that, if such Holder elects in the Notice of Conversion to receive ordinary shares outside of CCASS or if the restrictive legend on the Notes has not been removed prior to the Conversion Date, the Company shall make share certificate or certificates representing such number of ordinary shares available for collection at the office of the Hong Kong Share Registrar or, if so requested in the relevant Notice of Conversion, cause the Hong Kong Share Registrar to mail (at the risk, and, if sent at the Holder's request otherwise than by ordinary mail, at the expense, of the Person to whom such certificate or certificates are sent) such certificate or certificates to the Person and at the place specified in the Notice of Conversion.

(viii) If Holder wishes to receive ordinary shares listed for trading on the Hong Kong Stock Exchange and Holder has received, upon conversion of the Notes, ADSs that are not subject to certain transfer restrictions as set forth in Section 2.05(d) and are fungible with the ADSs, Holder may surrender such ADSs received upon conversion for cancellation and withdraw the underlying ordinary shares listed for trading on the Hong Kong Stock Exchange pursuant to the Deposit Agreement and the Restricted Issuance Agreement, as applicable. The Company shall take reasonable best efforts to procure that the cancellation fee (at of the date of this Indenture, US\$0.05 per ADS) payable to the ADS Depository in respect of such withdrawal will not apply; provided that the withdrawal request is submitted no later than the third Business Day after delivery of the ADS by the Company upon conversion. For the avoidance of doubt, a Holder may only receive ordinary shares listed for trading on the Hong Kong Stock Exchange upon surrender and cancellation of ADSs (x) that have been issued without certain transfer restrictions as set forth in Section 2.05(d) after the Resale Restriction Termination Date or (y) after certain transfer restrictions as set forth in Section 2.05(d) have been removed from Restricted ADSs issued upon conversion of the Notes.

(ix) Any ADSs deliverable upon conversion of the Notes and any ordinary shares represented thereby will, prior to the Resale Restriction Termination Date, subject to certain transfer restrictions as set forth in Section 2.05(d). Any ordinary shares deliverable in lieu of any ADSs will be, prior to the Resale Restriction Termination Date, subject to certain transfer restrictions as set forth in Section 2.05(d) and as imposed by the Hong Kong Share Registrar, and will not be able to be deposited into CCASS until such restrictions are removed. After removal of such restrictions on transfer and resale, any ordinary shares deliverable upon conversion of the

Notes, if any, will be fully fungible with the ordinary shares listed on the Hong Kong Stock Exchange. The Company further covenants that it will, at its cost, obtain approval to list (i) the maximum number of ADSs deliverable upon conversion of the Notes (assuming Physical Settlement applies to each conversion) on The Nasdaq Global Market and (ii) the ordinary shares representing by such maximum number of ADSs on the Hong Kong Stock Exchange. The Company shall register such number of the ordinary shares as is listed on the Hong Kong Stock Exchange pursuant to this paragraph on the Hong Kong Share Register in the Person or Persons designated in the Notice of Conversion as the holder of the ordinary shares in order to facilitate their listing and trading on the Hong Kong Stock Exchange.

(x) Pursuant to, and subject to, the terms of the Deposit Agreement and the Restricted Issuance Agreement, the ADS Depositary will accept the surrender of any Restricted ADSs issued upon conversion of the Notes for the purpose of Restricted ADS cancellation and withdrawal of the ordinary shares represented thereby subject to receipt by the ADS Depositary of (x) the Restricted Issuance Agreement and (y) the applicable fees for cancellation of Restricted ADSs and withdrawal of the ordinary shares. Restricted ADS cancellations are permitted, but only for withdrawal of the ordinary shares registered on the Principal Share Register and are subject to the Restricted Issuance Agreement. Upon cancellation of Restricted ADSs, the ADS Depositary will arrange for delivery of the corresponding ordinary shares to the Holder's order only on the Principal Share Register.

(b) Subject to Section 14.02(e), before any Holder of a Note shall be entitled to convert a Note as set forth above, such Holder shall (i) in the case of a Global Note, unless such Holder intends to elect to receive ordinary shares in lieu of any ADSs deliverable upon conversion, comply with the procedures of the Depositary and ADS Depositary in effect at that time to convert such Note and the procedures agreed between the Company and the ADS Depositary with respect to any ADSs issued upon conversion of the Notes prior to the Resale Restriction Termination Date (including deliver of the Notice of Conversion as provided therein) and, if required, pay funds equal to interest payable on the next Interest Payment Date to which such Holder is not entitled as set forth in Section 14.02(h), and (ii) in the case of a Physical Note (1) complete, manually sign and deliver a duly completed irrevocable notice to the Conversion Agent as set forth in the Form of Notice of Conversion (a "**Notice of Conversion**") at the office of the Conversion Agent the Company and, unless the Holder has elected to receive ordinary shares in lieu of ADS, to the ADS Depositary and state in writing therein the principal amount of Notes to be converted and the name or names (with addresses) in which such Holder wishes any ADSs to be registered upon settlement of the Conversion Obligation, including, (x) if applicable, provided that the Holder makes to the Company the Non-Affiliate Representation, the Holder's election to receiving ordinary shares in lieu of any ADS deliverable upon conversion and, (y) if the Holder prefers to receive the ordinary shares through CCASS after the Resale Restriction Termination Date, its Hong Kong stock account in CCASS, and the name or names (with addresses) in which such Holder wishes the certificate or certificates for any ordinary shares to be delivered upon settlement of the Conversion Obligation to be registered, (2) surrender such Physical Notes, duly endorsed to the Company or in blank (and accompanied by appropriate endorsement and transfer documents), at the office of the Conversion Agent, (3) if required, furnish appropriate endorsements and transfer documents, (4) if required, pay funds equal to interest payable on the next Interest Payment Date to which such Holder is not entitled as set forth in Section 14.02(h), and (5) comply with the procedures of the ADS Depositary in effect at that time to convert such Note. The Trustee (and if different, the Conversion Agent) shall notify the Company of any conversion pursuant to this Article 14 on the Conversion Date for such conversion. Delivery of a Notice of Conversion to the Conversion Agent by a Holder shall be deemed to be an acknowledgement by such Holder that such Notice of Conversion may be relied upon by the ADS Depositary with respect to the issuance of ADSs, as described in the Deposit Agreement. No Notice of Conversion with respect to any Notes may be delivered and no Notes may be surrendered by a Holder for conversion thereof if such Holder has also delivered a Repurchase Notice or Fundamental Change Repurchase Notice to the Company in respect of such Notes and not validly withdrawn such Repurchase Notice or Fundamental Change Repurchase Notice in accordance with Section 15.03. Any Notice of Conversion shall be deposited in duplicate at the office of any Conversion Agent on any Business Day from 9:00 a.m. to 3:00 p.m. at the location of the Conversion Agent to which such Notice of Conversion is delivered. Any Notice of Conversion and any Physical Note

(if issued) deposited outside the hours specified or on a day that is not a Business Day at the location of the Conversion Agent shall for all purposes be deemed to have been deposited with that Conversion Agent between 9:00 a.m. and 3:00 p.m. on the next Business Day. The delivery of the ADSs by the ADS Depository to Holders upon conversion of their Notes or their designated transferees will be governed by the terms of the Deposit Agreement and by the Restricted Issuance Agreement.

By converting a beneficial interest in a Global Note, the Holder is deemed to represent to the Company and the ADS Depository that such Holder is not an “affiliate” (as defined in Rule 144) of the Company and has not been an “affiliate” of the Company during the three months immediately preceding the Conversion Date (such representation, the “**Non-Affiliate Representation**”).

Subject to the terms of the legends (if any) on the Notes, if a Holder holds a beneficial interest in a Global Note and (provided that the Holder makes to the Company the Non-Affiliate Representation) the Holder intends to elect to receive ordinary shares in lieu of any ADSs deliverable upon conversion, to convert the Holder must (1) complete and manually sign the Notice of Conversion, including, (x) if applicable and provided that the Holder makes to the Company the Non-Affiliate Representation, the Holder’s election to receive ordinary shares in lieu of any ADSs deliverable upon conversion and (y) if the Holder prefers to receive the ordinary shares through the CCASS after the Resale Restriction Termination Date, the Holder’s stock account in CCASS, (2) deliver the duly completed Notice of Conversion, which is irrevocable, to the Conversion Agent and the Company and deliver the Notes being converted to the Trustee through the “Deposit/Withdrawal of Custodian” (DWAC) service of the DTC or by another transfer method as may be directed by the Trustee; (3) if required, furnish appropriate endorsements and transfer documents; and (4) if required, pay funds equal to interest payable on the next Interest Payment Date to which the Holder is not entitled.

If more than one Note shall be surrendered for conversion at one time by the same Holder, the Conversion Obligation with respect to such Notes shall be computed on the basis of the aggregate principal amount of the Notes (or specified portions thereof to the extent permitted thereby) so surrendered.

(c) A Note shall be deemed to have been converted immediately prior to the close of business on the date (the “**Conversion Date**”) that the Holder has complied with the requirements set forth in subsection (b) above. Except as set forth in Section 14.07, the Company shall deliver the consideration due in respect of the Conversion Obligation on the third Business Day immediately following the relevant Conversion Date, if the Company elects Physical Settlement, or on the third Business Day immediately following the last Trading Day of the relevant Observation Period, in the case of any other Settlement Method; *provided* that in respect of (x) all conversions for which the relevant Conversion Date occurs after the issuance of a Redemption Notice by the Company with respect to the Notes and prior to the close of business on the second Scheduled Trading Day prior to the related Redemption Date and (y) all conversions for which the relevant Conversion Date occurs on or after 55th Scheduled Trading Day before the Maturity Date, the Company shall deliver the consideration due in respect of the Conversion Obligation on the second Scheduled Trading Day immediately following the relevant Conversion Date, if the Company elects Physical Settlement, or on the second Scheduled Trading Day immediately following the last Trading Day of the relevant Observation Period, in the case of any other Settlement Method (*provided* that, with respect to any Conversion Date occurring after the Regular Record Date immediately preceding the Maturity Date in respect of which the Company elects Physical Settlement, the Company will settle such conversion on the Maturity Date). The Company shall issue or cause to be issued, and deliver to such Holder, or such Holder’s nominee or nominees, a book-entry transfer through the Depository for the full number of whole ADSs to which such Holder shall be entitled in satisfaction of the Company’s Conversion Obligation. Notwithstanding the foregoing, if a Holder elects to receive ordinary shares in lieu of any ADSs deliverable upon Conversion, the Company will deliver the ordinary shares due in respect of conversion on the fifth Business Day immediately following the relevant Conversion Date, if the Company elects Physical Settlement, or on the fifth Business Day immediately following the last trading day of the relevant Observation Period, in the case of Combination Settlement.

(d) In case any Physical Note shall be surrendered for partial conversion, the Company shall execute and instruct the Trustee who shall authenticate and deliver to or upon the written order of the

Holder of the Note so surrendered a new Note or Notes in authorized denominations in an aggregate principal amount equal to the unconverted portion of the surrendered Note, without payment of any service charge by the converting Holder but, if required by the Company or the Trustee, with payment of a sum sufficient to cover any documentary, stamp, issue, transfer or similar tax (including any penalties and interest related thereto) required by law or that may be imposed in connection therewith as a result of the name of the Holder of the new Notes issued upon such conversion being different from the name of the Holder of the old Notes surrendered for such conversion.

(e) If a Holder submits a Note for conversion, the Company shall pay any documentary, stamp, issue, transfer or similar tax (including any penalties and interest related thereto) due on the delivery of the ADSs upon conversion of the Notes (including due on the issuance of the ordinary shares underlying, or in lieu of, such ADSs), unless the tax is due because the Holder requests such ADSs (or such ordinary shares) to be issued in a name other than the Holder's name, in which case the Holder shall pay that tax. The Company may refuse to deliver the certificates representing the ADSs (or the ordinary shares) being issued in a name other than the Holder's name until the Company or the ADS Depositary, as applicable, receives a sum sufficient to pay any tax that is due by such Holder in accordance with the immediately preceding sentence. The Company shall also pay the ADS Depositary's fees and/or indemnify each Holder and beneficial owners of the Notes and/or ADSs issuable upon conversion of the Notes for applicable fees and expenses payable to, or withheld by, the Depositary (including, for the avoidance of doubt, by means of a reduction in any amounts or property payable or deliverable in respect of any ADSs or in the value of deposited amounts or property represented by any ADSs) for the issuance of all ADSs deliverable upon conversion. The Company shall pay all the charges of the Hong Kong Share Registrar in connection with the offering of the Notes and issuance of any and all ordinary shares deliverable upon conversion and, in the circumstances set forth in Section 14.02(a)(viii), the cancellation fee applicable pursuant to the terms of the Deposit Agreement and the Restricted Issuance Agreement upon withdrawal of the ADSs received upon conversion. The Company shall pay all the charges of the Hong Kong Share Registrar in connection with issuance of any and all ordinary shares deliverable upon conversion (whether underlying the ADSs deliverable upon conversion, if any, or deliverable in lieu of such ADSs).

(f) Except as provided in Section 14.04, no adjustment shall be made for dividends on any ADSs delivered upon the conversion of any Note as provided in this Article 14.

(g) Upon the conversion of an interest in a Global Note, the Trustee shall make a notation on such Global Note as to the reduction in the principal amount represented thereby. The Company shall notify the Trustee in writing of any conversion of Notes effected through any Conversion Agent other than the Trustee.

(h) Upon conversion, a Holder shall not receive any separate cash payment for accrued and unpaid interest, if any, except as set forth below and the Company will not adjust the Conversion Rate for any accrued and unpaid interest on the Notes. The Company's settlement of the Conversion Obligation shall be deemed to satisfy in full its obligation to pay the principal amount of the Note and accrued and unpaid interest, if any, to, but not including, the relevant Conversion Date. As a result, accrued and unpaid interest, if any, to, but not including, the relevant Conversion Date shall be deemed to be paid in full rather than cancelled, extinguished or forfeited. Upon a conversion of Notes into a combination of cash and ADSs (or ordinary shares in lieu thereof), accrued and unpaid interest, if any, will be deemed to be paid first out of the cash paid upon such conversion. Notwithstanding the foregoing, if Notes are converted after the close of business on a Regular Record Date and before the open of business on the Interest Payment Date corresponding to such Regular Record Date, Holders of such Notes as of the close of business on such Regular Record Date will receive the full amount of interest payable on such Notes on the corresponding Interest Payment Date notwithstanding the conversion. However, notes surrendered for conversion during the period after the close of business on any Regular Record Date to the open of business on the immediately following Interest Payment Date must be accompanied by funds equal to the amount of interest payable on the Notes so converted (regardless of whether the converting Holder was the holder of record on the corresponding Regular Record Date); *provided* that no such payment shall be required (1) for conversions following the Regular Record Date immediately preceding the Maturity Date; (2) if the Company has delivered a Redemption Notice pursuant to Article 16, Article 17 or Article 18 and has

specified therein a Redemption Date that is after a Regular Record Date and on or prior to the second Scheduled Trading Day immediately following the corresponding Interest Payment Date (or, if such Interest Payment Date is not a Business Day, the second Scheduled Trading Day immediately succeeding the first Business Day following such Interest Payment Date); (3) if the Company has specified a Fundamental Change Repurchase Date that is after a Regular Record Date and on or prior to the second Business Day immediately following the corresponding Interest Payment Date (or, if such Interest Payment Date is not a Business Day, the second Scheduled Trading Day immediately succeeding the first Business Day following such Interest Payment Date); or (4) to the extent of any Defaulted Amounts, if any Defaulted Amounts exist at the time of conversion with respect to such Note. For the avoidance of doubt, all Holders at the close of business on the Regular Record Date immediately preceding the Maturity Date, any Fundamental Change Repurchase Date or any Redemption Date will receive the full amount of interest payable on such Notes on the Maturity Date, regardless of whether such Notes have been converted following such Regular Record Date. Neither the Trustee nor the Conversion Agent (if other than the Trustee) will have any duty to determine or verify determination by the Company of whether any of the conditions to conversion have been satisfied.

(i) The Person in whose name the certificate for any ADSs (or ordinary shares in lieu thereof) shall be issuable upon conversion is registered shall be treated as a holder of record of such ADSs (or ordinary shares) as of the close of business on the relevant Conversion Date (if the Company elects to satisfy the related Conversion Obligation by Physical Settlement) or the last Trading Day of the relevant Observation Period (if the Company elects to satisfy the related Conversion Obligation by Combination Settlement), as the case may be. Upon a conversion of Notes, such Person shall no longer be a Holder of such Notes surrendered for conversion.

(j) Regardless of whether a Holder elects to receive ordinary shares in lieu of any ADS deliverable upon conversion, the Company shall not issue any fractional ADS upon conversion of the Notes and shall instead pay cash in lieu of any fractional ADS issuable upon conversion based on the Daily VWAP for the relevant Conversion Date (in the case of Physical Settlement) or based on the Daily VWAP for the last Trading Day of the relevant Observation Period (in the case of Combination Settlement). For each note surrendered for conversion, if the Company has elected (or is deemed to have elected) Combination Settlement, the full number of ADSs that shall be issued upon conversion thereof shall be computed on the basis of the aggregate Daily Settlement Amounts for the relevant Observation Period and any Fractional ADSs remaining after such computation shall be paid in cash.

(k) In accordance with the Deposit Agreement or the Restricted Issuance Agreement, as applicable, the Company shall issue to the ADS Custodian such ordinary shares required for the issuance of the ADSs upon conversion of the Notes, plus written delivery instructions (if requested by the ADS Depository or the ADS Custodian) for such ADSs, shall deliver such legal opinions and any other information or documentation and shall comply with the Deposit Agreement and the Restricted Issuance Agreement (as the case may be), in each case, as required by the ADS Depository or the ADS Custodian in connection with each issue of ordinary shares and issuance and delivery of ADSs.

Section 14.03 *Increased Conversion Rate Applicable to Certain Notes Surrendered in Connection with Make-Whole Fundamental Change, Tax Redemption, Cleanup Redemption or Optional Redemption.* (a) If Make-Whole Fundamental Change occurs prior to, and including, the second Scheduled Trading Day prior to the Maturity Date and a Holder elects to convert its Notes in connection with such Make-Whole Fundamental Change the Company shall, under the circumstances described below, increase the Conversion Rate for the Notes so surrendered for conversion by a number of additional ADSs (the “**Additional ADSs**”), as set forth below. A conversion of Notes shall be deemed for these purposes to be “in connection with” such Make-Whole Fundamental Change if the relevant Notice of Conversion is received by the Conversion Agent from, and including, the Effective Date of such Make-Whole Fundamental Change to, and including, the 35th Trading Day after such Effective Date (or, if such Make-Whole Fundamental Change also constitutes a Fundamental Change (other than an Exempted Fundamental Change), to, and including, the close of business on the second Business Day immediately prior to the related Fundamental Change Repurchase Date. The Company shall provide written notification to Holders, the Trustee and the

Conversion Agent of the Effective Date of any Make-Whole Fundamental Change and issue a press release announcing such Effective Date no later than such Effective Date.

(b) Upon surrender of Notes for conversion in connection with a Make-Whole Fundamental Change, the Company shall at its option, satisfy the related Conversion Obligation by Physical Settlement, Cash Settlement or Combination Settlement, in accordance with Section 14.02; *provided, however*, that if, at the effective time of a Make-Whole Fundamental Change described in clause (b) of the definition of Fundamental Change, the Reference Property following such Make-Whole Fundamental Change is composed entirely of cash, for any conversion of Notes following the Effective Date of such Make-Whole Fundamental Change, the Conversion Obligation shall be calculated based solely on the ADS Price for the transaction and shall be deemed to be an amount of cash per US\$1,000 principal amount of converted Notes equal to the Conversion Rate (including any adjustment for Additional ADSs), multiplied by such ADS Price.

(c) The number of Additional ADSs, if any, by which the Conversion Rate shall be increased shall be determined by reference to the table below, based on (i) the date on which the Make-Whole Fundamental Change occurs or becomes effective (the “**Effective Date**”) and (ii) the price paid (or deemed to be paid) per ADS in the Make-Whole Fundamental Change (the “**ADS Price**”). If the holders of the ADSs receive in exchange for their ADSs only cash in a Make-Whole Fundamental Change described in clause (b) of the definition of Fundamental Change, the ADS Price shall be the cash amount paid per ADS. Otherwise, the ADS Price shall be the average of the Last Reported Sale Prices of the ADSs over the ten Trading Day period ending on, and including, the Trading Day immediately preceding the Effective Date of the Make-Whole Fundamental Change.

(d) The ADS Prices set forth in the column headings of the table below shall be adjusted as of any date on which the Conversion Rate of the Notes is otherwise adjusted. The adjusted ADS Prices shall equal the ADS Prices applicable immediately prior to such adjustment, *multiplied* by a fraction, the numerator of which is the Conversion Rate immediately prior to such adjustment giving rise to the ADS Price adjustment and the denominator of which is the Conversion Rate as so adjusted. The number of Additional ADSs set forth in the table below shall be adjusted in the same manner and at the same time as the Conversion Rate as set forth in Section 14.04.

(e) The following table sets forth the number of Additional ADSs to be received per US\$1,000 principal amount of Notes pursuant to this Section 14.03 for each ADS Price and Effective Date set forth below:

Effective Date	ADS Price										
	\$24.50	\$28.00	\$30.00	\$33.08	\$38.00	\$43.00	\$50.00	\$60.00	\$80.00	\$100.00	\$120.00
May 30, 2025	10.5820	7.9489	6.8083	5.4172	3.8353	2.7491	1.7566	0.9355	0.2298	0.0175	0.0000
June 1, 2026	10.5820	7.9489	6.8083	5.4172	3.8021	2.6853	1.6838	0.8743	0.2028	0.0140	0.0000
June 1, 2027	10.5820	7.9489	6.8083	5.2999	3.6068	2.4933	1.5210	0.7600	0.1564	0.0047	0.0000
June 1, 2028	10.5820	7.8996	6.5320	4.9438	3.2647	2.2016	1.3026	0.6212	0.1070	0.0000	0.0000
June 1, 2029	10.5820	6.8689	5.7027	4.3195	2.8234	1.8647	1.0598	0.4692	0.0581	0.0000	0.0000
June 1, 2030	10.5820	6.6457	5.3733	3.8999	2.3758	1.4616	0.7542	0.2888	0.0160	0.0000	0.0000
June 1, 2031	10.5820	6.1629	4.6920	3.0701	1.5732	0.8216	0.3472	0.0998	0.0000	0.0000	0.0000
June 1, 2032	10.5820	5.4800	2.5287	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

The exact ADS Prices and Effective Dates may not be set forth in the table above, in which case:

(i) if the ADS Price is between two ADS Prices in the table above or the Effective Date is between two Effective Dates in the table, the number of Additional ADSs shall be

determined by a straight-line interpolation between the number of Additional ADSs set forth for the higher and lower ADS Prices and the earlier and later Effective Dates, as applicable, based on a 365-day year;

(ii) if the ADS Price is greater than US\$120.00 per ADS (subject to adjustment in the same manner as the ADS Prices set forth in the column headings of the table above pursuant to Section 14.03(d)), no Additional ADSs shall be added to the Conversion Rate; and

(iii) if the ADS Price is less than US\$24.50 per ADS (subject to adjustment in the same manner as the ADS Prices set forth in the column headings of the table above pursuant to Section 14.03(d)), no Additional ADSs shall be added to the Conversion Rate.

Notwithstanding the foregoing, in no event shall the Conversion Rate per US\$1,000 principal amount of Notes exceed 40.8163 ADSs, subject to adjustment in the same manner as the Conversion Rate pursuant to Section 14.04.

(f) Nothing in this Section 14.03 shall prevent an adjustment to the Conversion Rate pursuant to Section 14.04.

(g) If the Holder elects to convert its Notes in connection with the Company's election to (i) redeem the Notes in respect of a Change in Tax Law pursuant to Section 16.01, (ii) redeem the Notes at the Company's option pursuant to Section 17.01 or (iii) redeem the Notes pursuant to Section 18.01, in each case, the Conversion Rate shall be increased by a number of additional ADSs determined pursuant to this Section 14.03(g). The Company shall settle conversions of Notes as described in Section 14.02.

A conversion shall be deemed to be "in connection with" the Company's election to redeem the Notes in respect of a Change in Tax Law, an Optional Redemption or a Cleanup Redemption if the relevant Notice of Conversion is received by the Conversion Agent during the period from, and including, the date the Company provides the related Redemption Notice to Holders until the close of business on the second Scheduled Trading Day immediately preceding the related Redemption Date (or, if the Company fails to pay the Redemption Price, such later date on which the Company pays the Redemption Price).

Simultaneously with providing such Redemption Notice within the period set forth under Section 16.02, Section 17.02 or Section 18.02, as applicable, the Company shall publish a notice containing this information on the Company's website or through such other public medium as the Company may use at that time.

For the avoidance of doubt, the Company will only adjust the Conversion Rate with respect to any Notes called for Optional Redemption and not with respect to the Notes not called for Optional Redemption. If the Company elects to redeem less than all of the outstanding Notes, then Holders of the Notes not called for Optional Redemption will not be entitled to an increased Conversion Rate for such Notes as described in this Section 14.03(g) on account of the redemption, except to the limited extent described under Section 17.02(f).

The number of additional ADSs by which the Conversion Rate will be increased in the event the Company elects to redeem the Notes pursuant to Article 16, Article 17 or Article 18 hereof will be determined by reference to the table in clause (e) above based on the Redemption Reference Date and the Redemption Reference Price (each as defined below), but determined for purposes of this Section 14.03(g) as if (x) the Holder had elected to convert its Notes in connection with a Make-Whole Fundamental Change, (y) the applicable "Redemption Reference Date" were the "Effective Date" as specified in clause (c) above and (z) the applicable "Redemption Reference Price" were the "ADS price" as specified in clause (c) above (and subject, for the avoidance of doubt, to the two paragraphs immediately following such table). "**Redemption Reference Date**" means the date the Company delivers the relevant Redemption Notice. "**Redemption Reference Price**" means, for any conversion in connection with the Company's election to redeem the Notes in respect of a Change in Tax Law pursuant to Section 16.01, redeem the

Notes at the Company's option pursuant to Section 17.01 or redeem the Notes pursuant to Section 18.01, as the case may be, the average of the Last Reported Sale Prices of the ADSs over the 10 consecutive Trading Day period ending on, and including the Trading Day immediately preceding, the date the Company delivers the relevant Redemption Notice.

Section 14.04 *Adjustment of Conversion Rate.* If the number of ordinary shares represented by the ADSs is changed, after the date of this Indenture, for any reason other than one or more of the events described in this Section 14.04, the Company shall make an appropriate adjustment to the Conversion Rate such that the number of ordinary shares represented by the ADSs upon which conversion of the Notes is based remains the same.

Notwithstanding the adjustment provisions set out in this Section 14.04, if the Company distributes to holders of the ordinary shares any cash, rights, options, warrants, shares of Capital Stock or similar equity interest, evidences of indebtedness or other assets or property of the Company (but excluding any Expiring Rights) and a corresponding distribution is not made to holders of the ADSs, but, instead, the ADSs shall represent, in addition to ordinary shares, such cash, rights, options, warrants, shares of Capital Stock or similar equity interest, evidences of indebtedness or other assets or property of the Company, then an adjustment to the Conversion Rate set out in this Section 14.04 shall not be made until and unless a corresponding distribution (if any) is made to holders of the ADSs, and such adjustment to the Conversion Rate shall be based on the distribution made to the holders of the ADSs and not on the distribution made to the holders of the ordinary shares. However, in the event that the Company issues or distributes to all holders of the ordinary shares any Expiring Rights, notwithstanding the immediately preceding sentence, the Company shall adjust the Conversion Rate pursuant to Section 14.04(b) (in the case of Expiring Rights entitling holders of the ordinary shares for a period of not more than 60 calendar days after the announcement date of such issuance to subscribe for or purchase ordinary shares or ADSs) or Section 14.04(c) (in the case of all other Expiring Rights).

For the avoidance of doubt, if any event set out in this Section 14.04 results in a change to the number of ordinary shares represented by the ADSs, then such change shall be deemed to satisfy the Company's obligation to effect the relevant adjustment to the Conversion Rate on account of such event to the extent such change produces the same economic result as the adjustment to the Conversion Rate that would otherwise have been made on account of such event.

Subject to the foregoing, the Conversion Rate shall be adjusted from time to time by the Company if any of the following events set out in Sections 14.04(a) – 14.04(e) (other than (x) a share split or a share combination or (y) a tender or exchange Offer) occurs, except that the Company shall not make any adjustments to the Conversion Rate if all Holders of the Notes participate, at the same time and upon the same terms as holders of the ADSs and solely as a result of holding the Notes, in any of the transactions set out in this Section 14.04, without having to convert their Notes, as if they held a number of ADSs equal to the Conversion Rate then in effect, *multiplied by* the principal amount (expressed in thousands) of Notes held by such Holder. The Company will provide a schedule for calculations to each of the Trustee and the Conversion Agent (if other than the Trustee), and each of the Trustee and the Conversion Agent is entitled to rely upon the accuracy of calculations without independent verification. Upon the effectiveness of any adjustment to the Conversion Rate pursuant to Article 14.04, notice of any adjustment to the Conversion Rate shall be given by the Company promptly to the Holders, the Trustee, the Paying Agent and the Conversion Agent and shall be conclusive and binding on the Holders, absent manifest error.

(a) If the Company exclusively issues ordinary shares as a dividend or distribution on all or substantially all the ordinary shares, or if the Company effects a share split or share combination, the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where,

CR_0 = the Conversion Rate in effect immediately prior to the open of business on the Ex-Dividend Date for the ADSs of such dividend or distribution, or immediately prior to the open of business on the Effective Date of such share split or share combination, as applicable;

- CR₁ = the Conversion Rate in effect immediately after the open of business on such Ex-Dividend Date or Effective Date, as applicable;
- OS₀ = the number of ordinary shares outstanding immediately prior to the open of business on such Ex-Dividend Date or Effective Date, as applicable (before giving effect to any such dividend, distribution, split or combination); and
- OS₁ = the number of ordinary shares outstanding immediately after giving effect to such dividend, distribution, share split or share combination.

Any adjustment made under this Section 14.04(a) shall become effective immediately after the open of business on the Ex-Dividend Date for such dividend or distribution, or immediately after the open of business on the effective date for such share split or share combination, as applicable.

If any dividend or distribution set forth in this Section 14.04(a) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors determines not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared or announced.

(b) If the Company issues to all or substantially all holders of the ordinary shares of the Company (directly or in the form of ADSs) any rights, options or warrants (other than in connection with a stockholder rights plan) entitling them, for a period of not more than 60 calendar days after the announcement date of such issuance, to subscribe for or purchase ordinary shares (directly or in the form of ADSs) of the Company at a price per ordinary share that is less than the average of the Last Reported Sale Prices of the ordinary shares or the ADSs, as the case maybe (divided by, in the case of the ADSs, the number of ordinary shares then represented by one ADS on each relevant Trading Day) or to subscribe for or purchase ADSs of the Company, at a price per ADS less than the average of the Last Reported Sale Prices, in each case, over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

Where,

- CR₀ = the Conversion Rate in effect immediately prior to the open of business on the Ex-Dividend Date for the ADSs for such issuance;
- CR₁ = the Conversion Rate in effect immediately after the open of business on such Ex-Dividend Date;
- OS₀ = the number of ordinary shares outstanding immediately prior to the open of business on such Ex-Dividend Date;
- X = the total number of the ordinary shares of the Company (directly or in the form of ADSs) issuable pursuant to such rights, options or warrants; and
- Y = the number of the ordinary shares of the Company equal to (i) the aggregate price payable to exercise such rights, options or warrants, divided by (ii) the quotient of (a) the average of the Last Reported Sale Prices of the ADSs over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of the issuance of such rights, options or warrants divided by (b) the number of ordinary shares represented by one ADS on each such Trading Day.

Any increase made under this Section 14.04(b) shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the open of business on the Ex-Dividend Date for such issuance. To the extent that ordinary shares of the Company (directly or in the form of ADSs) are not delivered after the expiration of such rights, options or warrants, the Conversion Rate shall be readjusted to the

Conversion Rate that would then be in effect had the increase with respect to the issuance of such rights, options or warrants been made on the basis of delivery of only the number of the ordinary shares of the Company actually delivered (directly or in the form of ADSs). If such rights, options or warrants are not so issued, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in had the increase to the Conversion Rate for such issuance been made on the basis of only the rights, options or warrants, if any, actually issued.

For purposes of this Section 14.04(b) and Section 14.01(b)(ii)(A), in determining whether any rights, options or warrants entitle the holders to subscribe for or purchase ordinary shares (directly or in the form of ADSs) of the Company at a price per ordinary share that is less than such average of the Last Reported Sale Prices of the ordinary shares or the ADSs (*divided by*; in the case of ADSs, the number of ordinary shares represented by one ADS on each relevant Trading Day) or to subscribe for or purchase the ADSs at a price per ADS less than such average of the Last Reported Sale Prices of the ADSs, in each case, over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement for such issuance, and in determining the aggregate offering price of such ordinary shares or ADSs, as the case may be, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors.

(c) If the Company distributes shares of its Capital Stock, evidences of its indebtedness, other assets or property of the Company or rights, options or warrants to acquire its Capital Stock or other securities, to all or substantially all holders of the ordinary shares (directly or in the form of ADSs), excluding (i) rights issued under a stockholders rights plan (except as described below), (ii) dividends, distributions, rights, options or warrants as to which an adjustment was effected pursuant to Section 14.04(a) or Section 14.04(b), (iii) dividends or distributions paid exclusively in cash as to which an adjustment was effected pursuant to Section 14.04(d), (iv) rights issues pursuant to a rights plan, except to the extent described Section 14.11, (v) any distributions of Reference Property in exchange for ADSs solely in connection with a Share Exchange Event, (vi) Spin-Offs as to which the provisions set forth below in this Section 14.04(c) shall apply (any of such shares of Capital Stock, evidences of indebtedness, other assets or property or rights, options or warrants to acquire Capital Stock or other securities of the Company, the “**Distributed Property**”) and (vii) a tender offer or an exchange offer for the Company’s ordinary shares as to which the provisions set forth below in Section 14.04(e) shall apply, then the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

CR_0 = the Conversion Rate in effect immediately prior to the open of business on the Ex-Dividend Date for the ADSs for such distribution;

CR_1 = the Conversion Rate in effect immediately after the open of business on such Ex-Dividend Date;

SP_0 = the average of the Last Reported Sale Prices of the ADSs (divided by the number of ordinary shares represented by one ADS on each relevant Trading Day) over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

FMV = the fair market value (as determined by the Board of Directors) of the Distributed Property with respect to each outstanding ordinary share (directly or in the form of ADSs) on the Ex-Dividend Date for such distribution.

Any increase made under the above portion of this Section 14.04(c) shall become effective immediately after the open of business on the Ex-Dividend Date for the ADSs for such distribution. If such distribution is not so paid or made, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect had the adjustment been made on the basis of only the distribution, if any, actually paid or made.

Notwithstanding the foregoing, if “FMV” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing increase, each Holder of a Note shall receive, in respect of each US\$1,000 principal amount thereof, at the same time and upon the same terms as holders of the ADSs receive the Distributed Property, the amount and kind of Distributed Property such Holder would have received if such Holder owned a number of ADSs based on the Conversion Rate in effect on the Ex-Dividend Date for the distribution.

With respect to an adjustment pursuant to this Section 14.04(c) where there has been a payment of a dividend or other distribution on the ordinary shares (directly or in the form of ADSs) of shares of Capital Stock of any class or series, or similar equity interest, of or relating to a Subsidiary or other business unit of the Company (other than solely pursuant to (x) a distribution of Reference Property in exchange for or upon conversion of the Company’s ordinary shares or (y) a tender offer or an exchange offer for ordinary shares as to which the provisions described below in Section 14.04(e) shall apply), that are, or, when issued, will be, listed or admitted for trading on a U.S. national securities exchange or a reasonably comparable non-U.S. equivalent (a “Spin-Off”), the Conversion Rate shall be increased based on the following formula: where,

$$CR_1 = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where,

CR₀ = the Conversion Rate in effect immediately prior to the end of the Valuation Period;

CR₁ = the Conversion Rate in effect immediately after the end of the Valuation Period;

FMV₀ = the average of the Last Reported Sale Prices of the Capital Stock or similar equity interest distributed to holders of the ordinary shares (directly or in the form of ADSs) applicable to one ordinary share (determined by reference to the definition of Last Reported Sale Price as set forth in Section 1.01 as if references therein to the ADSs were to such Capital Stock or similar equity interest) over the first 10 consecutive Trading Day period after, and including, the Ex-Dividend Date for the Spin-Off (the “Valuation Period”); and

MP₀ = the average of the Last Reported Sale Prices of the ADSs (divided by the number of ordinary shares then represented by one ADS on each relevant Trading Day) over the Valuation Period.

The adjustment to the Conversion Rate under the preceding paragraph shall occur immediately after the close of business on the last Trading Day of the Valuation Period; *provided* that (x) in respect of any conversion of Notes for which Physical Settlement is applicable, if the relevant Conversion Date occurs during the Valuation Period, references in the portion of this Section 14.04(c) with respect to 10 Trading Days shall be deemed to be replaced with such lesser number of Trading Days as have elapsed from, and including, the Ex-Dividend Date of such Spin-Off to, and including, such Conversion Date in determining the Conversion Rate and (y) in respect of any conversion of Notes for which Cash Settlement or Combination Settlement is applicable, for any Trading Day that falls within the relevant Observation Period for such conversion and within the Valuation Period, the reference to “10” in the preceding paragraph shall be deemed replaced with such lesser number of Trading Days as have elapsed between (and including, in each case) the Ex-Dividend Date for such Spin-Off and such Trading Day in determining the Conversion Rate as of such Trading Day.

If any distribution in a spin-off is declared but not paid or made, the Conversion Rate shall be decreased to be the Conversion Rate that would then be in effect if such distribution had not been declared, effective as of the date on which the Board of Directors (or its designee) determines not to consummate such Spin-Off.

For purposes of this Section 14.04(c) (and subject in all respect to Section 14.11), rights, options or warrants distributed by the Company to all holders of the ordinary shares (directly or in the form of ADSs) entitling them to subscribe for or purchase shares of the Company's Capital Stock, including ordinary shares (either initially or under certain circumstances), which rights, options or warrants, until the occurrence of a specified event or events ("**Trigger Event**"): (i) are deemed to be transferred with such ordinary shares (directly or in the form of ADSs); (ii) are not exercisable; and (iii) are also issued in respect of future issuances of the ordinary shares (directly or in the form of ADSs), shall be deemed not to have been distributed for purposes of this Section 14.04(c) (and no adjustment to the Conversion Rate under this Section 14.04(c) will be required) until the occurrence of the earliest Trigger Event, whereupon such rights, options or warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made under this Section 14.04(c). If any such right, option or warrant, including any such existing rights, options or warrants distributed prior to the date of this Indenture, are subject to events, upon the occurrence of which such rights, options or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and Record Date with respect to new rights, options or warrants with such rights (in which case the existing rights, options or warrants shall be deemed to terminate and expire on such date without exercise by any of the holders thereof). In addition, in the event of any distribution (or deemed distribution) of rights, options or warrants, or any Trigger Event or other event (of the type described in the immediately preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate under this Section 14.04(c) was made, (1) in the case of any such rights, options or warrants that shall all have been redeemed or purchased without exercise by any holders thereof, upon such final redemption or purchase (x) the Conversion Rate shall be readjusted as if such rights, options or warrants had not been issued and (y) the Conversion Rate shall then again be readjusted to give effect to such distribution, deemed distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per ordinary share redemption or purchase price received by a holder or holders of ordinary shares (directly or in the form of ADSs) with respect to such rights, options or warrants (assuming such holder had retained such rights, options or warrants), made to all holders of ordinary shares (directly or in the form of ADSs) as of the date of such redemption or purchase, and (2) in the case of such rights, options or warrants that shall have expired or been terminated without exercise by any holders thereof, the Conversion Rate shall be readjusted as if such rights, options and warrants had not been issued.

For purposes of Section 14.04(a), Section 14.04(b) and this Section 14.04(c), any dividend or distribution to which this Section 14.04(c) is applicable that also includes one or both of:

(A) a dividend or distribution of ordinary shares (directly or in the form of ADSs) to which Section 14.04(a) is applicable (the "**Clause A Distribution**"); or

(B) a dividend or distribution of rights, options or warrants to which Section 14.04(b) is applicable (the "**Clause B Distribution**"),

then (1) such dividend or distribution, other than the Clause A Distribution and the Clause B Distribution, shall be deemed to be a dividend or distribution to which this Section 14.04(c) is applicable (the "**Clause C Distribution**") and any Conversion Rate adjustment required by this Section 14.04(c) with respect to such Clause C Distribution shall then be made, and (2) the Clause A Distribution and Clause B Distribution shall be deemed to immediately follow the Clause C Distribution and any Conversion Rate adjustment required by Section 14.04(a) and Section 14.04 (b) with respect thereto shall then be made, except that, if determined by the Company (I) the "Record Date" of the Clause A Distribution and the Clause B Distribution shall be deemed to be the Record Date of the Clause C Distribution and (II) any ordinary shares (directly or in the form of ADSs) included in the Clause A Distribution or Clause B Distribution shall be deemed not to be "outstanding immediately prior to the close of business on such Record Date or immediately after the open of business on such effective date, as applicable" within the meaning of Section 14.04(a) or "outstanding immediately prior to the close of business on such Record Date" within the meaning of Section 14.04(b).

(d) If any cash dividend or distribution is made to all or substantially all holders of the ordinary shares (directly or in the form of ADSs), the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - C}$$

where,

- CR_0 = the Conversion Rate in effect immediately prior to the open of business on the Ex-Dividend Date for the ADSs for such dividend or distribution;
- CR_1 = the Conversion Rate in effect immediately after the open of business on the Ex-Dividend Date for such dividend or distribution;
- SP_0 = the Last Reported Sale Price of the ADSs (divided by the number of ordinary shares then represented by one ADS on such Trading Day) on the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and
- C = the amount in cash per ordinary share the Company distributes to all or substantially all holders of the ordinary shares (directly or in the form of ADSs) (for the avoidance of doubt, without giving effect to any applicable fees and expenses payable to, or withheld by, the ADS Depositary with respect to such distribution).

Any increase pursuant to this Section 14.04(d) shall become effective immediately after the open of business on the Ex-Dividend Date for such dividend or distribution. If such dividend or distribution is not so paid, the Conversion Rate shall be readjusted, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if “C” (as defined above) is equal to or greater than “ SP_0 ” (as defined above), in lieu of the foregoing increase, each Holder of a Note shall receive, for each US\$1,000 principal amount of the Notes, at the same time and upon the same terms as holders of the ADSs, the amount of cash that such Holder would have received if such Holder owned a number of ADSs based on the Conversion Rate on the Record Date for such cash dividend or distribution.

(e) If the Company or any of its Subsidiaries or consolidated affiliated entities make a payment in respect of a tender or exchange offer for the ordinary shares of the Company (directly or in the form of ADSs) (other than solely pursuant to an odd-lot tender offer pursuant to Rule 13e-4(h)(5) under the Exchange Act or any successor rule), to the extent that the Tender/Exchange Offer Consideration (as defined below) included in the payment per ordinary share exceeds the average of the Last Reported Sale Prices of the ADSs (*divided by* the number of ordinary shares then represented by one ADS) over the 10 consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the date such tender or exchange offer expires, the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{AC + (SP_1 \times OS_1)}{OS_0 \times SP_1}$$

where,

- CR_0 = the Conversion Rate in effect immediately prior to the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the date such tender or exchange offer expires;
- CR_1 = the Conversion Rate in effect immediately after the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the date such tender or exchange offer expires;

- AC = the aggregate value of all cash and any other consideration (as determined by the Board of Directors thereof in good faith and as of the time such tender or exchange offer expires (the “**Tender/Exchange Offer Consideration**”)) paid or payable for ordinary shares or ADSs, as the case may be, purchased in such tender or exchange offer;
- OS₀ = the number of ordinary shares outstanding immediately prior to the date such tender or exchange offer expires (prior to giving effect to the purchase of all ordinary shares or ADSs, as the case may be, accepted for purchase or exchange in such tender or exchange offer);
- OS₁ = the number of ordinary shares outstanding immediately after the date such tender or exchange offer expires (after giving effect to the purchase of all ordinary shares or ADSs, as the case may be, accepted for purchase or exchange in such tender or exchange offer); and
- SP₁ = the average of the Last Reported Sale Prices of the ADSs (*divided by* the number of ordinary shares then represented by one ADS) over the 10 consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the date such tender or exchange offer expires.

The adjustment to the Conversion Rate under this Section 14.04(e) shall occur with effect as of the close of business on the 10th consecutive Trading Day immediately following, and including, the Trading Day immediately following the date such tender or exchange offer expires; *provided* that (x) in respect of any conversion of Notes for which Physical Settlement is applicable, if the relevant Conversion Date occurs during the 10 Trading Days immediately following, and including, the Trading Day next succeeding the expiration date of any tender or exchange offer, references in this Section 14.04(e) with respect to “10” or “10th” in the preceding paragraph shall be deemed replaced with such lesser number of Trading Days as have elapsed from, and including, the expiration date of such tender or exchange offer to, and including such Conversion Date in determining the Conversion Rate and (y) in respect of any conversion of Notes for which Cash Settlement or Combination Settlement is applicable, for any Trading Day that falls within the relevant Observation Period for such conversion and within the 10 Trading Days immediately following, and including the Trading Day next succeeding the expiration date of such tender or exchange offer, references with respect to 10 Trading Days shall be deemed replaced with such lesser number of Trading Days as have elapsed from, and including, the expiration date of such tender or exchange offer to, and including, such Trading Day in determining the Conversion Rate as of such Trading Day. For the avoidance of doubt, no adjustment under this Section 14.04(e) will be made if such adjustment would result in a decrease in the Conversion Rate.

- (f) Notwithstanding anything to the contrary in this Indenture or the Notes, if:
- (i) a Note is to be converted and Physical Settlement or Combination Settlement applies to such conversion;
 - (ii) the Record Date, Effective Date or expiration date for any event that requires an adjustment to the Conversion Rate pursuant to Section 14.04 has occurred on or before the Conversion Date for such conversion (in the case of Physical Settlement) or on or before any Trading Day in the Observation Period for such conversion (in the case of Combination Settlement), but an adjustment to the Conversion Rate for such event has not yet become effective as of such Conversion Date or Trading Day, as applicable;
 - (iii) the consideration due upon such conversion includes any whole ADSs (or ordinary shares in lieu of such ADSs) (in the case of Physical Settlement) or due in respect of such Trading Day includes any whole ADSs (or ordinary shares in lieu of such ADSs) or fractional ADS (in the case of Combination Settlement); and
 - (iv) such ADSs (or ordinary shares in lieu of such ADSs) are not entitled to participate in such event (because they were not held on the related Record Date or otherwise),

then, solely for purposes of such conversion, the Company will, without duplication, give effect to such adjustment on such Conversion Date (in the case of Physical Settlement) or such Trading Day (in the case of Combination Settlement). In such case, if the date on which the Company is otherwise required to deliver the consideration due upon such conversion is before the first date on which the amount of such adjustment can be determined, then the Company will delay the settlement of such conversion until the third Business Day after such first date.

- (g) Notwithstanding anything to the contrary in this Indenture or the Notes, if:
- (i) a Conversion Rate adjustment for any dividend or distribution becomes effective on any Ex-Dividend Date pursuant to Section 14.04;
 - (ii) a Note is to be converted pursuant to Physical Settlement or Combination Settlement;
 - (iii) the Conversion Date for such conversion (in the case of Physical Settlement) or any Trading Day in the Observation Period for such conversion (in the case of Combination Settlement) occurs on or after such Ex-Dividend Date and on or before the related Record Date;
 - (iv) the consideration due upon such conversion includes any whole ADSs (or ordinary shares in lieu of such ADSs) (in the case of Physical Settlement) or due in respect of such Trading Day includes any whole ADSs (or ordinary shares in lieu of such ADSs) or fractional ADS (in the case of Combination Settlement), in each case based on a Conversion Rate that is adjusted for such dividend or distribution; and
 - (v) ADSs (or ordinary shares in lieu of such ADSs) would be entitled to participate in such dividend or distribution,

then (x) in the case of Physical Settlement, such Conversion Rate adjustment will not be given effect for such conversion and the ADSs (or ordinary shares in lieu of such ADSs) deliverable upon such conversion based on such unadjusted Conversion Rate will not be entitled to participate in such dividend or distribution, but there will be added, to the consideration otherwise due upon such conversion, the same kind and amount of consideration that would have been delivered in such dividend or distribution with respect to such ADSs (or ordinary shares in lieu of such ADSs) had such ADSs (or ordinary shares in lieu of such ADSs) been entitled to participate in such dividend or distribution; and (y) in the case of Combination Settlement, the Conversion Rate adjustment relating to such Ex-Dividend Date will be made for such conversion in respect of such Trading Day, but the ADSs deliverable with respect to such Trading Day based on such adjusted Conversion Rate will not be entitled to participate in such dividend or distribution.

(h) Except as stated herein, the Company shall not adjust the Conversion Rate for the issuance of ordinary shares, Class B shares or ADSs or any securities convertible into or exchangeable for ordinary shares, Class B shares or ADSs or the right to purchase ordinary shares, Class B shares or ADSs or such convertible or exchangeable securities.

(i) In addition to those adjustments required by clauses (a), (b), (c), (d) and (e) of this Section 14.04, and to the extent permitted by applicable law and subject to the applicable rules of The NASDAQ Global Market and any other securities exchange on which any of the Company's securities are then listed, the Company from time to time may increase the Conversion Rate by any amount for a period of at least 20 Business Days if the Board of Directors determines that such increase would be in the Company's best interest, and the Company may (but is not required to) increase the Conversion Rate to avoid or diminish any income tax to holders of the ordinary shares or the ADSs or rights to purchase ordinary shares or ADSs in connection with a dividend or distribution of ordinary shares or ADSs (or rights to acquire ordinary shares or ADSs) or similar event.

- (j) Notwithstanding anything to the contrary in this Article 14, the Conversion Rate shall not be adjusted:
- (i) upon the issuance of any ordinary shares, Class B shares or ADSs pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Company's securities and the investment of additional optional amounts in ordinary shares, Class B shares or ADSs under any plan;
 - (ii) upon the issuance of any ordinary shares, Class B shares or ADSs or options or rights to purchase those ordinary shares, Class B shares or ADSs pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any of the Company's Subsidiaries or consolidated affiliated entities;
 - (iii) upon the repurchase of any ordinary shares, class B shares or ADSs pursuant to an open market share purchase program or other buy back transaction, including derivative transactions or other buy back transaction that is not a tender offer or exchange offer of the kind described under Section 14.04(e) above;
 - (iv) upon the issuance of any ordinary shares, Class B shares or ADSs pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in clause (ii) of this subsection and outstanding as of the date the Notes were first issued;
 - (v) solely for a change in the par value of the ordinary shares or Class B shares; or
 - (vi) for accrued and unpaid interest, if any.
- (k) All calculations and other determinations under this Article 14 shall be made by the Company and shall be made to the nearest one-tenth thousandth (1/10,000) of an ADS.
- (l) Whenever the Conversion Rate is adjusted as herein provided, the Company shall promptly file with the Trustee (and the Conversion Agent if not the Trustee) an Officers' Certificate setting forth the Conversion Rate after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Unless and until a Responsible Officer of the Trustee shall have received such Officers' Certificate, the Trustee shall not be deemed to have knowledge of any adjustment of the Conversion Rate and may assume without inquiry that the last Conversion Rate of which it has knowledge is still in effect. Promptly after delivery of such certificate, the Company shall prepare a notice of such adjustment of the Conversion Rate setting forth the adjusted Conversion Rate and the date on which each adjustment becomes effective and shall send such notice of such adjustment of the Conversion Rate to each Holder at its last address appearing on the Note Register (or in the case of Global Notes, electronically in accordance with the applicable procedures of the Depositary) with a copy to the Trustee and Conversion Agent (if other than the Trustee). Failure to deliver such notice shall not affect the legality or validity of any such adjustment.
- (m) For purposes of this Section 14.04, the number of ordinary shares at any time outstanding shall not include ordinary shares held in the treasury of the Company (directly or in the form of ADSs) so long as the Company does not pay any dividend or make any distribution on ordinary shares held in the treasury of the Company (directly or in the form of ADSs), but shall include ordinary shares issuable in respect of scrip certificates issued in lieu of fractions of ordinary shares.
- (n) With respect to any dividend, distribution or other transaction or event in which the holders of ADSs (or other applicable security) have the right to receive any cash, securities or other property or in which ADSs (or other applicable security) are exchanged for or converted into any combination of cash, securities or other property, if the Record Date for the ordinary shares does not fall on the same day as the Record Date for the ADSs, and a Holder elects to receive ordinary shares in lieu of any ADSs deliverable upon conversion, the Company will make adjustments that the Board of Directors

determines in good faith are appropriate to entitle such holders to receive such cash, securities or other property.

Section 14.05 *Adjustments of Prices.* Whenever any provision of this Indenture requires the Company to calculate the Last Reported Sale Prices, the Daily VWAPs, the Daily Conversion Values, the Daily Settlement Amounts, the ADS Price for purposes of a Make-Whole Fundamental Change or the Redemption Reference Price for purposes of the Company's election to redeem the Notes in connection with a Tax Redemption, a Cleanup Redemption or Optional Redemption, as the case may be, over a span of multiple days, the Board of Directors shall make appropriate adjustments to each to account for any adjustment to the Conversion Rate that becomes effective pursuant to Section 14.04, or any event requiring an adjustment to the Conversion Rate pursuant to Section 14.04 where the Record Date for the ADSs, Ex-Dividend Date, Effective Date or expiration date, as the case may be, of the event occurs, at any time during the period when such Last Reported Sale Prices, ADS Prices, the Daily VWAPs, the Daily Conversion Values or the Daily Settlement Amounts are to be calculated.

Section 14.06 *Ordinary Shares to Be Fully Paid.* The Company shall provide, free from preemptive rights, out of its authorized but unissued ordinary shares or ordinary shares held in treasury, a sufficient number of authorized, validly-issued and fully paid ordinary shares that corresponds to the number of ADSs due upon conversion of the Notes from time to time as such Notes are presented for conversion (assuming that at the time of computation of such number of ordinary shares, all such Notes would be converted by a single Holder and that Physical Settlement were applicable).

Section 14.07 *Effect of Recapitalizations, Reclassifications and Changes of the Ordinary Shares.*

- (a) In the case of:
 - (i) any recapitalization, reclassification or change of the ADSs or the ordinary shares of the Company (other than changes resulting from a subdivision or combination and changes in par value or from par value to no par value (or vice versa)),
 - (ii) any consolidation, merger, combination or similar transaction involving the Company,
 - (iii) any sale, lease or other transfer to a third party of the consolidated assets of the Company, the Company's Subsidiaries or consolidated affiliated entities, substantially as an entirety, or
 - (iv) any statutory share exchange,

in each case, as a result of which the ordinary shares of the Company (directly or in the form of ADSs) would be converted into, or exchanged for, Capital Stock, other securities, other property or assets (including cash or any combination thereof) (any such event, a "**Share Exchange Event**"), then, prior to or at the effective time of such Share Exchange Event, the Company or the successor or purchasing Person, as the case may be, shall execute with the Trustee a supplemental indenture permitted under Section 10.01(g) providing that, at and after the effective time of such Share Exchange Event, the right to convert each US\$1,000 principal amount of the Notes shall be changed into a right to convert such principal amount of the Notes into the kind and amount of shares of Capital Stock, other securities or other property or assets (including cash or any combination thereof) that a holder of a number of ADSs equal to the Conversion Rate immediately prior to such Share Exchange Event would have owned or been entitled to receive (the "**Reference Property**," with each "**unit of Reference Property**" meaning the kind and amount of Reference Property that a holder of one ADS is entitled to receive) upon such Share Exchange Event. At and after the effective time of the Share Exchange Event, (A) the consideration due upon conversion of any Note, and the conditions to any such conversion, will be determined in the same manner as if each reference to any number of shares of Common Stock in this Article 14 (or in any related definitions) were instead a reference to the same number of units of Reference Property; (B) for purposes of Article 16, Article 17 or Article 18, each reference to any number of ADSs in such Articles (or in any related definitions) will instead be deemed to be a reference to the same number of units of Reference Property; (C) for purposes of the definitions of "Record Date", the term "ADSs" will

be deemed to refer to any class of securities forming part of such Reference Property; (D) the Company will continue to have the right to determine the form of consideration to be paid or delivered, as the case may be, upon conversion of the Notes, as set forth under Section 14.02; and (E) (x) any amount payable in cash upon conversion of the Notes as set forth in this Indenture will continue to be payable in cash, (y) the number of ADSs otherwise deliverable upon conversion of the Notes in accordance with Section 14.02 shall instead be deliverable in whole units of Reference Property, and (z) the Daily VWAP of any unit of Reference Property or portion thereof that consists of a class of common equity securities, and the Last Reported Sale Price of any Reference Property or portion thereof that does not consist of a class of common equity securities, will be determined by reference to the definition of "Daily VWAP," substituting, if applicable, the Bloomberg page for such class of securities in such definition, and the Daily VWAP of any unit of Reference Property or portion thereof that does not consist of a class of common equity securities will be the fair value of such unit of Reference Property or portion thereof, as applicable, determined in good faith by the Board of Directors (or, in the case of cash denominated in U.S. dollars, the face amount thereof). For the avoidance of doubt, nothing in the provisions in this Section 14.07 shall be interpreted to or deemed to superseded or substitute the provisions under the Section 15.02.

If the Share Exchange Event causes the ADSs to be converted into, or exchanged for, the right to receive more than a single type of consideration (determined based in part upon any form of holder election), then (i) the Reference Property into which the Notes will be convertible shall be deemed to be (A) the weighted average of the types and amounts of consideration actually received, per ADS, by the holders of ADSs or (B) if no holders of ADSs affirmatively make such an election, the types and amounts of consideration actually received by the holders of the ADSs and (ii) the unit of Reference Property for purposes of the immediately preceding paragraph shall refer to the consideration referred to in clause (i) or clause (ii), as the case may be attributable to one ADS. The Company shall provide written notice to Holders, the Trustee and the Conversion Agent (if other than the Trustee) of such weighted average as soon as practicable after such determination is made.

If the holders of ADSs receive only cash in such Share Exchange Event, then for all conversions that occur after the Effective Date of such Share Exchange Event, (i) the consideration due upon conversion of each US\$1,000 principal amount of Notes shall be solely cash in an amount equal to the Conversion Rate in effect on the Conversion Date (as may be increased as described under Section 14.03), *multiplied* by the price paid per ADS in such Share Exchange Event and (ii) the Company will satisfy its Conversion Obligation by paying cash to converting Holders on the tenth Business Day immediately following the Conversion Date.

Such supplemental indenture described in the second immediately preceding paragraph shall not require the consent of the Holders and shall (i) provide for anti-dilution and other adjustments that shall be as nearly equivalent as is practicable to the adjustments provided for in this Article 14 (it being understood that no such adjustments shall be required with respect to any portion of the Reference Property that does not consist of shares of Common Equity (however evidenced) or depository receipts in respect thereof) and (ii) contain such other provisions that the Board of Directors determines in good faith and in a commercially reasonable manner are appropriate to preserve the economic interests of the Holders and to give effect to the provisions of this Section 14.07. If, in the case of any Share Exchange Event, the Reference Property includes shares of Capital Stock, securities or other property or assets (other than cash) of a Person other than the Company or the successor or purchasing Person, as the case may be, in such Share Exchange Event, then such other Person shall also execute such supplemental indenture, and such supplemental indenture shall contain such provisions to protect the interests of the Holders of the Notes, including the repurchase rights of Holders pursuant to Article 15 and the redemption right of Holders pursuant to Article 16, Article 17 and Article 18, as the Board of Directors shall reasonably consider necessary by reason of the foregoing.

(b) In the event a supplemental indenture is executed pursuant to subsection (a) of this Section 14.07, the Company shall promptly file with the Trustee an Officers' Certificate briefly stating the reasons therefor, the kind or amount of cash, securities or property or asset that will comprise a unit of Reference Property after any such Share Exchange Event, any adjustment to be made with respect thereto and that all conditions precedent have been complied with. The Company shall cause notice of the execution of such supplemental indenture to be sent to each Holder, at its address appearing on the Note Register provided for in this Indenture, within 20 days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of such supplemental indenture.

(c) The Company shall not become a party to any Share Exchange Event unless its terms are consistent with this Section 14.07. None of the foregoing provisions shall affect the right of a Holder of Notes to convert its Notes into cash, ADSs or a combination of cash and ADSs (or ordinary shares in lieu thereof), as applicable, as set forth in Section 14.01 and Section 14.02 prior to the effective date of such Share Exchange Event.

(d) The above provisions of this Section shall similarly apply to successive Share Exchange Events.

Section 14.08 *Certain Covenants.* (a) The Company covenants that all ADSs delivered upon conversion of Notes, and all ordinary shares represented by such ADSs, will be fully paid and non-assessable by the Company and free from all taxes, liens and charges with respect to the issue thereof.

(b) [Reserved.]

(c) The Company further covenants that if at any time the ADSs shall be listed on any national securities exchange or automated quotation system the Company will list and keep listed, so long as the ADSs shall be so listed on such exchange or automated quotation system, any ADSs deliverable upon conversion of the Notes.

(d) The Company further covenants to take all actions and obtain all approvals and registrations required with respect to the conversion of the Notes into ADSs and the issuance, and deposit into the ADS facility, of the ordinary shares represented by such ADSs. Subject to Section 14.12, the Company also undertakes to maintain, as long as any Notes are outstanding, the effectiveness of a registration statement on Form F-6, or any successor form or such other schedule under the Securities Act that the Company deems appropriate to register such distribution, relating to the ADSs and an adequate number of ADSs available for issuance thereunder such that all ADSs can be delivered in accordance with the terms of this Indenture, the Notes and the Deposit Agreement or the Restricted Issuance Agreement, as applicable, upon conversion of the Notes (with such maximum number of ADSs determined for such purpose assuming the maximum number of ADSs have been added to the Conversion Rate).

(e) Subject to Section 14.12, the Company further covenants to provide Holders with a reasonably detailed written description of the mechanics for the delivery of ADSs upon conversion of Notes as set forth in the Deposit Agreement or the Restricted Issuance Agreement, as applicable, upon request by the ADS Depositary or the ADS Custodian.

(f) The Company has reserved and will keep available at all times a number of ordinary shares corresponding to the maximum number of ADSs deliverable upon conversion of the Notes, plus any Additional ADSs deliverable pursuant to Section 14.03(g), assuming Physical Settlement applies to each conversion.

Section 14.09 *Responsibility of Trustee.* The Trustee and any other Conversion Agent shall not at any time be under any duty or responsibility to any Holder to determine the Conversion Rate (or any adjustment thereto) or whether any facts exist that may require any adjustment (including any increase) of the Conversion Rate, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. The Trustee and any other Conversion Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any ADSs (or ordinary shares in lieu thereof), or of any securities, property or cash that may at any time be issued or delivered upon the conversion of any Note; and the Trustee and any other Conversion Agent make no representations with respect thereto. Neither the Trustee nor any Conversion Agent shall be responsible for any failure of the Company to issue, transfer or deliver any ADSs (or ordinary shares in lieu thereof) or stock certificates or other securities or property or cash upon the surrender of any Note for the purpose of conversion, the accuracy or inaccuracy of any mathematical calculation or formulae under this Indenture, whether by the Company or any Person so authorized by the Company for such purpose under this Indenture or the failure by the Company to comply with any of the duties, responsibilities or covenants of the Company contained in this Article. Without limiting the generality of the foregoing, neither the Trustee nor any Conversion Agent shall be under any

responsibility to determine the correctness of any provisions contained in any supplemental indenture entered into pursuant to Section 14.07 relating either to the kind or amount of ADSs or securities or property (including cash) receivable by Holders upon the conversion of their Notes after any event referred to in such Section 14.07 or to any adjustment to be made with respect thereto, but, subject to the provisions of Section 7.01, may accept (without any independent investigation) as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon, the Officers' Certificate (which the Company shall be obligated to file with the Trustee prior to the execution of any such supplemental indenture) with respect thereto.

Section 14.10 *Notice to Holders Prior to Certain Actions.* In case of any:

(a) action by the Company or one of its Subsidiaries that would require an adjustment in the Conversion Rate pursuant to Section 14.04 or Section 14.11;

(b) Share Exchange Event; or

(c) voluntary or involuntary dissolution, liquidation or winding-up of the Company or any of its Significant Subsidiaries;

then, in each case (unless notice of such event is otherwise required pursuant to another provision of this Indenture), the Company shall cause to be filed with the Trustee and the Conversion Agent (if other than the Trustee) and to be sent to each Holder at its address appearing on the Note Register, as promptly as possible but in any event at least 20 days prior to the applicable date hereinafter specified, a notice stating (i) the date on which a record is to be taken for the purpose of such action by the Company or one of its Subsidiaries or, if a record is not to be taken, the date as of which the holders of ordinary shares or ADSs, as the case may be, of record are to be determined for the purposes of such action by the Company or one of its Subsidiaries, or (ii) the date on which such Share Exchange Event, dissolution, liquidation or winding-up is expected to become effective or occur, and the date as of which it is expected that holders of ordinary shares or ADSs, as the case may be, of record shall be entitled to exchange their ordinary shares or ADSs, as the case may be, for securities or other property deliverable upon such Share Exchange Event, dissolution, liquidation or winding-up. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such action by the Company or one of its Subsidiaries, Share Exchange Event, dissolution, liquidation or winding-up.

Section 14.11 *Shareholder Rights Plans.* To the extent that the Company has a shareholder rights plan in effect upon conversion of the Notes, each Holder will receive, in addition to and concurrently with the delivery of, the consideration otherwise due upon such conversion, the appropriate number of rights under the shareholder rights plan, if any, and the global securities representing the ADSs (or ordinary shares in lieu thereof) delivered upon such conversion shall bear such legends, if any, in each case as may be provided by the terms of any such shareholder rights plan, as the same may be amended from time to time. Notwithstanding the foregoing, if, prior to any conversion, the rights have separated from the ordinary shares underlying the ADSs in accordance with the provisions of the applicable shareholder rights plan, the Conversion Rate shall be adjusted at the time of separation as if the Company distributed to all or substantially all holders of the ordinary shares of the Company (directly or in the form of ADSs) Distributed Property as provided in Section 14.04(c), subject to readjustment in the event of the expiration, termination or redemption of such rights.

Section 14.12 *Termination of Depositary Receipt Program.* Except as contemplated in Section 10.04, if the ordinary shares of the Company cease to be represented by American Depositary Shares issued under a depositary receipt program sponsored by the Company, all references in this Indenture to the ADSs shall be deemed to have been replaced by a reference to the number of ordinary shares (and other property, if any) represented by the ADSs on the last day on which the ADSs represented the ordinary shares of the Company and as if the ordinary shares (and the other property, if any) had been distributed to holders of the ADSs on that day. In addition, all references to the Last Reported Sale Price of the ADSs will be deemed to refer to the Last Reported Sale Price of the ordinary shares, and other appropriate adjustments, including adjustments to the Conversion Rate, will be made to reflect such change. In making such adjustments, where currency translations between U.S. dollars and any other currency are required, the exchange rate in effect on the date of determination will apply. The Company shall cause to be filed with the Trustee and the Conversion Agent (if other than the Trustee) and to be sent to each Holder at its address appearing on the Note Register, as promptly as possible but in any event at least 20 days prior to the

applicable date of the event stated herein, a notice stating the applicable date of the event and any adjustment to the Conversion Rate.

Section 14.13 *Exchange In Lieu Of Conversion*(a). (a) When a Holder surrenders its Notes for conversion, the Company may, at its election (an “**Exchange Election**”), direct the Conversion Agent in writing to deliver, on or prior to the Business Day immediately following the Conversion Date, such Notes to one or more financial institutions designated by the Company (each, a “**Designated Financial Institution**”) for exchange in lieu of conversion. In order to accept any Notes surrendered for conversion, the Designated Financial Institution(s) must agree to timely pay, deliver or cause to deliver, as the case may be, in exchange for such Notes, the cash, ADSs (or ordinary shares in lieu thereof) or a combination thereof (or ordinary shares in lieu thereof), as applicable, that would otherwise be due upon conversion pursuant to Section 14.02 (the “**Conversion Consideration**”). If the Company makes an Exchange Election, the Company shall, by the close of business on the Business Day following the relevant Conversion Date, notify in writing the Trustee, the Conversion Agent (if other than the Trustee) and the Holder surrendering Notes for conversion that the Company has made the Exchange Election and the Company shall promptly notify the Designated Financial Institution(s) of the relevant deadline for delivery of the Conversion Consideration and the type of Conversion Consideration to be paid and/or delivered, as the case may be.

(b) Any Notes exchanged by the Designated Financial Institution(s) shall remain outstanding, subject to applicable procedures of the Depository. If the Designated Financial Institution(s) agree(s) to accept any Notes for exchange but does not timely pay, deliver and/or cause to deliver, as the case may be, the related Conversion Consideration, or if such Designated Financial Institution(s) does not accept the Notes for exchange, the Company shall pay and/or deliver, as the case may be, the relevant Conversion Consideration, as, and at the time, required pursuant to this Indenture as if the Company had not made the Exchange Election.

(c) The Company’s designation of any Designated Financial Institution(s) to which the Notes may be submitted for exchange does not require such Designated Financial Institution(s) to accept any Notes.

ARTICLE 15 REPURCHASE OF NOTES AT OPTION OF HOLDERS

Section 15.01 *Repurchase at Option of Holders.*

(a) Each Holder shall have the right, at such Holder’s option, to require the Company to repurchase for cash on June 1, 2029 (the “**Repurchase Date**”), all of such Holder’s Notes, or any portion thereof that is an integral multiple of US\$1,000 principal amount, at a repurchase price (the “**Repurchase Price**”) that is equal to 100% of the principal amount of the Notes to be repurchased, *plus* accrued and unpaid interest to, but excluding, the Repurchase Date, subject to the right of the Holders on the Regular Record Date to receive the related interest payment. For the avoidance of doubt, accrued and unpaid interest payable on the Interest Payment Date falling on June 1, 2029 will not be paid to the Holders who have submitted their Notes for repurchase on June 1, 2029, but to the Holders of record at the close of business on the Regular Record Date immediately preceding the Repurchase Date. Not later than 20 Business Days prior to the Repurchase Date, the Company shall send a written notice (the “**Company Notice**”) to the Trustee, to the Paying Agent, the Conversion Agent (if other than the Trustee) and to each Holder at its address shown in the Note Register of the Note Registrar. The Company Notice shall state:

- (i) the last date on which a Holder may exercise its repurchase right pursuant to this Section 15.01 (the “**Repurchase Expiration Time**”);
- (ii) the Repurchase Price;
- (iii) the Repurchase Date;

- (iv) the name and address of the Conversion Agent and the Paying Agent;
- (v) that the Notes with respect to which a Repurchase Notice has been delivered by a Holder may be converted only if the Holder withdraws the Repurchase Notice in accordance with the terms of this Indenture;
- (vi) that the Holder shall have the right to withdraw any Notes surrendered prior to the Repurchase Expiration Time; and
- (vii) the procedures a Holder must follow to exercise its repurchase rights under this Section 15.01 and a brief description of those rights.

If the Notes are Global Notes, the Company Notice must comply with appropriate procedures of the Depositary.

At the Company's written request, the Trustee shall give such notice in the Company's name and at the Company's expense; *provided, however*, that, in all cases, the text of such Company Notice shall be prepared by the Company.

Simultaneously with providing the Company Notice, the Company shall publish a notice containing the information included in the Company Notice on the Company's website or through such other public medium as the Company may use at that time.

No failure of the Company to give the foregoing notices and no defect therein shall limit the Holders' repurchase rights or affect the validity of the proceedings for the repurchase of the Notes pursuant to this Section 15.01.

Repurchases of Notes under this Section 15.01 shall be made, at the option of the Holder thereof, upon:

- (i) delivery to the Paying Agent (or another agent designated for this purpose) by the Holder of a duly completed notice (the "**Repurchase Notice**") in the form set forth in Attachment 3 to the Form of Note attached hereto as Exhibit A, if the Notes are Physical Notes, or in compliance with the Depositary's procedures for surrendering interests in global notes, if the Notes are Global Notes; and
- (ii) delivery of the Notes, if the Notes are Physical Notes, to the Paying Agent at any time after delivery of the Repurchase Notice (together with all necessary endorsements), or book-entry transfer of the Notes, if the Notes are Global Notes, in compliance with the procedures of the Depositary, in each case such delivery being a condition to receipt by the Holder of the Repurchase Price therefor,

in each case (i) and (ii), during the period beginning at any time from the open of business on the date that is 20 Business Days prior to the Repurchase Date until the close of business on the second Business Day immediately preceding the Repurchase Date. If a Repurchase Notice is given and withdrawn during such period, the Company will be under no obligation to repurchase the Notes, in relation to which the Repurchase Notice was given.

Each Repurchase Notice shall state:

- (A) in the case of Physical Notes, the certificate numbers of the Notes to be delivered for repurchase;
- (B) the portion of the principal amount of the Notes to be repurchased, which must be US\$1,000 or an integral multiple thereof; and

(C) that the Notes are to be repurchased by the Company pursuant to the applicable provisions of the Notes and this Indenture;

provided, however, that if the Notes are Global Notes, the Repurchase Notice must comply with appropriate Depositary procedures.

Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Repurchase Notice contemplated by this Section 15.01 shall have the right to withdraw, in whole or in part, such Repurchase Notice at any time prior to the close of business on the second Business Day immediately preceding the Repurchase Date by delivery of a duly completed written notice of withdrawal to the Trustee and the Paying Agent in accordance with Section 15.03.

The Trustee shall promptly notify the Company of the receipt by it of any Repurchase Notice or written notice of withdrawal thereof.

No Repurchase Notice with respect to any Notes may be delivered and no Note may be surrendered for repurchase pursuant to this Section 15.01 by a Holder thereof to the extent such Holder has also delivered a Fundamental Change Repurchase Notice with respect to such Note in accordance with Section 15.02 and not validly withdrawn such Fundamental Change Repurchase Notice in accordance with Section 15.03.

(b) Notwithstanding the foregoing, no Notes may be repurchased by the Company at the option of the Holders on the Repurchase Date if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to such Repurchase Date (except in the case of an acceleration resulting from a default by the Company in the payment of the Repurchase Price with respect to such Notes). The Trustee will promptly return to the respective Holders thereof any Physical Notes held by it during the acceleration of the Notes (except in the case of an acceleration resulting from a default by the Company in the payment of the Repurchase Price with respect to such Notes), or any instructions for book-entry transfer of the Notes in compliance with the procedures of the Depositary shall be deemed to have been cancelled, and, upon such return or cancellation, as the case may be, the Repurchase Notice with respect thereto shall be deemed to have been withdrawn.

Section 15.02 *Repurchase at Option of Holders Upon a Fundamental Change.* If a Fundamental Change occurs at any time, each Holder shall have the right, at such Holder's option, to require the Company to repurchase for cash all of such Holder's Notes, or any portion thereof that is equal to US\$1,000 or an integral multiple of US\$1,000, on the date (the "**Fundamental Change Repurchase Date**") notified in writing by the Company as set forth in Section 15.02(b) that is not less than 20 Business Days or more than 35 Business Days following the date of the Fundamental Change Company Notice at a repurchase price equal to 100% of the principal amount thereof, *plus* accrued and unpaid interest thereon to, but excluding, the Fundamental Change Repurchase Date (the "**Fundamental Change Repurchase Price**"), unless the Fundamental Change Repurchase Date falls after a Regular Record Date but on or prior to the Interest Payment Date to which such Regular Record Date relates, in which case the Company shall instead pay on such Interest Payment Date the full amount of accrued and unpaid interest to Holders of record as of such Regular Record Date, and the Fundamental Change Repurchase Price shall be equal to 100% of the principal amount of Notes to be repurchased pursuant to this Article 15. The Trustee and any other Conversion Agent, Paying Agent or any other agent appointed for such purposes shall have no responsibility to determine the Fundamental Change Repurchase Price.

(a) Repurchases of Notes under this Section 15.02 shall be made, at the option of the Holder thereof, upon:

(i) delivery to the Paying Agent (or any other agent appointed for this purpose) by a Holder of a duly completed notice (the "**Fundamental Change Repurchase Notice**") in the form set forth in Attachment 2 to the Form of Note attached hereto as Exhibit A, if the Notes are Physical Notes, or in compliance with the Depositary's procedures for surrendering interests in global notes, if the Notes are Global Notes; and

(ii) delivery of the Notes, if the Notes are Physical Notes, to the Paying Agent (or another agent appointed for such purposes) together with, or at any time after, delivery of the Fundamental Change Repurchase Notice (together with all necessary endorsements for transfer), or book-entry transfer of the Notes, if the Notes are Global Notes, in compliance with the procedures of the Depositary, in each case such delivery being a condition to receipt by the Holder of the Fundamental Change Repurchase Price therefor.

in each case (i) and (ii), on or before the close of business on the second Business Day immediately preceding the Fundamental Change Repurchase Date

The Fundamental Change Repurchase Notice in respect of any Notes to be repurchased shall state:

- (A) in the case of Physical Notes, the certificate numbers of the Notes to be delivered for repurchase;
- (B) the portion of the principal amount of Notes to be repurchased, which must be US\$1,000 or an integral multiple thereof; and
- (C) that the Notes are to be repurchased by the Company pursuant to the applicable provisions of the Notes and this Indenture;

provided, however, that if the Notes are Global Notes, the Fundamental Change Repurchase Notice must comply with appropriate Depositary procedures.

Notwithstanding anything herein to the contrary, any Holder delivering the Fundamental Change Repurchase Notice contemplated by this Section 15.02 shall have the right to withdraw, in whole or in part, such Fundamental Change Repurchase Notice at any time prior to the close of business on the second Business Day immediately preceding the Fundamental Change Repurchase Date by delivery of a duly completed written notice of withdrawal to the Paying Agent (or any other agent appointed for this purpose) in accordance with Section 15.03.

The Paying Agent (or any other agent appointed for this purpose) shall promptly notify the Company of the receipt by it of any Fundamental Change Repurchase Notice or written notice of withdrawal thereof.

No Fundamental Change Repurchase Notice with respect to any Notes may be delivered and no Note may be surrendered by a Holder for repurchase thereof if such Holder has also surrendered a Repurchase Notice in accordance with Section 15.01 and not validly withdrawn such Repurchase Notice in accordance with Section 15.03.

(b) On or before the 20th calendar day after the occurrence of the effective date of a Fundamental Change, the Company shall provide to all Holders and the Trustee, the Paying Agent and the Conversion Agent or any other agent appointed for such purpose a written notice (the “**Fundamental Change Company Notice**”) of the occurrence of the effective date of the Fundamental Change and of the repurchase right at the option of the Holders arising as a result thereof. In the case of Physical Notes, such notice shall be by first class mail or, in the case of Global Notes, such notice may be delivered electronically in accordance with the applicable procedures of the Depositary. Simultaneously with providing such notice, the Company shall publish a notice containing the information set forth in the Fundamental Change Company Notice on the Company’s website or through such other public medium as the Company may use at that time. Each Fundamental Change Company Notice shall specify:

- (i) the events causing the Fundamental Change and whether such events also constitute a Make-Whole Fundamental Change;
- (ii) the effective date of the Fundamental Change;
- (iii) the last date on which a Holder may exercise the repurchase right pursuant to this Article 15;

- (iv) the Fundamental Change Repurchase Price;
- (v) the Fundamental Change Repurchase Date;
- (vi) the name and address of the Trustee, the Paying Agent, the Conversion Agent or any other agent appointed for the repurchase, if any;
- (vii) if applicable, the Conversion Rate and any adjustments to the Conversion Rate;
- (viii) that the Notes with respect to which a Fundamental Change Repurchase Notice or Repurchase Option has been delivered by a Holder may be converted only if the Holder withdraws the Fundamental Change Repurchase Notice or Repurchase Notice, as the case may be, in accordance with the terms of this Indenture; and
- (ix) the procedures that Holders must follow to require the Company to repurchase their Notes.

If the Notes are Global Notes, the Fundamental Change Company Notice must comply with appropriate procedures of the Depositary.

No failure of the Company to give the foregoing notices and no defect therein shall limit the Holders' repurchase rights or affect the validity of the proceedings for the repurchase of the Notes pursuant to this Section 15.02.

At the Company's written request, the Paying Agent (or any other agent appointed for such purpose) shall give such notice in the Company's name and at the Company's expense; *provided, however*, that, in all cases, the text of such Fundamental Change Company Notice shall be prepared by the Company.

(c) Notwithstanding the foregoing, no Notes may be repurchased by the Company on any date at the option of the Holders upon a Fundamental Change if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to such date (except in the case of an acceleration resulting from a default by the Company in the payment of the Fundamental Change Repurchase Price with respect to such Notes). The Paying Agent (or any other agent appointed for such purpose) will promptly return to the respective Holders thereof any Physical Notes held by it during the acceleration of the Notes (except in the case of an acceleration resulting from a default by the Company in the payment of the Fundamental Change Repurchase Price with respect to such Notes), or any instructions for book-entry transfer of the Notes in compliance with the procedures of the Depositary shall be deemed to have been cancelled, and, upon such return or cancellation, as the case may be, the Fundamental Change Repurchase Notice with respect thereto shall be deemed to have been withdrawn.

(d) Notwithstanding anything to the contrary, the Company will not be required to send a Fundamental Change Repurchase Notice, or offer to repurchase or repurchase any Notes, as described in this Article 15, in connection with a Fundamental Change occurring pursuant to clause (b)(1) or (2) (or pursuant to clause (a) that also constitutes a Fundamental Change occurring pursuant to clause (b)(1) or (2)) of the definition thereof, if (i) such Fundamental Change constitutes a Share Exchange Event whose Reference Property consists entirely of cash in U.S. dollars; (ii) immediately after such Fundamental Change, the Notes become convertible, pursuant to Section 14.07 and, if applicable, Section 14.03, into consideration that consists solely of U.S. dollars in an amount per \$1,000 aggregate principal amount of Notes that equals or exceeds the Fundamental Change Repurchase Price per \$1,000 aggregate principal amount of Notes (calculated assuming that the same includes the maximum amount of accrued interest payable as part of the related Fundamental Change Repurchase Price); and (iii) the Company timely sends the notice relating to such Fundamental Change required pursuant to Section 14.01(b)(iii) and includes, in such notice, a statement that the Company is relying on this Section 15.02(d).

Section 15.03 *Withdrawal of Repurchase Notice or Fundamental Change Repurchase Notice.* (a) A Repurchase Notice or Fundamental Change Repurchase Notice may be withdrawn (in whole or in part) by means of a duly completed written notice of withdrawal delivered to the Trustee, Paying Agent or any other agent appointed for such purpose in accordance with this Section 15.03 at any time prior to the close of business on the second Business Day immediately preceding the Repurchase Date or prior to the close of business on the second Business Day immediately preceding the Fundamental Change Repurchase Date, as the case may be, specifying:

- (A) the principal amount of the Notes with respect to which such notice of withdrawal is being submitted, which must be in principal amounts of US\$1,000 or an integral multiple of US\$1,000,
- (B) if Physical Notes have been issued, the certificate number of the Note in respect of which such notice of withdrawal is being submitted, and
- (C) the principal amount, if any, of such Note that remains subject to the original Repurchase Notice or Fundamental Change Repurchase Notice, as the case may be, which portion must be in principal amounts of US\$1,000 or an integral multiple of US\$1,000;

provided, however, that if the Notes are Global Notes, the notice must comply with appropriate procedures of the Depositary.

Section 15.04 *Deposit of Repurchase Price or Fundamental Change Repurchase Price(a)* . (a) The Company will deposit with the Paying Agent (or any other paying agent appointed by the Company, or if the Company is acting as its own Paying Agent, set aside, segregate and hold in trust as provided in Section 4.04) at or prior to 10:00 a.m., New York City time, one Business Day prior to the Repurchase Date or Fundamental Change Repurchase Date, as the case may be, an amount of money sufficient to repurchase all of the Notes to be repurchased at the appropriate Repurchase Price or Fundamental Change Repurchase Price. Subject to receipt of funds and/or Notes by the Paying Agent (or any other paying agent appointed by the Company), payment for Notes surrendered for repurchase (and not withdrawn in accordance with Section 15.03) will be made on the later of (i) the Repurchase Date or Fundamental Change Repurchase Date, as the case may be (*provided* the Holder has satisfied the conditions in Section 15.01 or Section 15.02, as the case may be) and (ii) the time of book-entry transfer or the delivery of such Note to the Paying Agent (or any other paying agent appointed by the Company) by the Holder thereof in the manner required by Section 15.01 or Section 15.02, as applicable, by mailing checks for the amount payable to the Holders of such Notes entitled thereto as they shall appear in the Note Register; *provided, however,* that payments to the Depositary shall be made by wire transfer of immediately available funds to the account of the Depositary or its nominee. The Paying Agent (or any other paying agent appointed by the Company) shall, promptly after such payment and upon written demand by the Company, return to the Company any funds in excess of the Repurchase Price or Fundamental Change Repurchase Price, as the case may be.

(b) If by 10:00 a.m., New York City time, on the Repurchase Date or Fundamental Change Repurchase Date, as the case may be, the Paying Agent (or any other paying agent appointed by the Company) holds money sufficient to make payment on all the Notes or portions thereof that are to be repurchased on such Repurchase Date or Fundamental Change Repurchase Date, as the case may be, then, with respect to the Notes that have been properly surrendered for repurchase and not validly withdrawn, on such Repurchase Date or Fundamental Change Repurchase Date, as the case may be, (i) such Notes will cease to be outstanding, (ii) interest will cease to accrue on such Notes (whether or not book-entry transfer of the Notes has been made or the Notes have been delivered to the Trustee or Paying Agent) and (iii) all other rights of the Holders of such Notes will terminate (other than the right to receive the Repurchase Price or Fundamental Change Repurchase Price, as the case may be and the right of the Holder on the applicable Regular Record Date to receive previously accrued and unpaid interest upon delivery or transfer of the Notes).

(c) Upon surrender of a Physical Note that is to be repurchased in part pursuant to Section 15.01 or Section 15.02, the Company shall execute and the Trustee, upon receipt of a Company Order, shall authenticate and deliver to the Holder a new Physical Note in an authorized denomination equal in principal amount to the unrepurchased portion of the Note surrendered.

Section 15.05 *Covenant to Comply with Applicable Laws Upon Repurchase of Notes.* In connection with any repurchase offer, the Company will, if required:

- (a) comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act that may be applicable;
- (b) file a Schedule TO or other required schedule under the Exchange Act, if required by applicable law; and
- (c) comply with any other U.S. federal and state securities laws applicable to the Company in connection with any such repurchase;

in each case, so as to permit the rights and obligations under this Article 15 to be exercised in the time and in the manner specified in this Article 15. However, to the extent that the Company's obligations to offer to repurchase and to repurchase Notes pursuant to this Article 15 conflict with any U.S. federal and state securities laws applicable to the Company and enacted after the date the Company initially issues the Notes, the Company's compliance with such law or regulation will not be considered to be a default of those obligations.

The Company will be deemed to satisfy its obligations to offer to repurchase, and to repurchase, the Notes pursuant to the provisions in this Section 15.02 if (i) a third party makes such an offer in the same manner, at the same time and otherwise in compliance with the requirements for an offer made by the Company as set forth above and such third party purchases all Notes properly surrendered and not validly withdrawn under its offer in the same manner, at the same time and otherwise in compliance with the requirements for an offer made by the Company as set forth above and (ii) an owner of a beneficial interest in any Note repurchased by such third party will not receive a lesser amount (as a result of taxes, additional expenses or for any other reason) than such owner would have received had the Company repurchased such Note.

ARTICLE 16 REDEMPTION ONLY FOR TAXATION REASONS

Section 16.01 *Redemption for Taxation Reasons.* (a) The Notes shall not be redeemable by the Company prior to the Maturity Date, except as set out in this Article 16, Article 17 and Article 18, and no sinking fund shall be provided for the Notes. The Notes may be redeemed at the Company's option, as a whole but not in part (except in respect of certain Holders that elect otherwise as described below) (a "**Tax Redemption**"), at the Tax Redemption Price, if the Company has or would become obligated to pay to the Holder of any Note any Additional Amounts as a result of (i) any change or amendment that is not publicly announced before, and that becomes effective on or after, the date of the Offering Memorandum or, in the case of a Successor Company, the date such Successor Company assumes all of the Company's obligations under the Notes and this Indenture, or in the case of a jurisdiction that becomes a Relevant Taxing Jurisdiction on a date that is after the date of the Offering Memorandum, after such date upon which such jurisdiction becomes a Relevant Taxing Jurisdiction, in the laws or any rules or regulations of a Relevant Taxing Jurisdiction, or (ii) any change that is not publicly announced before, and that becomes effective on or after, the date of the Offering Memorandum or, in the case of a Successor Company, the date such Successor Company assumes all of the Company's obligations under the Notes and this Indenture, or in the case of a jurisdiction that becomes a Relevant Taxing Jurisdiction on a date that is after the date of the Offering Memorandum, after such date upon which such jurisdiction becomes a Relevant Taxing Jurisdiction, in an interpretation, administration or application of such laws, rules or regulations by any legislative body, court, governmental agency, taxing authority or regulatory or administrative authority of such Relevant Taxing Jurisdiction (including the enactment of any legislation and the announcement or publication of any judicial decision or regulatory or administrative interpretation or determination) (each such change or amendment, a "**Change in Tax Law**"); *provided* that the Company cannot avoid these obligations by taking commercially reasonable measures available to it (provided that changing the Company's jurisdiction of organization or domicile shall not be considered a commercially reasonable measure and changing the jurisdiction of a Paying Agent is a commercially reasonable measure) and *further provided* that, prior to or simultaneously with the Tax Redemption Notice, the Company delivers to the Trustee an Opinion of Counsel of recognized standing in the Relevant Taxing Jurisdiction attesting that the Company has or would become obligated to pay such Additional Amounts as a result of a Change in Tax Law and an Officers' Certificate attesting that the Company's obligation to pay Additional Amounts cannot

be avoided by taking commercially reasonable measures available to it. The Trustee shall and is entitled to accept and rely upon such Opinion of Counsel and Officers' Certificate (without further investigation or enquiry) and it shall be conclusive and binding on the Holders, and the Trustee shall be protected and shall have no liability to any Holder or any Person for so accepting and relying on such Officers' Certificate or Opinion of Counsel.

(b) If the Tax Redemption Date falls after a Regular Record Date and on or prior to the immediately following Interest Payment Date, the Company shall, on or, at its election, before such Interest Payment Date, pay the full amount of accrued and unpaid interest, and any Additional Amounts with respect to such interest, due on such Interest Payment Date to the Holders of the Notes on the Regular Record Date corresponding to such Interest Payment Date. The Company shall notify the Trustee in writing of its election and the date on which such interest and any Additional Amounts with respect to such interest will be paid at the time it provides the Tax Redemption Notice.

(c) Notwithstanding anything to the contrary herein, neither the Company nor any successor Person may redeem any of the Notes pursuant to this Section 16.01 in the case that Additional Amounts are payable in respect of PRC withholding tax and any other tax collected at source at the Applicable PRC Rate or less solely as a result of the Company or its successor Person being considered a PRC tax resident under the PRC Enterprise Income Tax Law.

Section 16.02 *Notice of Tax Redemption.* (a) In the event that the Company exercises its Tax Redemption right pursuant to Section 16.01, it shall fix a date for redemption, which shall be on or prior to the 40th Scheduled Trading Day immediately before the Maturity Date (the "**Tax Redemption Date**"), and it or, at its written request received by the Trustee not less than 35 days prior to the Tax Redemption Date (or such shorter period of time as may be acceptable to the Trustee), the Trustee, in the name of and at the expense of the Company, shall send, or cause to be sent, a written notice of such Tax Redemption prepared by the Company (a "**Tax Redemption Notice**") not less than 50 nor more than 70 Scheduled Trading Days prior to the Tax Redemption Date (*provided* that if, in accordance with Section 14.02, the Company elects to settle all conversions of Notes with a Conversion Date that occurs during the period from, and including the date the Tax Redemption Notice is sent to the close of business on the second Scheduled Trading Day immediately before the Tax Redemption Date by Physical Settlement, then the Company will provide such written notice not less than 30 nor more than 60 calendar days before the Tax Redemption Date) to each Holder of Notes so to be redeemed at its last address as the same appears on the Note Register (or in the case of Global Notes, electronically in accordance with the applicable procedures of the Depositary); *provided, however*, that, if the Company shall give such notice, it shall also give a written notice of the Tax Redemption Date to the Trustee. The Tax Redemption Date must be a Business Day.

(b) The Company shall not give any Tax Redemption Notice earlier than 70 days prior to the earliest date on or from which the Company would be obligated to pay any Additional Amounts, and at the time the Company gives the Tax Redemption Notice, the circumstances creating the Company's obligation to pay such Additional Amounts must remain in effect. Simultaneously with providing such notice, the Company shall publish a notice containing this information on its website or through such other public medium as it may use at that time.

(c) The Tax Redemption Notice, if sent in the manner herein provided, shall be conclusively presumed to have been given duly, whether or not the Holder receives such notice. In any case, failure to give such Tax Redemption Notice or any defect in the Tax Redemption Notice to the Holder of any Note designated for redemption shall not affect the validity of the proceedings for the redemption of any other Note.

(d) Each Tax Redemption Notice shall specify:

- (i) the Tax Redemption Date;
- (ii) the Tax Redemption Price;

- (iii) the Settlement Method that will apply to all conversions with a Conversion Date that occurs on or after the date the Company sends such Tax Redemption Notice and before the close of business on the second Scheduled Trading Day immediately before the related Tax Redemption Date;
 - (iv) the place or places where such Notes are to be surrendered for payment of the Tax Redemption Price;
 - (v) that on the Tax Redemption Date, the Tax Redemption Price will become due and payable upon each Note to be redeemed, and that the interest thereon, if any, shall cease to accrue on and after the Tax Redemption Date;
 - (vi) that Holders may surrender their Notes for conversion at any time prior to the close of business on the second Scheduled Trading Day immediately preceding the Tax Redemption Date;
 - (vii) the procedures a converting Holder must follow to convert its Notes;
 - (viii) that Holders have the right to elect not to have their Notes redeemed by delivery to the Company, with a copy to the Paying Agent, of a written notice to that effect not later than the close of business on the second Scheduled Trading Day immediately preceding the Tax Redemption Date;
 - (ix) that Holders who wish to elect not to have their Notes redeemed must satisfy the requirements set forth herein;
 - (x) that, at and after the Tax Redemption Date, Holders who elect not to have their Notes redeemed (a) will not receive any Additional Amounts with respect to payments or deliveries (including interest and any consideration due in respect of the Repurchase Price or Fundamental Change Repurchase Price, and whether payable in cash, ADSs, ordinary shares or otherwise) made with respect to such Holders' Notes solely as a result of the Change in Tax Law that resulted in the obligation to pay such Additional Amounts after the Tax Redemption Date and (b) all future payments (including interest and any consideration due in respect of the Repurchase Price or Fundamental Change Repurchase Price, and whether payable in cash, ADSs, ordinary shares or otherwise) with respect to the Notes will be subject to the deduction or withholding of any taxes of the Relevant Taxing Jurisdiction required by law to be deducted or withheld as a result of such Change in Tax Law;
 - (xi) the Conversion Rate and, if applicable, the number of ADSs added to the Conversion Rate in accordance with Section 14.03;
- and
- (xii) the CUSIP, ISIN or other similar numbers, if any, assigned to such Notes.

A Tax Redemption Notice shall be irrevocable and shall not be subject to conditions. In the case of a Tax Redemption, a Holder may convert its Notes at any time until the close of business on the second Scheduled Trading Day preceding the Tax Redemption Date.

Section 16.03 *Payment of Notes Called for Tax Redemption.*

- (a) If any Tax Redemption Notice has been given in respect of the Notes in accordance with Section 16.02, the Notes shall become due and payable on the Tax Redemption Date at the place or places stated in the Tax Redemption Notice and at the applicable Tax Redemption Price. On presentation and surrender of the Notes at the place or places stated in the Tax Redemption Notice, the Notes shall be paid and redeemed by the Company at the applicable Tax Redemption Price.

(b) Prior to 10:00 a.m., New York City time on the Tax Redemption Date, the Company shall deposit with the Paying Agent or, if the Company or a Subsidiary of the Company is acting as the Paying Agent, shall segregate and hold in trust as provided in Section 4.04 an amount of cash in immediately available funds, sufficient to pay the Tax Redemption Price of all of the Notes to be redeemed on such Tax Redemption Date. Subject to receipt of funds by the Paying Agent, payment for the Notes to be redeemed shall be made on the Tax Redemption Date for such Notes. The Trustee (or other Paying Agent appointed by the Company) shall, promptly after such payment and upon written demand by the Company, return to Company any funds in excess of the Tax Redemption Price.

Section 16.04 *Holders' Right to Avoid Tax Redemption.* Notwithstanding anything to the contrary in this Article 16, if the Company has given a Tax Redemption Notice as described in Section 16.02, each Holder of Notes will have the right to elect that such Holder's Notes will not be subject to a Tax Redemption. If a Holder elects not to be subject to a Tax Redemption, the Company will not be required to pay any Additional Amounts in respect of any payment made with respect to such Holder's Notes solely as a result of the Change in Tax Law that resulted in the obligation to pay such Additional Amounts (including interest and any consideration due in respect of the Repurchase Price or Fundamental Change Repurchase Price, and whether payable in cash, ADSs, ordinary shares or otherwise) after the Tax Redemption Date, and all future payments (including interest and any consideration due in respect of the Repurchase Price or Fundamental Change Repurchase Price, and whether payable in cash, ADSs, ordinary shares or otherwise) with respect to such Holder's Notes will be subject to the deduction or withholding of any taxes of the Relevant Taxing Jurisdiction required by law to be deducted or withheld as a result of such Change in Tax Law. The obligation to pay Additional Amounts to any electing Holder for periods up to the Tax Redemption Date shall remain subject to the exceptions set forth under Section 4.07. Where no election is made or deemed to be made, the Holder will have its Notes redeemed without any further action. Holders electing to not have their Notes redeemed must exercise their option to elect to avoid a Tax Redemption by written notice to the Company (with a copy to the Paying Agent) no later than the close of business on the second Scheduled Trading Day immediately preceding the Tax Redemption Date, provided that a Holder that has complied with the requirements set forth in Section 14.02 prior to the close of business on the second Scheduled Trading Day immediately preceding the Tax Redemption Date will be deemed to have delivered a notice of its election to avoid a Tax Redemption. If Notes are in global form, the rights of beneficial owners in any Global Note, including any election in connection with a Tax Redemption pursuant to this Section 16.04, shall be exercised only through the Depository subject to customary procedures of the Depository.

Section 16.05 *Restrictions on Tax Redemption.* The Company may not redeem any Notes on any date if the principal amount of the Notes has been accelerated in accordance with the terms of this Indenture, and such acceleration has not been rescinded, on or prior to the Tax Redemption Date (except in the case of an acceleration resulting from a Default by the Company in the payment of the Tax Redemption Price with respect to such Notes).

Section 16.06 *Withdrawal of Notice of Election to Avoid a Tax Redemption.* A Holder may withdraw any notice of election to avoid a Tax Redemption made pursuant to Section 16.04 (other than a deemed notice of election for a Holder that has complied with the requirements set forth in Section 14.02 prior to the close of business on the second Scheduled Trading Day immediately preceding the Tax Redemption Date), by delivering to the Company (with a copy to the Paying Agent) a written notice of withdrawal prior to the close of business on the second Scheduled Trading Day immediately preceding the Tax Redemption Date (or, if the Company fails to pay the Tax Redemption Price on the Tax Redemption Date, such later date on which the Company pays the Tax Redemption Price).

ARTICLE 17 OPTIONAL REDEMPTION

Section 17.01 *Optional Redemption On or After June 6, 2029.* The Company may not redeem the Notes prior to June 6, 2029, except under the circumstances described in Section 16.01 or Section 18.01. On or after June 6, 2029 and on or prior to the 40th Scheduled Trading Day immediately prior to the Maturity Date, the Company may at any time and from time to time redeem for cash all or part of the Notes, at its option, if (x) the Notes are Freely tradable, and all accrued and unpaid Additional Interest, if any, has been paid in full, as of the date the Company sends such notice and (y) the Last Reported Sale Price of the ADSs has been at least 130% of the Conversion Price then in effect on (i) each of at least 20 Trading Days (whether or not consecutive) during the

period of 30 consecutive Trading Days ending on, and including, the Trading Day immediately prior to the date the Company provides the Optional Redemption Notice and (ii) the Trading Day immediately preceding the date the Company sends such notice (an “**Optional Redemption**”). “**Freely tradable**” means, with respect to any Note, that such Note would be eligible to be offered, sold or otherwise transferred pursuant to Rule 144 under the Securities Act or otherwise if held by a person that is not an “affiliate” (as defined in Rule 144) of the Company, and that has not been an “affiliate” (as defined in Rule 144) of the Company during the immediately preceding three months, without any requirements as to volume, manner of sale, availability of current public information or notice under the Securities Act (except that, during the six-month period beginning on, and including, the date that is six months after the last date of the original issuance of such Note, any such requirement as to the availability of current public information will be disregarded if the same is satisfied at that time); provided, however, that from and after the date that is one year after the last date of the original issuance of such note, such Note will not be deemed “freely tradable” unless such note (x) is not identified by a “restricted” CUSIP number; and (y) is represented by any certificate that does not bear any restricted note legend.

Section 17.02 *Notice of Optional Redemption; Selection of Notes.* (a) In case the Company exercises its option to redeem all or, as the case may be, any part of the Note, it shall fix a date for redemption (the “**Optional Redemption Date**”) (provided that if, in accordance Section 14.02, the Company elects to settle all conversions of Notes with a Conversion Date that occurs during the period from, and including the date the Optional Redemption Notice is sent to the close of business on the second Scheduled Trading Day immediately before the Optional Redemption Date by Physical Settlement, then the Company will provide such written notice not less than 30 nor more than 60 calendar days before the Optional Redemption Date) and shall give the Trustee and the Holders not less than 50 Scheduled Trading Days’ but no more than 70 Scheduled Trading Days’ notice (an “**Optional Redemption Notice**”) before the Optional Redemption Date, and the redemption price will be equal to 100% of the principal amount of the Notes to be redeemed (the “**Optional Redemption Price**”), plus accrued and unpaid interest, if any, to, but excluding, the Optional Redemption Date (unless the Optional Redemption Date falls after a Regular Record Date but on or prior to the immediately succeeding Interest Payment Date, in which case the Company shall pay on the Interest Payment Date the full amount of accrued and unpaid interest, if any, to the holder of record as of the close of business on such Regular Record Date, and the Redemption Price shall be equal to 100% of the principal amount of the Notes to be redeemed). The Optional Redemption Date must be a Business Day. The Company may not specify an Optional Redemption Date that falls on or after the 40th Scheduled Trading Day immediately preceding the Maturity Date. The Company shall send to each Holder and the Trustee written Optional Redemption Notice containing certain information set forth in this Indenture, including:

- (i) the Optional Redemption Date;
- (ii) the Optional Redemption Price;
- (iii) the Settlement Method that will apply to all conversions with a Conversion Date that occurs on or after the date the Company sends such Optional Redemption Notice and before the close of business on the second Scheduled Trading Day immediately before the related Optional Redemption Date;
- (iv) that on the Optional Redemption Date, the Optional Redemption Price will become due and payable for each Note to be redeemed, and that interest thereon, if any, shall cease to accrue on and after the Optional Redemption Date unless the Company defaults in the payment of the Optional Redemption Price;
- (v) the place or places where the Notes subject to such redemption are to be surrendered for payment of the Optional Redemption Price;
- (vi) that Holders may surrender Notes for conversion at any time prior to the close of business on the second Scheduled Trading Day prior to the Optional Redemption Date (unless the Company fails to pay the Optional Redemption Price, in which case a Holder of Notes may

convert such Notes until the Business Day immediately preceding the date on which the Optional Redemption Price has been paid or duly provided for);

(vii) the Conversion Rate and, if applicable, the number of Additional ADSs added to the Conversion Rate in accordance with Section 14.03;

(viii) the CUSIP, ISIN or other similar numbers, if any, assigned to such Notes and that no representation is made as to the correctness or accuracy of the CUSIP or ISIN number listed in such notice or printed on the Notes; and

(ix) in case any Note is to be redeemed in part only, the portion of the principal amount thereof to be redeemed, and that upon surrender of such Note, a new Note in principal amount equal to the unredeemed portion thereof shall be issued.

Simultaneously with providing such notice of redemption, the Company shall publish a notice containing this information on the Company's website or through such other public medium as the Company may use at that time.

(b) An Optional Redemption Notice shall be irrevocable. At the Company's prior written request, the Trustee shall give the Optional Redemption Notice in the Company's name and at its expense; *provided, however*, that the Company shall have delivered to the Trustee not later than the close of business five Business Days prior to the date the Optional Redemption Notice is to be sent (unless a shorter period shall be satisfactory to the Trustee), an Officers' Certificate and a Company Order requesting that the Trustee give such Optional Redemption Notice together with the Optional Redemption Notice to be given setting forth the information to be stated therein as provided in the preceding paragraph. The Optional Redemption Notice, if given in the manner herein provided, shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice. In any case, failure to give such Optional Redemption Notice or any defect in the Optional Redemption Notice to the Holder of any Note designated for redemption as a whole or in part shall not affect the validity of the proceedings for the Optional Redemption of any other Note. If the Company decides to redeem fewer than all of the outstanding Notes, Notes will be selected to be redeemed (in principal amounts of US\$1,000 or multiples thereof) by lot, on a pro rata basis or by another method the Trustee considers to be fair and appropriate and, in the case of a Global Note, in accordance with, and subject to, DTC's applicable procedures. However, the Company will not call less than all of the outstanding Notes for Optional Redemption unless the excess of the principal amount of Notes outstanding as of the time the Company sends the related Redemption Notice over the aggregate principal amount of Notes set forth in such Optional Redemption Notice as being subject to Optional Redemption is at least US\$150.0 million.

(c) If a portion of a Holder's Note is selected for partial redemption and such Holder converts a portion of such Note, the converted portion shall be deemed to be from the portion selected for redemption. In the event of any redemption in part, the Company shall not be required to register the transfer of or exchange any Note so selected for redemption, in whole or in part, except the unredeemed portion of any such Note being redeemed in part.

(d) With respect to any Notes that are converted in connection with an Optional Redemption the Company will, under certain circumstances, increase the Conversion Rate for the Notes so surrendered for conversion by a number of additional ADSs as described in Section 14.03. If the Company elects to redeem less than all of the outstanding Notes, then the Company will not increase the Conversion Rate with respect to the Notes not called for Optional Redemption, and Holders of the Notes not called for Optional Redemption will not be entitled to an increased Conversion rate for such Notes as described above on account of the Optional Redemption, except to the limited extent described further below.

(e) If the Company elects to redeem less than all of the outstanding Notes pursuant to an Optional Redemption, and the Holder of any Note, or any owner of a beneficial interest in any Global Note, is reasonably not able to determine, before the close of business on the 45th Scheduled Trading Day (or, if the Company irrevocably elects Physical Settlement for all conversions with a Conversion Date that occurs

on or after the related date the Company send the Optional Redemption Notice and on or before the second Scheduled Trading Day immediately preceding the related Optional Redemption Date, the tenth calendar day) immediately before the relevant Optional Redemption Date, whether such Note or beneficial interest, as applicable, is to be redeemed pursuant to such Optional Redemption, then such Holder or owner, as applicable, will be entitled to convert such Note or beneficial interest, as applicable, at any time before the close of business on the second Scheduled Trading Day immediately before such Redemption Date, and each such conversion will be deemed to be of a Note called for Optional Redemption for purposes of Section 17.01 and Section 14.03.

Section 17.03 *Payment of Notes Called for Optional Redemption* .

(a) If any Optional Redemption Notice has been given in respect of the Notes in accordance with Section 17.02, the Notes shall become due and payable on the Optional Redemption Date at the place or places stated in the Optional Redemption Notice and at the applicable Redemption Price. On presentation and surrender of the Notes at the place or places stated in the Optional Redemption Notice, the Notes shall be paid and redeemed by the Company at the applicable Optional Redemption Price.

(b) Prior to 10:00 a.m., New York City time on the Optional Redemption Date, the Company shall deposit with the Paying Agent or, if the Company or a Subsidiary of the Company is acting as the Paying Agent, shall segregate and hold in trust as provided in Section 4.04 an amount of cash in immediately available funds, sufficient to pay the Optional Redemption Price of all of the Notes to be redeemed on such Optional Redemption Date. Subject to receipt of funds by the Paying Agent, payment for the Notes to be redeemed shall be made on the Optional Redemption Date for such Notes. The Trustee (or other Paying Agent appointed by the Company) shall, promptly after such payment and upon written demand by the Company, return to Company any funds in excess of the Optional Redemption Price.

Section 17.04 *Restrictions on Optional Redemption*. No Notes may be redeemed if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to the Optional Redemption Date (except in the case of an acceleration resulting from a default by the Company in the payment of the Redemption Price with respect to such Notes).

ARTICLE 18
CLEANUP REDEMPTION

Section 18.01 *Cleanup Redemption*. The Company may at its option redeem for cash all but not part of the Notes at any time, on a redemption date (the “**Cleanup Redemption Date**”), if less than 10% of the aggregate principal amount of Notes originally issued remains outstanding at such time (for the avoidance of doubt, including all Notes previously surrendered to the Company pursuant to Section 14.13 (*Exchange In Lieu Of Conversion*)) (such redemption, a “**Cleanup Redemption**”).

Section 18.02 *Notice of Cleanup Redemption*. In the case of any Cleanup Redemption, the Company shall give the Trustee, the Conversion Agent (if other than the Trustee) and each Holder of the Notes not less than 50 Scheduled Trading Days’ but no more than 70 Scheduled Trading Days’ written notice (a “**Cleanup Redemption Notice**”) prior to the Cleanup Redemption Date, and the Redemption Price will be equal to 100% of the principal amount of the Notes to be redeemed (the “**Cleanup Redemption Price**”), plus accrued and unpaid interest, if any, to, but excluding, the Cleanup Redemption Date (unless the Cleanup Redemption Date falls after a Regular Record Date but on or prior to the immediately succeeding Interest Payment Date, in which case the Company shall pay on the Interest Payment Date the full amount of accrued and unpaid interest, if any, to the holder of record as of the close of business on such Regular Record Date, and the Cleanup Redemption Price shall be equal to 100% of the principal amount of the Notes to be redeemed). The Cleanup Redemption Date must be a Business Day. The Company may not specify a Cleanup Redemption Date that falls on or after the 40th Scheduled Trading Day immediately preceding the Maturity Date. The Company shall send to each Holder written Cleanup Redemption Notice containing certain information set forth in this Indenture, including:

- (i) the Cleanup Redemption Date;

- (ii) the Cleanup Redemption Price;
- (iii) the Settlement Method that will apply to all conversions with a Conversion Date that occurs on or after the date the Company sends such Cleanup Redemption Notice and before the close of business on the second Scheduled Trading Day immediately before the related Cleanup Redemption Date;
- (iv) that on the Cleanup Redemption Date, the Redemption Price will become due and payable for each Note to be redeemed, and that interest thereon, if any, shall cease to accrue on and after the Cleanup Redemption Date unless the Company defaults in the payment of the Redemption Price;
- (v) the place or places where the Notes subject to such redemption are to be surrendered for payment of the Redemption Price;
- (vi) that Holders may surrender Notes for conversion at any time prior to the close of business on the second Scheduled Trading Day prior to the Cleanup Redemption Date (unless the Company fails to pay the Redemption Price, in which case a Holder of Notes may convert such Notes until such later date on which the Redemption Price has been paid or duly provided for);
- (vii) the Conversion Rate and, if applicable, the number of Additional ADSs added to the Conversion Rate in accordance with Section 14.03;
- (viii) the CUSIP, ISIN or other similar numbers, if any, assigned to such Notes and that no representation is made as to the correctness or accuracy of the CUSIP or ISIN number listed in such notice or printed on the Notes; and
- (ix) in case any Note is to be redeemed in part only, the portion of the principal amount thereof to be redeemed, and that upon surrender of such Note, a new Note in principal amount equal to the unredeemed portion thereof shall be issued.

Simultaneously with providing such notice of redemption, the Company shall publish a notice containing this information on the Company's website or through such other public medium as the Company may use at that time.

A Cleanup Redemption Notice shall be irrevocable. At the Company's prior written request, the Trustee shall give the Cleanup Redemption Notice in the Company's name and at its expense; provided, however, that the Company shall have delivered to the Trustee not later than the close of business five Business Days prior to the date the Cleanup Redemption Notice is to be sent (unless a shorter period shall be satisfactory to the Trustee), an Officers' Certificate and a Company Order requesting that the Trustee give such Cleanup Redemption Notice together with the Cleanup Redemption Notice to be given setting forth the information to be stated therein as provided in the preceding paragraph. The Cleanup Redemption Notice, if given in the manner herein provided, shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice. In any case, failure to give such Cleanup Redemption Notice or any defect in the Cleanup Redemption Notice to the Holder of any Note designated for redemption as a whole or in part shall not affect the validity of the proceedings for the Cleanup Redemption of any other Note. With respect to any Notes that are converted in connection with Cleanup Redemption, the Company will, under certain circumstances, increase the Conversion Rate for the Notes so surrendered for conversion by a number of additional ADSs as described in Section 14.03.

Section 18.03 *Restrictions on Cleanup Redemption.* No Notes may be redeemed if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to the Cleanup Redemption Date (except in the case of an acceleration resulting from a default by the Company in the payment of the Redemption Price with respect to such Notes).

ARTICLE 19
MISCELLANEOUS PROVISIONS

Section 19.01 *Binding on Company's Successors.* All the covenants, stipulations, promises and agreements of the Company contained in this Indenture shall bind its successors and assigns whether so expressed or not.

Section 19.02 *Official Acts by Successor Corporation.* Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee or Officer of the Company shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation or other entity that shall at the time be the lawful sole successor of the Company.

Section 19.03 *Addresses for Notices, Etc.* Any notice or demand that by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Holders on the Company shall be deemed to have been sufficiently given or made, for all purposes if given or served by being delivered in person, transmitted by Electronic Means or deposited postage prepaid by registered or certified mail in a post office letter box addressed (until another address is filed by the Company with the Trustee) to:

GDS Holdings Limited
2/F – Tower 2
Youyou Century Place
428 South Yanggao Road
Pudong, Shanghai 200127
Attention: Daniel Newman, Chief Financial Officer
Email: Dan.newman@gds-services.com

Any notice, direction, request or demand hereunder to or upon the Trustee shall be given or served in person, transmitted by email or deposited postage prepaid by registered or certified mail in a post office letter box addressed to the Corporate Trust Office with a copy to:

The Bank of New York Mellon, as Trustee
240 Greenwich Street
New York, NY 10286
United States of America
Attention: Global Corporate Trust – GDS Holdings Limited

With a copy to:

The Bank of New York Mellon, Hong Kong Branch
Level 26, Three Pacific Place
1 Queen's Road East
Hong Kong Attention: Global Corporate Trust
E-mail: honctrmta@bny.com

All notices and other communications under this Indenture shall be in writing in English.

So long as and to the extent that the Notes are represented by Global Notes and such Global Notes are held by the Depositary, notices to Holders may be given by delivery of the relevant notice to the Depositary by electronic mail (with portable document format attached) for all purposes hereunder.

The Trustee, by notice to the Company, may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Holder shall be mailed to it by first class mail, postage prepaid, at its address as it appears on the Note Register and shall be sufficiently given to it if so mailed within the time prescribed.

Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice to Holders by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

The Trustee and the Agents shall have the right to accept and act upon instructions, including funds transfer instructions (“**Instructions**”) given pursuant to this Indenture and delivered using Electronic Means; *provided, however*, that the Company shall provide to the Trustee and the Agents an Authorization Certificate listing the authorized officers and containing specimen signatures of such authorized officers, which Authorization Certificate shall be amended by the Company whenever a person is to be added or deleted from the list. If the Company elects to give the Trustee and the Agents Instructions using Electronic Means and the Trustee and the Agents in their discretion elect to act upon such Instructions, the Trustee’s and the Agents’ understanding of such Instructions shall be deemed controlling. The Company understands and agrees that the Trustee and the Agents cannot determine and shall have no duty or obligation to verify the identity of the actual sender of such Instructions and that the Trustee and the Agents shall conclusively presume that directions that purport to have been sent by an authorized officer listed on the Authorization Certificate provided to the Trustee and the Agents have been sent by such authorized officer. The Company shall be responsible for ensuring that only authorized officers transmit such Instructions to the Trustee and the Agents and that the Company and all authorized officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Company. The Trustee and the Agents shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s and the Agents’ reliance upon and compliance with such Instructions notwithstanding such Instructions’ conflict or inconsistency with a subsequent written instruction. The Company agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee and the Agents, including without limitation the risk of the Trustee and the Agents acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and the Agents and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Company; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee and the Agents immediately upon learning of any compromise or unauthorized use of the security procedures.

The Company shall use all reasonable endeavors to ensure that any such notices, instructions, directions or other communications transmitted to the Trustee and the Agents using Electronic Means pursuant to this Indenture are complete and correct. Any such notices, instructions, directions or other communications shall be conclusively deemed to be valid instructions from the Company to the Trustee and the Agents for the purposes of this Indenture.

Section 19.04 Governing Law; Jurisdiction. THIS INDENTURE AND EACH NOTE, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS INDENTURE AND EACH NOTE, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

The Company irrevocably consents and agrees, for the benefit of the Holders from time to time of the Notes and the Trustee, that any legal action, suit or proceeding against it with respect to obligations, liabilities or any other matter arising out of or in connection with this Indenture or the Notes may be brought in the federal courts of the United States of America located in the City of New York or the courts of the State of New York, in each case, located in the City of New York, New York (collectively, the “specified courts”) and the Company, the Trustee and each Holder (by its acceptance of any Note) hereby irrevocably consents and submits to the non-exclusive jurisdiction of each such court *in personam*, generally and unconditionally with respect to any action, suit or proceeding for itself in respect of its properties, assets and revenues.

The Company, the Trustee and each Holder (by its acceptance of any Note) irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings arising out of or in connection with this Indenture brought in the specified courts and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 19.05 *Submission to Jurisdiction; Service of Process.* The Company irrevocably appoints Cogency Global Inc. as its authorized agent in the City of New York upon which process may be served in any such suit or proceeding, and agrees that service of process upon such agent, and written notice of said service to the Company by the person serving the same to:

GDS Holdings Limited
c/o Cogency Global Inc.
122 East 42nd Street, 18th Floor,
New York, New York 10168,
U.S.A.

shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding. The Company further agrees to take any and all action as may be necessary to maintain such designation and appointment of such agent in full force and effect for a period of seven and a half years from the date of this Indenture. If for any reason such agent shall cease to be such agent for service of process, the Company shall forthwith appoint a new agent of recognized standing for service of process in the State of New York and deliver to the Trustee a copy of the new agent's acceptance of that appointment within ten Business Days of such acceptance. Nothing herein shall affect the right of the Trustee, any Agent or any Holder to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Company in any other court of competent jurisdiction. To the extent that the Company has or hereafter may acquire any sovereign or other immunity from jurisdiction of any court or from any legal process with respect to itself or its property, the Company irrevocably waives such immunity in respect of its obligations hereunder or under any Note.

Section 19.06 *Evidence of Compliance with Conditions Precedent; Certificates and Opinions of Counsel to Trustee.*

- (a) Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Trustee shall be entitled to receive:
- (i) an Officers' Certificate stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and
 - (ii) an Opinion of Counsel stating that, in the opinion of such counsel, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and such action is permitted by the terms of this Indenture.
- (b) Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:
- (i) a statement that each person signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;
 - (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statement or opinion contained in such certificate or opinion is based;
 - (iii) a statement that, in the opinion of each such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion; and

(iv) a statement as to whether or not, in the opinion of each such person, such condition or covenant has been complied with or such action is permitted by the terms of this Indenture, as the case may be.

Notwithstanding anything to the contrary in this Section 19.06, if any provision in this Indenture specifically provides that the Trustee shall or may receive an Opinion of Counsel in connection with any action to be taken by the Trustee or the Company hereunder, the Trustee shall be entitled to such Opinion of Counsel.

Section 19.07 *Legal Holidays.* In any case where any Interest Payment Date, Fundamental Change Repurchase Date, Conversion Date, Repurchase Date, Redemption Date or Maturity Date is not a Business Day (which, solely for the purposes of any payment required to be made on any such Interest Payment Date, Fundamental Change Repurchase Date, Conversion Date, Redemption Date or Maturity Date and solely for purposes of this Section 19.07, shall also not include days in which the office where the place of payment in the continental United States is authorized or required by law to close), then such Interest Payment Date, Fundamental Change Repurchase Date, Conversion Date, Redemption Date or Maturity Date, as applicable, will not be postponed but any action (which shall be limited to solely any payment action in the case the immediately preceding parenthetical applies) to be taken on such date need not be taken on such date, but may be taken on the next succeeding Business Day with the same force and effect as if taken on such date, and no interest shall accrue or be paid in respect of the delay.

Section 19.08 *No Security Interest Created.* Nothing in this Indenture or in the Notes, expressed or implied, shall be construed to constitute a security interest under the Uniform Commercial Code or similar legislation, as now or hereafter enacted and in effect, in any jurisdiction.

Section 19.09 *Benefits of Indenture.* Nothing in this Indenture or in the Notes, expressed or implied, shall give to any Person, other than the Holders, the parties hereto, any Paying Agent, any Conversion Agent, any Note Registrar and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 19.10 *Table of Contents, Headings, Etc.* The table of contents and the titles and headings of the articles and sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

Section 19.11 *Execution in Counterparts.* This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Indenture and of signature pages by email transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by email shall be deemed to be their original signatures for all purposes.

Section 19.12 *Judgment Currency.* The Company agrees to indemnify any party against any loss incurred by such party as a result of any judgment or order being given or made for any amount due hereunder and such judgment or order being expressed and paid in a currency (the “**Judgment Currency**”) other than U.S. dollars and as a result of any variation as between (i) the rate of exchange at which the U.S. dollar amount is converted into the Judgment Currency for the purpose of such judgment or order, and (ii) the rate of exchange at which such indemnified person is able to purchase U.S. dollars with the amount of the Judgment Currency actually received by the indemnified person. The foregoing indemnity shall constitute a separate and independent obligation of the Company and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term “rate of exchange” shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

Section 19.13 *Severability.* In the event any provision of this Indenture or in the Notes shall be invalid, illegal or unenforceable, then (to the extent permitted by law) the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired.

Section 19.14 *Waiver of Jury Trial.* EACH OF THE COMPANY AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, AND THE HOLDERS BY ACCEPTING THE NOTES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED BY THIS INDENTURE OR THE NOTES.

Section 19.15 *Force Majeure.* In no event shall the Trustee or the Agents be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes or labor disputes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee or the Agents, as the case may be, shall use reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 19.16 *Calculations.* The Company shall be responsible for making all calculations called for under the Notes, including in connection with a conversion. These calculations include, but are not limited to, determinations of the ADS Price, the Last Reported Sale Prices of the ADSs, the Daily VWAPs, the Daily Conversion Values, the Daily Settlement Amounts, accrued interest payable on the Notes, any Additional Interest or Additional Amounts payable on the Notes, the number of Additional ADSs to be added to the Conversion Rate upon a Make-Whole Fundamental Change, a Tax Redemption or an Optional Redemption, if any, the Redemption Price and the Conversion Rate of the Notes and any adjustments thereto. The Company shall make all these calculations in good faith and, absent manifest error, the Company's calculations shall be final and binding on Holders. The Company shall provide a schedule of its calculations to each of the Trustee, the Paying Agent and the Conversion Agent, and each of the Trustee, the Paying Agent and the Conversion Agent is entitled to rely conclusively and without liability upon the accuracy of the Company's calculations without independent verification. The Trustee will forward the Company's calculations to any Holder of Notes upon the prior written request and satisfactory proof of holding of that Holder at the sole cost and expense of the Company.

Section 19.17 *USA PATRIOT Act.* The parties hereto acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Indenture agree that they will provide to the Trustee such information as it may request, from time to time, in order for the Trustee to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

Section 19.18 *Sanctions.* The Company covenants and represents that:

- (a) neither it nor any of its Affiliates, Subsidiaries, directors or officers are the target or subject of any sanctions enforced by the US Government, (including the Office of Foreign Assets Control of the U.S. Department of the Treasury), the United Nations Security Council, the European Union or HM Treasury (collectively "**Sanctions**"); and
- (b) neither it nor any of its Affiliates, Subsidiaries, directors or officers will use any payments made pursuant to the Indenture, (i) to fund or facilitate any prohibited activities of or business with any person who, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any prohibited activities of or business with any country or territory that is the target or subject of Sanctions, or (iii) in any other manner that will result in a violation of Sanctions by any person.

[Remainder of the page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first written above.

GDS HOLDINGS LIMITED

By: /s/ William Wei Huang
Name: William Wei Huang
Title: Chairman of the Board of Directors and
Chief Executive Officer

THE BANK OF NEW YORK MELLON, as Trustee

By: /s/ Qihan Jiang
Name: Qihan Jiang
Title: Vice President

Signature Page to Indenture

FORM OF FACE OF NOTE

[INCLUDE FOLLOWING LEGEND IF A GLOBAL NOTE]

[THIS IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITARY OR A NOMINEE OF THE DEPOSITARY, WHICH MAY BE TREATED BY THE COMPANY, THE TRUSTEE AND ANY AGENT THEREOF AS THE OWNER AND HOLDER OF THIS NOTE FOR ALL PURPOSES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE WILL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC, OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE, AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE WILL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTION 2 OF THE INDENTURE HEREINAFTER REFERRED TO.]

[INCLUDE FOLLOWING LEGEND IF A RESTRICTED SECURITY]

[THIS SECURITY, THE AMERICAN DEPOSITARY SHARES DELIVERABLE UPON CONVERSION OF THIS SECURITY, IF ANY, AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY OR DELIVERABLE IN LIEU THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), ARE “RESTRICTED SECURITIES” WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT OR CONTRACTUALLY RESTRICTED SECURITIES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A “QUALIFIED INSTITUTIONAL BUYER” (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT AND THAT IT AND ANY SUCH ACCOUNT IS NOT, AND HAS NOT BEEN FOR THE IMMEDIATELY PRECEDING THREE MONTHS, AN AFFILIATE OF GDS HOLDINGS LIMITED (THE “COMPANY”), AND

(2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY, THE AMERICAN DEPOSITARY SHARES DELIVERABLE UPON CONVERSION OF THIS SECURITY, IF ANY, AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY OR DELIVERABLE IN LIEU THEREOF OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN PRIOR TO THE DATE THAT IS THE LATER OF (X) ONE YEAR AFTER THE ISSUE DATE OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THERETO AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW, EXCEPT:

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(C) TO A PERSON REASONABLY BELIEVED TO BE A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, OR

(D) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), OR

(E) PURSUANT TO ANY OTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(D) OR (2)(E) ABOVE, THE COMPANY, THE ADS DEPOSITARY AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

NO AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY OR PERSON THAT HAS BEEN AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY DURING THE THREE IMMEDIATELY PRECEDING MONTHS MAY PURCHASE, OTHERWISE ACQUIRE OR OWN THIS NOTE, THE AMERICAN DEPOSITARY SHARES DELIVERABLE UPON CONVERSION HEREOF, IF ANY, AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY OR DELIVERABLE IN LIEU THEREOF, OR A BENEFICIAL INTEREST HEREIN OR THEREIN.]

GDS HOLDINGS LIMITED

2.25% Convertible Senior Note due 2032

No. []

[Initially]¹ US\$[]

CUSIP No. 36165L AC2

ISIN No. US36165LAC28

GDS Holdings Limited, an exempted company duly incorporated and validly existing under the laws of the Cayman Islands (the “**Company**,” which term includes any successor company or corporation or other entity under the Indenture referred to on the reverse hereof), for value received hereby promises to pay to []², or registered assigns, the principal sum [as set forth in the “Schedule of Exchanges of Notes” attached hereto]³ [of US\$[]]⁴, which amount, taken together with the principal amounts of all other outstanding Notes, shall not, unless permitted by the Indenture, exceed US\$550,000,000 in aggregate at any time, in accordance with the rules and procedures of the Depositary, on June 1, 2032, and interest thereon as set forth below.

This Note shall bear interest at the rate of 2.25% per year from May 30, 2025, or from the most recent date on which interest had been paid or provided for to, but excluding, the next scheduled Interest Payment Date until June 1, 2032. Interest is payable semi-annually in arrears on each June 1 and December 1, commencing on December 1, 2025, to Holders of record at the close of business on the preceding May 15 and November 15 (whether or not such day is a Business Day), respectively. Additional Interest will be payable as set forth in Section 4.06(d), Section 4.06(e) and Section 6.03 of the within-mentioned Indenture, and any reference to interest on, or in respect of, any Note therein shall be deemed to include Additional Interest if, in such context, Additional Interest is, was or would be payable pursuant to any of such Section 4.06(d), Section 4.06(e) and Section 6.03, and any express mention of the payment of Additional Interest in any provision therein shall not be construed as excluding Additional Interest in those provisions thereof where such express mention is not made.

Any Defaulted Amounts shall accrue interest per annum at the rate per annum borne by the Notes plus 1.00%, subject to the enforceability thereof under applicable law, from, and including, the relevant payment date to, but excluding, the date on which such Defaulted Amounts shall have been paid by the Company, at its election, in accordance with Section 2.03(c) of the Indenture.

The Company shall pay the principal of and interest on this Note, so long as such Note is a Global Note, in immediately available funds to the Depositary or its nominee, as the case may be, as the registered Holder of such Note. As provided in and subject to the provisions of the Indenture, the Company shall pay the principal of any Notes (other than Notes that are Global Notes) at the office or agency designated by the Company for that purpose. The Company has initially designated the Trustee as its Paying Agent, Conversion Agent and Note Registrar in respect of the Notes and its agency, as a place where Notes may be presented for payment or for registration of transfer.

Reference is made to the further provisions of this Note set forth on the reverse hereof, including, without limitation, provisions giving the Holder of this Note the right to convert this Note into cash, ADSs or a combination of cash and ADSs, as applicable, on the terms and subject to the limitations set forth in the Indenture. A Holder may elect to receive ordinary shares in lieu of any ADSs deliverable upon conversion. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

¹ Include if a Global Note.

² Include if a Physical Note.

³ Include if a Global Note.

⁴ Include if a Physical Note

This Note, and any claim, controversy or dispute arising under or related to this Note, shall be construed in accordance with and governed by the laws of the State of New York.

In the case of any conflict between this Note and the Indenture, the provisions of the Indenture shall control and govern.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed manually or by facsimile by the Trustee under the Indenture.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed.

GDS HOLDINGS LIMITED

By: _____
Name:
Title:

Dated:

TRUSTEE’S CERTIFICATE OF
AUTHENTICATION

The Bank of New York Mellon, as Trustee, certifies that
this is one of the Notes described in the within-named
Indenture.

By: _____
Authorized Officer

FORM OF REVERSE OF NOTE

GDS HOLDINGS LIMITED
2.25% Convertible Senior Note due 2032

This Note is one of a duly authorized issue of Notes of the Company, designated as its 2.25% Convertible Senior Notes due 2032 (the “**Notes**”), limited to the aggregate principal amount of US\$550,000,000, all issued or to be issued under and pursuant to an Indenture dated as of May 30, 2025 (the “**Indenture**”), between the Company and The Bank of New York Mellon, as trustee (the “**Trustee**”), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Notes. Additional Notes may be issued in an unlimited aggregate principal amount, subject to certain conditions specified in the Indenture.

In the case certain Events of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of, and interest on, all Notes may be declared, by either the Trustee or Holders of at least 25% in aggregate principal amount of Notes then outstanding, and upon said declaration shall become, due and payable, in the manner, with the effect and subject to the conditions and certain exceptions set forth in the Indenture. In the case certain Events of Default relating to a bankruptcy (or similar proceeding) with respect to the Company shall have occurred, the principal of, and interest on, all Notes shall automatically become immediately due and payable, as set forth in the Indenture.

Subject to the terms and conditions of the Indenture, the Company will make all payments in respect of the principal amount on the Maturity Date, the Repurchase Date, the Redemption Date and the Fundamental Change Repurchase Date, as the case may be, to the Holder who surrenders a Note to the Trustee to collect such payments in respect of the Note. The Company will pay cash amounts in money of the United States that at the time of payment is legal tender for payment of public and private debts.

Subject to the terms and conditions of the Indenture, Additional Amounts will be paid in connection with any payments made and deliveries caused to be made by or on behalf of the Company or any successor to the Company under or with respect to the Indenture and the Notes, including, but not limited to, payments of principal (including the Repurchase Price, the Redemption Price and the Fundamental Change Repurchase Price, if applicable), premium, if any, and payments of interest, including any Additional Interest (but excluding, for the avoidance of doubt, any payments or deliveries that are made upon conversion of the Notes, whether made in cash, ADSs, ordinary shares or other consideration (including any payments of cash for any fractional ADS or other consideration)), to ensure that the net amount received by the beneficial owners of the Notes after any applicable withholding, deduction or reduction for, or on account of, Applicable Taxes (and after deducting any Applicable Taxes imposed by the Relevant Taxing Jurisdiction on the Additional Amounts) will equal the amounts that would have been received by such beneficial owners had no such withholding, deduction or reduction been required.

The Indenture contains provisions permitting the Company and the Trustee in certain circumstances, without the consent of the Holders of the Notes, and in certain other circumstances, with the consent of the Holders of at least a majority in aggregate principal amount of the Notes at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures modifying the terms of the Indenture and the Notes as described therein. It is also provided in the Indenture that, subject to certain exceptions, the Holders of a majority in aggregate principal amount of the Notes at the time outstanding may on behalf of the Holders of all of the Notes waive, subject to certain exceptions, any past Default or Event of Default under the Indenture and its consequences.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay or cause to be delivered, as the case may be, the principal (including the Repurchase Price, the Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, accrued and unpaid interest on, and the consideration due upon conversion of, this Note at the place, at the respective times, at the rate and in the lawful money or ADSs (including ordinary shares in lieu thereof), as the case may be, herein prescribed.

The Notes are issuable in registered form without coupons in minimum denominations of US\$1,000 principal amount and integral multiples of US\$1,000 in excess thereof. At the office or agency of the Company referred to on the face hereof, and in the manner and subject to the limitations provided in the Indenture, Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations, without payment of any service charge but, if required by the Company or the Trustee, with payment of a sum sufficient to cover any transfer tax or other similar governmental charge required by law or that may be imposed in connection therewith as a result of the name of the Holder of the new Notes issued upon such exchange of Notes being different from the name of the Holder of the old Notes surrendered for such exchange.

The Notes are not subject to redemption through the operation of any sinking fund. Under certain circumstances relating to changes in tax laws specified in the Indenture, the Notes will be subject to redemption by the Company at the Redemption Price.

The Holder has the right, at such Holder's option, to require the Company to repurchase for cash all of such Holder's Notes or any portion thereof (in principal amounts of US\$1,000 or integral multiples of US\$1,000 in excess thereof) on the Repurchase Date at a price equal to the Repurchase Price.

Upon the occurrence of a Fundamental Change, the Holder has the right, at such Holder's option, to require the Company to repurchase for cash all of such Holder's Notes or any portion thereof (in principal amounts of US\$1,000 or integral multiples of US\$1,000 in excess thereof) on the Fundamental Change Repurchase Date at a price equal to the Fundamental Change Repurchase Price.

Subject to the provisions of the Indenture, the Holder hereof has the right, at such Holder's option, prior to the close of business on the third Scheduled Trading Day immediately preceding the Maturity Date, to convert any Notes or portion thereof that is US\$1,000 principal amount of Notes or an integral multiple of US\$1,000 in excess thereof, into cash, ADSs or a combination of cash and ADSs, as applicable, at the Conversion Rate specified in the Indenture, as adjusted from time to time as provided in the Indenture.

The Holders may elect to receive ordinary shares in lieu of any ADSs deliverable upon conversion. Any ordinary shares deliverable in lieu of any ADSs will be, prior to the Resale Restriction Termination Date, subject to certain transfer restrictions as set forth in the Indenture and as imposed by the Hong Kong Share Registrar and will not be able to be deposited into CCASS until such restrictions are removed. Pursuant to the terms of the Deposit Agreement and the Restricted Issuance Agreement, the ADS Depositary will not accept the surrender of any restricted ADSs for the purpose of withdrawal of the ordinary shares represented thereby prior to the Resale Restriction Termination Date.

Terms used in this Note and defined in the Indenture are used herein as therein defined.

ABBREVIATIONS

The following abbreviations, when used in the inscription of the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM = as tenants in common

UNIF GIFT MIN ACT = Uniform Gifts to Minors Act

CUST = Custodian

TEN ENT = as tenants by the entirety

JT TEN = joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

SCHEDULE OF EXCHANGES OF NOTES
GDS HOLDINGS LIMITED
2.25% Convertible Senior Notes due 2032

The initial principal amount of this Global Note is [] UNITED STATES DOLLARS (US\$[]). The following increases or decreases in this Global Note have been made:

Date of exchange	Amount of decrease in principal amount of this Global Note	Amount of increase in principal amount of this Global Note	Principal amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee

⁵ Include if a global note.

FORM OF NOTICE OF CONVERSION

To: GDS HOLDINGS LIMITED

JPMorgan Chase Bank, N.A., as ADS Depositary

The Bank of New York Mellon, as Conversion Agent

The undersigned [holder of this Note]⁶ [beneficial owner of Notes in the aggregate principal amount of []]⁷ (bearing CUSIP: _____ and ISIN: _____)⁸ hereby exercises the option to convert that Note or the portion thereof (that is US\$1,000 principal amount or an integral multiple thereof) below designated, into cash, ADSs (or any ordinary shares in lieu thereof) or a combination of cash and ADSs (or any ordinary shares in lieu thereof), as applicable, in accordance with the terms of the Indenture referred to in this Note, and directs that any cash payable and/or ADSs (or any ordinary shares in lieu thereof) deliverable upon such conversion, together with any cash payable for any fractional ADS, and any Notes representing any unconverted principal amount hereof, be issued and delivered to the holder hereof unless a different name has been indicated below. Terms defined in the [Deposit Agreement, Restricted Issuance Agreement or]⁹ the Indenture referred to in this Notice are used herein as so defined. If any ADSs (or any ordinary shares in lieu thereof) or any portion of this Note not converted are to be issued in the name of a Person other than the undersigned, the undersigned shall pay any documentary, stamp, issue, transfer or similar tax (including any penalties and interest related thereto), if any, due because the undersigned requests such ADSs (or such ordinary shares in lieu thereof) or such portion of this Note to be issued in a name other than the undersigned, in accordance with Section 14.02(d) and Section 14.02(e) of the Indenture. Any amount required to be paid to the undersigned on account of interest accompanies this Notice. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture.

[In connection with the conversion of this Note, or the portion hereof below designated, the undersigned acknowledges, represents to and agrees with the Company and the ADS Depositary that the undersigned is not an “affiliate” (as defined in Rule 144 under the Securities Act) of the Company and has not been an “affiliate” (as defined in Rule 144 under the Securities Act) of the Company during the three months immediately preceding the date hereof.]¹⁰

In the event that there is any ADSs deliverable upon the conversion of this Note, the undersigned (please select one; if no election is made, the undersigned is deemed to elect NOT to receive any ordinary shares in lieu of such ADSs):

- ☐ elects to receive ordinary shares in lieu of such ADS through CCASS (which election is only available if this Note is NOT a Restricted Security);
- ☐ elects to receive ordinary shares in lieu of such ADS in certificated form outside of CCASS; or
- ☐ does NOT elect to receive any ordinary shares in lieu of such ADS.

⁶ Insert in case of a conversion of a certificated note.

⁷ Insert if the holder is a beneficial owner of a Note in a global form and elects to settle the conversion in ordinary shares deliverable in lieu of any ADSs upon conversion.

⁸ Converting bondholder to fill in the security identifiers of the series of Notes being converted.

⁹ Delete if the holder is a beneficial owner of a Note in a global form and elects to settle the conversion in ordinary shares deliverable in lieu of any ADSs upon conversion.

¹⁰ Delete if the holder is an affiliate of the Company.

[The undersigned further certifies:

1. The undersigned acknowledges (and if the undersigned is acting for the account of another person, that person has confirmed that it acknowledges) that the Restricted Securities received upon conversion of this Note (or securities represented thereby) have not been and are not expected to be registered under the Securities Act.

2. The undersigned is a qualified institutional buyer (as defined in Rule 144A under the Securities Act) acting for its own account or for the account of one or more qualified institutional buyers and the undersigned is (or such account or accounts are) the sole beneficial owner(s) of the ADSs (or any ordinary shares in lieu thereof) to be received upon conversion of the Notes.]¹¹

3. The undersigned acknowledges that the undersigned (and any such other account) may not continue to hold or retain any interest in Restricted Securities received upon conversion of this Note if the undersigned (or such other account) becomes an affiliate (as defined in Rule 144 under the Securities Act) of the Company.

4. [The undersigned agrees (and if the undersigned is acting for the account of another person, that person has confirmed that it agrees) that, prior to the Resale Restriction Termination Date, the undersigned (and such other account) will not offer, sell, pledge or otherwise transfer the Restricted Security (or securities represented by such Restricted Security or deliverable in lieu thereof) except in accordance with the restrictions set forth in that legend and any applicable securities laws of the United States and any state thereof or any transfer restriction as imposed by the Hong Kong Share Registrar, if applicable.]¹²

[If the undersigned does NOT elect to receive ordinary shares deliverable in lieu of ADSs, the undersigned hereby instructs the ADS Depositary to register the ADSs in the name of:

1. Name of Beneficial Owner to receive ADSs (English): _____
2. Address of Beneficial Owner to receive ADSs (English): _____
3. Name of Registered Holder of the ADSs (English): _____
4. Number of ADSs to be issued: _____
5. Beneficial Owner's Tax ID Number: _____
6. Contact Name and Tel No/email address: _____

] ¹³

[If the undersigned does NOT elect to receive ordinary shares deliverable in lieu of ADSs, the undersigned instructs the Depositary to deliver the ADSs to the following account:

ADS Receiving Broker (* are mandatory fields):

- a) DTC Broker Name*: _____
- b) DTC Broker's Participant Account with DTC *: _____
- c) DTC Broker Contact Name: _____

¹¹ Include if a Restricted Security.

¹² Include if a Restricted Security; not applicable if the holder is a beneficial owner of a Note in a global form and elects to settle the conversion in ordinary shares deliverable in lieu of any ADSs upon conversion.

¹³ Include if a Restricted Security that is not DTC eligible .

d) DTC Broker Contact Tel No/email:

e) Beneficial Owner's Account # with DTC Broker*:

OR

e) Local Broker Name (have account with DTC Broker)*:

Local Broker Sub-Account # with DTC Broker*:

Local Broker Contact Name:

Local Broker Contact Tel No/email:

ADS Delivering Party:

Name:

JPMorgan Chase Bank, N.A.

DTC Account:

0923

[If the undersigned elects to receive the ordinary shares deliverable in lieu of the ADSs through CCASS*, the undersigned instructs the Company to deliver the ordinary shares to the following account:

a) CCASS Account:

*Delivery of ordinary shares is subject to applicable law and the rules and procedures of CCASS. Holders should contact their relevant CCASS custodian participant for information on the delivery procedures.] ¹⁴

Wire Payment Instructions

[•]

For any ADS settlement inquiries, please contact [•]:

Tel: [•]

Email: [•]

For any ordinary shares settlement inquiries, please contact:

Computershare Hong Kong Investor Services Limited

[•]

¹⁴ Include bracketed language if (i) the Note being converted is not a Restricted Security; and (ii) the Holder elects to receive ordinary shares in lieu of the ADSs deliverable upon conversion.

Dated: _____

Signature Guarantee

Signature(s) must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15 if ADSs are to be issued, or Notes are to be delivered, other than to and in the name of the registered holder.

Fill in for registration of ADSs if to be issued, and Notes if to be delivered, other than to and in the name of the registered holder:

(Name)

(Street Address)

City, State and Zip Code)

Please print name and address

Principal amount to be converted (if less than all):

US\$[•],000

NOTICE: The above signature(s) of the Holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

Social Security or Other Taxpayer Identification Number

FORM OF FUNDAMENTAL CHANGE REPURCHASE NOTICE

To: GDS HOLDINGS LIMITED

[Agent appointed for such repurchase]

The undersigned registered owner of this Note hereby acknowledges receipt of a notice from GDS Holdings Limited (the “**Company**”) as to the occurrence of a Fundamental Change with respect to the Company and specifying the Fundamental Change Repurchase Date and requests and instructs the Company to pay to the registered Holder hereof in accordance with Section 15.02 of the Indenture referred to in this Note (1) the entire principal amount of this Note, or the portion thereof (that is US\$1,000 principal amount or an integral multiple thereof) below designated, and (2) if such Fundamental Change Repurchase Date does not fall during the period after a Regular Record Date and on or prior to the corresponding Interest Payment Date, accrued and unpaid interest thereon to, but excluding, such Fundamental Change Repurchase Date. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture.

In the case of certificated Notes, the certificate numbers of the Notes to be purchased are as set forth below:

Certificate Number(s): _____

Dated: _____

Signatures(s)

Signature Guarantee

Wire Instructions

Signature(s) must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15 if ADSs are to be issued, or Notes are to be delivered, other than to and in the name of the registered holder.

Fill in for registration of ADSs if to be issued, and Notes if to be delivered, other than to and in the name of the registered holder:

(Name)

(Street Address)

(City, State and Zip Code)

Please print name and address

Social Security or Other Taxpayer Identification Number

Principal amount to be repaid (if less than all): US\$[•],000

NOTICE: The above signature(s) of the Holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

FORM OF REPURCHASE NOTICE

To: GDS HOLDINGS LIMITED

THE BANK OF NEW YORK MELLON, as Trustee

The undersigned registered owner of this Note hereby acknowledges receipt of a notice from GDS Holdings Limited (the “**Company**”) regarding the right of Holders to elect to require the Company to repurchase the entire principal amount of this Note, or the portion thereof (that is US\$1,000 principal amount or an integral multiple thereof) below designated and requests and instructs the Company to repurchase the entire principal amount of this Note, or the portion thereof (that is US\$1,000 principal amount or an integral multiple thereof) below designated, in accordance with the applicable provisions of the Indenture referred to in this Note, at the Repurchase Price to the registered Holder hereof. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture.

In the case of certificated Notes, the certificate numbers of the Notes to be purchased are as set forth below:

Certificate Number(s): _____

Wire Instructions

Signature Guarantee

Signature(s) must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15

Dated: _____

Signatures(s)

Social Security or Other Taxpayer Identification Number

Principal amount to be repaid (if less than all): US\$[•],000

NOTICE: The above signature(s) of the Holder(s) hereof must correspond with the name as written upon the face of

the Note in every particular without alteration or enlargement or any change
whatever.

FORM OF ASSIGNMENT AND TRANSFER

For value received [•] hereby sell(s), assign(s) and transfer(s) unto [•] (Please insert social security or Taxpayer Identification Number of assignee) the within Note, and hereby irrevocably constitutes and appoints [•] attorney to transfer the said Note on the books of the Company, with full power of substitution in the premises.

In connection with any transfer of the within Note occurring prior to the Resale Restriction Termination Date, as defined in the Indenture governing such Note, the undersigned confirms that such Note is being transferred:

- ☐ To GDS Holdings Limited or a subsidiary thereof; or
- ☐ Pursuant to a registration statement that has become or been declared effective under the Securities Act of 1933, as amended; or
- ☐ Pursuant to and in compliance with Rule 144A under the Securities Act of 1933, as amended; or
- ☐ Pursuant to and in compliance with Rule 144 under the Securities Act of 1933, as amended (if available).

Dated: _____

Signature(s)

Signature Guarantee Signature(s) must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15 if Notes are to be delivered, other than to and in the name of the registered holder.

NOTICE: The signature on the assignment must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

FORM OF AUTHORIZATION CERTIFICATE

GDS HOLDINGS LIMITED

AUTHORIZATION CERTIFICATE

I, William Wei Huang, as Chief Executive Officer of GDS Holdings Limited (the “Company”), hereby certify that:

Daniel Newman has been duly appointed as Chief Financial Officer of the Company, and William Wei Huang has been duly appointed as the Chief Executive Officer of the Company;

the specimen signature of each individual appearing opposite his name below is the true and genuine signature of each such individual;

each such individual is duly authorized to execute and deliver on behalf of the Company (i) the Indenture, dated as of May 30, 2025, between the Company and The Bank of New York Mellon, as Trustee, (ii) the Company’s 2.25% Convertible Senior Notes due 2032 in the aggregate principal amount of US\$550,000,000 (the “Notes”), and (iii) any other documents or certificates delivered or to be delivered in connection with the offering of the Notes; and

each such individual has the authority to provide written direction / confirmation and execute documents to be delivered to, or upon the request of, The Bank of New York Mellon, as Trustee, Securities Custodian, Registrar, Paying Agent and Conversion Agent under the Indenture between the Company and The Bank of New York Mellon, dated as of May 30, 2025.

Authorized Officers:

Name	Title	Signature	Phone Number
William Wei Huang	Chief Executive Officer		
Daniel Newman	Chief Financial Officer		

IN WITNESS WHEREOF, I have hereunto signed my name this [•][th] day of May, 2025

By. _____
Name: William Wei Huang
Title: Chief Executive Officer

Beijing Wanguo Chang'an Science & Technology Co., Ltd.

Langfang Shengman Technology Co., Ltd.

and

Langfang Zhouyu Electronic & Technology Co., Ltd.

with regards to

Langfang Shengman Technology Co., Ltd.

Exclusive Call Option Agreement

Date: September 30, 2025

Exclusive Call Option Agreement

This Exclusive Call Option Agreement (the “**Agreement**”) is entered into by and among the following parties on September 30, 2025 in Shanghai, China:

1. **Beijing Wanguo Chang'an Science & Technology Co., Ltd.** (hereinafter referred to as “**Existing Shareholder**”)
Registered Address: Room 211, Building 36, No. 1 Yard, Disheng North Street, Beijing Economic-Technological Development Area, Beijing;
Legal Representative: Zhou Hui.
2. **Langfang Zhouyu Electronic & Technology Co., Ltd.** (hereinafter referred to as “**Asset Company**”)
Registered Address: Room 9006, Block A, (Talent Home) Puzhaoying Village, Longhe High-Tech Industrial Zone, Anci District, Langfang City, Hebei Province (Office Premises);
Legal Representative: Zhou Hui.
3. **Langfang Shengman Technology Co., Ltd.** (hereinafter referred to as “**License Company**”)
Registered Address: Office A, 5th Floor, Building 0004, No. 65 Yunqi Road, Longhe High-Tech Industrial Development Zone, Anci District, Langfang City, Hebei Province;
Legal Representative: Shan Xinying.

(In this Agreement, the above parties are referred to individually as a “**Party**” and collectively as the “**Parties**”.)

Whereas:

- (1) The Existing Shareholder is the registered shareholder of the License Company and in legal possession of all the equity interests of the License Company on the execution date of this Agreement (basic information of the License Company on the execution date of this Agreement is shown in Exhibit 1 to this Agreement).
- (2) The Existing Shareholder intends to transfer all of its equity interests in the License Company to the Asset Company and/or any other entity or individual designated by the Asset Company without violating the PRC Laws and Regulations, and the Asset Company intends to accept the transfer.
- (3) The License Company intends to transfer the Assets of the License Company (as defined below) to the Asset Company and/or the entity or individual designated by the Asset Company without violating the PRC Laws and Regulations, and the Asset

Company intends to accept the transfer by itself or designate other entity or individual to accept it.

- (4) In order to carry out the aforesaid transfer of equity interests or assets, the Existing Shareholder hereby irrevocably grants to the Asset Company an exclusive call option right to purchase equity interests (the **"Stock Option"**) and the License Company acknowledges such Stock Option; and the License Company hereby irrevocably grants to the Asset Company an Asset Purchase Option (as defined below) and the Existing Shareholder acknowledges such Asset Purchase Option. To the extent permitted by the PRC Laws and Regulations and in accordance with the Stock Option and the Asset Purchase Option, the Existing Shareholder or the License Company (as applicable) shall, based on the requirements of the Asset Company, transfer the Option Stock or the Assets of the License Company (as defined below) to the Asset Company and/or any other entity or individual designated by the Asset Company in accordance with the provisions of this Agreement.

Now, therefore, the Parties agree as follows through negotiation:

Article 1 Terms and Definitions

- 1.1 Unless otherwise specified or in cases where the context demands a different interpretation, the terms used in this Agreement shall have the following meanings:

"Option Stock"	means, as to the Existing Shareholder, all the equity interests held by the Existing Shareholder in the Registered Capital of the License Company (as defined below).
"Registered Capital of the License Company"	means, on the execution date of this Agreement, the registered capital of the License Company of RMB 50,000,000 Yuan, including any enlarged registered capital after future capital increase during the term of this Agreement.
"Existing Business of the License Company"	means, on the execution date of this Agreement, the business scope of the License Company as specified in its business license.
"Transferred Equity Interests"	means, when the Asset Company exercises its Stock Option (the "Exercise"), the equity interests of the License Company that the Asset Company has the right to request the Existing Shareholder to transfer to it or its designated

entity or individual pursuant to Article 3.2 of this Agreement. The amount may be part or all of the Option Stock. The specific amount shall be decided by the Asset Company at its absolute discretion according to the PRC Laws and Regulations and its commercial considerations at the time.

"Conversion Price"	means, during each Exercise in accordance with Article 4 of this Agreement, the total consideration paid to the Existing Shareholder for the acquisition of the Transferred Equity Interests by the Asset Company or its designated entity or individual.
"Certificates"	means any approval, license, filing, and registration the License Company shall hold for legal and effective management of the Existing Business and all other business.
"Assets of the License Company"	means all tangible and intangible assets owned or entitled to use by the License Company during the term of this Agreement, including but not limited to any real estate, movable property, trademark, copyright, patent, proprietary technology, domain name, software use right and other intellectual properties.
"Asset Purchase Option"	means the option to require the purchase of any Assets of the License Company granted by the License Company to the Asset Company in accordance with the terms of the Agreement.
"Principal Agreements"	means the agreements to which the License Company is a party and has material effect on the business and Assets of the License Company.
"PRC":	means, for the purpose of this Agreement, the People's Republic of China, excluding Hong Kong, Macau and Taiwan.
"PRC Laws and Regulations"	refers to the laws, administrative regulations, administrative rules, local regulations, judicial interpretations and other binding legal documents of the People's Republic of China that are in force at the time.

- 1.2 Unless otherwise stipulated in the context of this Agreement, Article, Section, Paragraph and Subparagraph referred to in this Agreement mean the relevant content in this Agreement.

Article 2 Award of Stock Option and Asset Purchase Option

- 2.1 The Existing Shareholder hereby irrevocably and unconditionally grants, to the Asset Company an exclusive Stock Option, pursuant to which, the Asset Company shall have the right to request the Existing Shareholder to transfer the Option Stock to the Asset Company or its designated entity or individual, to the extent permitted by the PRC Laws and Regulations, in accordance with the procedures specified in this Agreement. The Asset Company also agrees to accept such Stock Option.
- 2.2 The License Company hereby agrees that the Existing Shareholder grants the Asset Company such Stock Option in accordance with the above Article 2.1 and other provisions in this Agreement.
- 2.3 The License Company irrevocably and unconditionally grants, to the Asset Company an exclusive Asset Purchase Option, pursuant to which, the Asset Company shall have the right to request the License Company to transfer all or part of the Assets of the License Company to the Asset Company and/or its designated entity and/or individual at any time (including but not limited to when the Asset Company independently determines there is a risk that the Existing Shareholder may be required by the PRC Laws and Regulations to transfer all or part of the Option Stock to any third party other than the Asset Company and/or the individual or entity designated by the Asset Company), in accordance with the procedures specified in this Agreement. The Asset Company also agrees to accept such Asset Purchase Option.
- 2.4 The Existing Shareholder hereby agrees that the License Company grants the Asset Company such Asset Purchase Option in accordance with the above Article 2.3 and other provisions in this Agreement.

Article 3 Exercise Procedures

- 3.1 The Asset Company shall have the right to decide at its absolute discretion the specific time, procedure and number of exercise to the extent permitted by the PRC Laws and Regulations.
- 3.2 Regarding the Stock Option, if, at the time of the Exercise, the PRC Laws and Regulations then effective allow the Asset Company and/or its designated entity or

individual to hold all equity interests of the License Company, the Asset Company shall be entitled to exercise all the Stock Option, and all the Option Stock shall be acquired by the Asset Company and/or its designated other entity or individual from the Existing Shareholder in a one-off transfer; if at the time of the Exercise, the PRC Laws and Regulations then effective only allow the Asset Company and/or its designated entity or individual to hold part of the equity interests of the License Company, the Asset Company shall be entitled to decide the amount of the Transferred Equity Interests within the upper limit of the proportion of equity interests regulated by the PRC Laws and Regulations (the “**Upper Limit**”), and such amount of the Transferred Equity Interests shall be acquired by the Asset Company and/or its designated entity or individual from the Existing Shareholder. Under the latter situation, the Asset Company is entitled to exercise the Stock Option in installments in accordance with the gradual relaxation of the Upper Limit allowed by the PRC Laws and Regulations until all the Stock Option has been exercised.

- 3.3 Regarding the Stock Option, during each Exercise, the Asset Company shall have the right to decide at its discretion the number of equity interests to be transferred by the Existing Shareholder to the Asset Company and/or its designated entity or individual, and the Existing Shareholder shall transfer the Transferred Equity Interests to the Asset Company and/or its designated entity or individual respectively as required by the Asset Company. The Asset Company and/or its designated entity or individual shall pay the Conversion Price to the Existing Shareholder for the Transferred Equity Interests under each Exercise.
- 3.4 Regarding the Asset Purchase Option, during each Exercise, the Asset Company shall have the right to decide at its discretion the specific Assets of the License Company to be transferred by the License Company to the Asset Company and/or its designated entity and/or individual, and the License Company shall transfer the assets to the Asset Company and/or its designated entity and/or individual respectively as required by the Asset Company. Asset Company and/or its designated entity and/or individual shall pay the Conversion Price to the License Company for the transferred assets under each Exercise.
- 3.5 During each Exercise, the Asset Company may purchase the Transferred Equity Interests or transferred assets by itself or may designate any third party to purchase all or part of the Transferred Equity Interests or transferred assets.
- 3.6 The Asset Company shall, upon its decision to exercise the Stock Option, issue a written notice to exercise the Option (the “**Exercise Notice**”, the form of which is set

forth in Exhibit 2 and Exhibit 3 to this Agreement respectively) to the Existing Shareholder. The Existing Shareholder shall, within thirty (30) days upon the receipt of the Exercise Notice, make a one-off transfer of the Transferred Equity Interests in whole to the Asset Company and/or its designated entity or individual in accordance with the Exercise Notice and the provisions of Article 3.3 of this Agreement.

- 3.7 The Existing Shareholder hereby represents and warrants that once the Asset Company issues an Exercise Notice:
- (1) It shall promptly pass a shareholder resolution and take all necessary actions to agree on the transfer of the Transferred Equity Interests or transferred assets in whole to the Asset Company and/or its designated entity or individual at the Conversion Price;
 - (2) It shall promptly execute an equity transfer agreement or assets transfer agreement with the Asset Company and/or its designated entity or individual to transfer the Transferred Equity Interests or transferred assets in whole to the Asset Company and/or its designated entity or individual at the Conversion Price; and
 - (3) It shall provide necessary support to the Asset Company in accordance with the Asset Company's requirements and applicable laws and regulations (including to provide and execute all relating legal documents, perform all government approval, registration, filing procedures and bear all the relevant obligations) to enable the Asset Company and/or its designated entity or individual to obtain the Transferred Equity Interests or transferred assets without legal defects.
- 3.8 The Existing Shareholder shall, upon the request of the Asset Company, execute a power of attorney (the "**Power of Attorney**", the form of which is set forth in Exhibit 4 to this Agreement) to authorize in writing any person designated by the Asset Company (the "**Trustee**") to represent the Existing Shareholder to execute any and all necessary legal documents to enable the Asset Company and/or its designated entity or individual to obtain the Transferred Equity Interests or transferred assets without legal defects. The Power of Attorney shall be kept by the Asset Company upon execution, and, when necessary, the Asset Company may at any time require that the Existing Shareholder to execute multiple duplicates of the Power of Attorney and present them to relevant government authorities. When and only when the Asset Company issues a written notice to the Existing Shareholder to dismiss and

replace the Trustee shall the Existing Shareholder immediately revoke the entrustment of the existing Trustee under this Agreement and entrust another Trustee designated by the Asset Company at the time to execute any and all necessary legal documents on behalf of the Existing Shareholder in accordance with this Agreement; the new Power of Attorney shall replace the original Power of Attorney once it is made. Except for this, the Existing Shareholder shall under no other circumstances revoke the Power of Attorney to the Trustee.

Article 4 Conversion Price

- 4.1 During each Exercise by the Asset Company, the total Conversion Price or asset transfer price payable by the Asset Company or its designated entity or individual shall pay to the Existing Shareholder shall be RMB one (1) yuan or any price agreed upon by the Parties in writing. If, at the time of exercise, any PRC Laws and Regulations have mandatory provisions on the Conversion Price or asset transfer price, the Asset Company or its designated entity or individual shall be entitled to take the minimum price permitted by the PRC Laws and Regulations as the Conversion Price or asset transfer price in accordance with the PRC Laws and Regulations.
- 4.2 All taxes and fees arising from the exercise of the Stock Option or the Asset Purchase Option under this Agreement in accordance with applicable laws shall be borne by the License Company, the Existing Shareholder, and the Asset Company respectively in accordance with the law.

Article 5 Representations and Warranties

- 5.1 The Existing Shareholder hereby makes the following representations and warranties, which shall remain at all times in full force as in the occasion when they are made at the time of the transfer of the Option Stock or the Assets of the License Company.
 - 5.1.1 The Existing Shareholder is a limited liability company duly incorporated and validly existing under the PRC Laws and Regulations as an independent legal person and with complete, independent legal status and legal capacity to execute, deliver and perform this Agreement, and can independently act as a litigant in proceedings.
 - 5.1.2 The License Company is a limited liability company duly incorporated and validly existing under the PRC Laws and Regulations as an independent legal person and with complete, independent legal status and legal capacity

to execute, deliver and perform this Agreement, and can independently act as a litigant in proceedings.

- 5.1.3 The Existing Shareholder has full capacity and power to execute and deliver this Agreement and all other documents to be executed by them related to the transaction referred to in this Agreement and has full capacity and power to complete the transaction referred to in this Agreement.
 - 5.1.4 This Agreement is legally and appropriately executed and delivered by the Existing Shareholder. This Agreement constitutes a legal and binding obligation on it, enforceable against it in accordance with the terms of the Agreement.
 - 5.1.5 At the effective date of this Agreement, the Existing Shareholder is the only registered legal owner of the Option Stock. Except for the rights provided under this Agreement, the Equity Pledge Agreement entered into by and between the Existing Shareholder and the Asset Company, and the Shareholder Voting Proxy Agreement entered into by and among the Existing Shareholder, the Asset Company, and the License Company, the Option Stock is free and clear of any liens, pledge, claims, other security interests and other third-party rights; pursuant to this Agreement, the Asset Company and/or its designated entity or individual shall be entitled to the ownership of the Transferred Equity Interests free of any liens, pledge, claims, other security interests and other third-party rights after the Exercise.
 - 5.1.6 Except for the Asset Purchase Option created under this Agreement, the Assets of the License Company are free of any liens, mortgages, claims, other security interests and other third-party rights; pursuant to this Agreement, the Asset Company and/or its designated entity and/or individual shall be entitled to the ownership of the transferred assets free of any liens, mortgages, claims, other security interests and other third-party rights after the Exercise.
- 5.2 The License Company hereby represents and warrants that:
- 5.2.1 The License Company is a limited liability company duly incorporated and validly existing under the PRC Laws and Regulations as an independent legal person. The License Company has full and independent legal status and legal capacity to execute, deliver and perform this Agreement, and can independently act as a litigant in proceedings.
 - 5.2.2 It has full internal power and authority to execute and deliver this Agreement and all other documents to be executed by it in relation to the transaction referred to in this Agreement, and has full internal power and authority to complete the transaction referred to in this Agreement.

- 5.2.3 This Agreement is legally and appropriately executed and delivered by the License Company. This Agreement constitutes a legal and binding obligation on the License Company.
- 5.2.4 The Existing Shareholder is the only registered legal shareholder of the License Company on the effective date of this Agreement. Pursuant to this Agreement, the Asset Company and/or its designated entity or individual shall be entitled to the ownership of the Transferred Equity Interests free of any liens, pledge, claims, other security interests and other third-party rights after the Exercise.
- 5.2.5 On the effective date of this Agreement, the License Company has all the Certificates necessary for its operation. The License Company has sufficient rights and qualifications to operate business within the territory of China. The License Company has been operating its business lawfully since its foundation and there is no breach of the regulations or requirements of Industrial and Commercial Bureau, Tax Bureau, Telecommunication Administration, Administration of Quality Supervision, Labor and Social Security Bureau or other government authorities in any material aspects.

Article 6 Undertakings of the Existing Shareholder

The Existing Shareholder hereby undertakes that:

- 6.1 Within the term of this Agreement, the Existing Shareholder shall take all necessary actions to ensure that the License Company obtain all Certificates for its business operation in a timely manner and maintain the continuing effectiveness of the Certificates at all times;
- 6.2 During the term of the Agreement, without prior written consent by the Asset Company:
 - 6.2.1 The Existing Shareholder shall not transfer or dispose of in any other means any Option Stock or create any security interests or third party rights on the Option Stock;
 - 6.2.2 The Existing Shareholder shall not increase or decrease Registered Capital of the License Company;
 - 6.2.3 The Existing Shareholder shall not dispose of or cause the management of the License Company to dispose of any of the Assets of the License Company (except in the ordinary course of business);
 - 6.2.4 The Existing Shareholder shall not terminate or cause the management of the License Company to terminate the Principal Agreements or enter into

any contract in conflict with the Principal Agreements;

- 6.2.5 The Existing Shareholder shall not appoint or dismiss any of the directors, supervisors or other management personnel of the License Company that shall be appointed and dismissed by the Existing Shareholder;
- 6.2.6 The Existing Shareholder shall not cause the License Company to declare or actually pay any distributable profits, interests, or dividends;
- 6.2.7 The Existing Shareholder shall ensure the continuous existence of the License Company and that the License Company will not be terminated, liquidated or dissolved;
- 6.2.8 The Existing Shareholder shall not modify the articles of association of the License Company; and
- 6.2.9 The Existing Shareholder shall ensure that the License Company will not lend or borrow any loan, or provide guarantee or provide securities in other means, or assume any material liabilities for those other than arising from the ordinary business operations;
- 6.3 During the term of this Agreement, the Existing Shareholder shall use its best endeavor to promote the License Company's business and to ensure the legal operation of the License Company, without any action or nonfeasance that might damage the Assets of the License Company, its reputation, or the effectiveness of its Certificates.
- 6.4 During the term of this Agreement, the Existing Shareholder shall promptly inform the Asset Company of any situation that may have a material adverse effect on the existence, business operations, financial condition, assets, or reputation of the License Company, and promptly take all measures approved by the Asset Company to eliminate such adverse situation or take effective remedial measures against it.

Article 7 Undertakings of The License Company

- 7.1 If any consent, permit, waiver or authorization by any third party, or any approval, permit or exemption by any government authority, or any registration or filing formalities (if required by law) with any government authority is required to be obtained or handled with respect to the execution and performance of this Agreement and the exercise of the Stock Option and the Asset Purchase Option under this Agreement, the License Company shall endeavor to assist in satisfying the above conditions.
- 7.2 Without the Asset Company's prior written consent, the License Company shall not assist or permit the Existing Shareholder to transfer or otherwise dispose of any

Option Stock or create any security interests or other third party rights on any Option Stock.

- 7.3 Without the Asset Company's prior written consent, the License Company shall not transfer or dispose of in any other means any principal Assets of the License Company (except in the ordinary course of business) or create any security interests or third party rights on the Assets of the License Company.

Article 8 Confidentiality

- 8.1 Regardless of whether this Agreement is terminated or not, the Parties shall be under the obligation to keep strictly confidential any business secrets, proprietary information, client information and other related materials of the other Parties, as well as any other non-public information of any other Party (collectively the "**Confidential Information**") obtained during the execution and performance of this Agreement. Except with the prior written consent of the other Party or as required to be disclosed by relevant laws and regulations, securities listing rules, rules or regulations of a stock exchange, or orders of any relevant government department, competent authority, or court, the Party receiving the Confidential Information (referred to as the "**Receiving Party**") shall not disclose, give, or transfer the Confidential Information or any part thereof to any third party; except for the purpose of performing this Agreement, the Receiving Party shall not use or indirectly use the Confidential Information or any part thereof for any purpose.
- 8.2 The following information shall not be considered Confidential Information:
- (1) Any information that the Receiving Party had previously known through legal means, as evidenced in writing;
 - (2) Information that has entered the public domain or become known to the public due to other reasons not attributable to the fault of the Receiving Party; or
 - (3) Information that the Receiving Party lawfully obtains from other sources after receiving the Confidential Information.
- 8.3 The Receiving Party may disclose Confidential Information to its or its affiliates' relevant employees, agents, lenders or potential lenders (including agents or trustees of lenders), financing arrangers or potential financing arrangers, and professionals engaged by the aforementioned entities, provided that the Receiving Party shall ensure that the aforementioned personnel are also bound by this Agreement or (with respect to any lender (including agents or trustees of lenders), financing arrangers) separately signed relevant confidentiality agreements to keep the Confidential Information confidential and use such Confidential Information only

for the purpose of performing this Agreement.

- 8.4 The Parties agree that, regardless of any change, rescission or termination of this Agreement, this Article 8 shall remain in effect.

Article 9 Term of Agreement

This Agreement comes into effect as of its execution date, and shall terminate until all the Option Stock and the Assets of the License Company under this Agreement has been transferred to the Asset Company and/or its designated entity or individual.

Article 10 Notice

- 10.1 All notices or other correspondences among the Parties in connection with the performance of the rights and obligations under this Agreement shall be in writing and be delivered in person, by registered mail, postage prepaid mail, or recognized express mail to the Party concerned.
- 10.2 If any of such notices or other correspondences is transmitted by facsimile or telex, it shall be deemed delivered immediately upon transmission; if delivered in person, it shall be deemed delivered at the time of delivery; if posted by mail, it shall be deemed delivered five (5) days after dispatch.

Article 11 Breach of Agreement

- 11.1 The Parties agree and acknowledge that, any material breach of any provision of this Agreement, or substantial non-performance of this Agreement by any party (the "**Breaching Party**") constitutes a breach of the Agreement (the "**Breach**"). Any of the non-breaching parties (the "**Non-breaching Parties**") shall be entitled to require the Breaching Party to correct or take remedial measures within a reasonable time. Where the Breaching Party does not take any remedy measures in a reasonable time or within 10 days after the written notice from the Non-breaching Parties to request remedial measures, if the breaching party is the Existing Shareholder or the License Company, then the Non-breaching Party, at its discretion, shall have the right to: (1) terminate this Agreement and require full compensation from the Breaching Party; or (2) request for compulsory performance of the obligations of the Breaching Party under this Agreement and request for full compensation from the Breaching Party under this Agreement ; if the Breaching Party is the Asset Company, then the Non-breaching Parties shall have the right to request for compulsory performance of the obligations of the Breaching Party under this Agreement and request for full compensation from the Breaching Party under this Agreement .

- 11.2 The Parties agree and acknowledge that the Existing Shareholder or the License Company shall under no circumstances prematurely terminate this Agreement for whatever reasons.
- 11.3 The rights and remedies stipulated in this Agreement are accumulative, and do not preclude other rights or remedies as prescribed by laws and regulations.
- 11.4 Notwithstanding any other provisions herein, the effect of this Article shall survive the suspension or termination of this Agreement.

Article 12 Miscellaneous

- 12.1 This Agreement is made in triplicate (3 copies), with each Party holding one (1) copy.
- 12.2 The conclusion, validity, performance, amendment, interpretation and termination of this Agreement shall be governed by the PRC Laws and Regulations.
- 12.3 The Parties shall settle any dispute arising out of or relating to this Agreement through amicable negotiation. If any dispute cannot be resolved through negotiations within thirty (30) days, the dispute shall be referred to Shanghai International Economic and Trade Arbitration Commission for arbitration in accordance with the commission's arbitration rules. The seat of arbitration shall be Shanghai. The arbitration award shall be final and binding upon the Parties.
- 12.4 Any right, power or remedy granted to a Party by any provision of this Agreement does not preclude the Party from any right, power or remedy granted by law or other provisions of this Agreement; any Party's exercise of its right, power and remedy by a Party shall not preclude the Party from exercising its other rights, powers and remedies.
- 12.5 No failure or delay by any Party in exercising any right, power or remedy (the "**Said Party's Rights**") provided by law or under this Agreement shall constitute a waiver of the Said Party's Rights and no single or partial waiver of any Said Party's Rights shall preclude the exercise of any Said Party's Rights in other means or the exercise of any other Said Party's Rights.
- 12.6 The headings hereof have been inserted for convenience of reference only, under no circumstances shall such headings be construed to affect the meaning, construction or effect of this Agreement.
- 12.7 The provisions of this Agreement are severable and independent to one another. If at any time one or several articles herein shall be deemed invalid, illegal or unenforceable, the validity, legality or enforceability of other provisions herein shall not be affected thereby.

- 12.8 This Agreement upon execution shall supersede any other legal documents on the same subject matter entered into by the Parties hereto. Any amendment or supplement of this Agreement shall be made in writing and duly executed by all Parties herein before taking effect.
- 12.9 The Existing Shareholder and the License Company shall not assign any rights and/or obligations hereunder to any third party without the prior written consent of the Asset Company, while the Asset Company may assign any rights and/or obligations hereunder to its designated third party upon notifying the Existing Shareholder and the License Company.
- 12.10 This Agreement is binding on the lawful successors and assignees of the Parties.

[Remainder of this page intentionally left blank]

In witness whereof, this Exclusive Call Option Agreement is entered into by the following Parties on the date and at the place first above written.

Beijing Wanguo Chang'an Science & Technology Co., Ltd.
(Seal)

Signature: _____
Name: _____
Title: _____

Langfang Zhouyu Electronic & Technology Co., Ltd.
(Seal)

Signature: _____
Name: _____
Title: _____

Langfang Shengman Technology Co., Ltd.
(Seal)

Signature: _____
Name: _____
Title: _____

Exhibit 1:

Basic information of the License Company

Company Name: Langfang Shengman Technology Co., Ltd.

Registered Address: Office A, 5th Floor, Building 0004, No. 65 Yunqi Road, Longhe High-Tech Industrial Development Zone, Anci District, Langfang City, Hebei Province

Registered Capital: RMB 50,000,000

Legal Representative: Shan Xinying

Shareholding Structure:

Name or Shareholder	Share of Registered Capital	Proportion of Capital Contribution
Beijing Wanguo Chang'an Science & Technology Co., Ltd.	RMB 50,000,000	100%

Exhibit 2:

Format of Exercise Notice

To:

Whereas, our company has entered into an Exclusive Call Option Agreement ("**Call Option Agreement**") with you and Langfang Shengman Technology Co., Ltd. ("**License Company**") on [Insert the date], 2025, which designated that under circumstances permitted by the PRC Laws and Regulations, you shall transfer your equity interests in the License Company to our company or any third party designated by our company upon our request.

Now, therefore, our company hereby issue the notice as follows:

Our company hereby request to exercise the Stock Option under the Call Option Agreement and requires you to transfer ____% of the equity interests held by you in the License Company (the "**Assigned Equity Interests**") to our company/[insert entity or individual's name] designated by our company. Please immediately transfer all of the Assigned Equity Interests to our company/[insert entity or individual's name] pursuant to the Call Option Agreement within [insert days] days upon receipt of this notice.

Sincerely,

Langfang Zhouyu Electronic & Technology Co., Ltd.
(Seal)

Legal representative:

Date:

Exhibit 2 to Exclusive Call Option Agreement

Exhibit 3:

Format of Exercise Notice

To:

Whereas, our company has entered into an Exclusive Call Option Agreement ("**Call Option Agreement**") with you and Beijing Wanguo Chang'an Science & Technology Co., Ltd. on Insert the date, 2025, which designated that under circumstances permitted by the PRC Laws and Regulations, you shall transfer your assets to our company or any third party designated by our company upon our request.

Now, therefore, our company hereby issue the notice as follows:

Our company hereby request to exercise the Asset Purchase Option under the Call Option Agreement and requires you to transfer all the assets held by you as listed in the attached list (the "**Assigned Assets**") to our company/insert entity or individual's name designated by our company. Please immediately transfer all of the Assigned Assets to our company/insert entity or individual's name pursuant to the Call Option Agreement within insert days days upon receipt of this notice.

Sincerely,

Langfang Zhouyu Electronic & Technology Co., Ltd.
(Seal)

Legal representative:

Date:

Exhibit 3 to Exclusive Call Option Agreement

Exhibit 4:

Format of Power of Attorney

I, Beijing Wanguo Chang'an Science & Technology Co., Ltd., hereby irrevocably entrusts _____ [ID Card No.: _____], as its entrusted agent, to execute the legal documents among Langfang Shengman Technology Co., Ltd., Langfang Zhouyu Electronic & Technology Co., Ltd. and me on the transfer of equity interests or assets of Langfang Shengman Technology Co., Ltd.

Signature:

Date

Exhibit 4 to Exclusive Call Option Agreement

Beijing Wanguo Chang'an Science & Technology Co., Ltd.

and

Langfang Zhouyu Electronic & Technology Co., Ltd.

with regards to

Langfang Shengman Technology Co., Ltd.

Equity Pledge Agreement

Date: September 30, 2025

Equity Pledge Agreement

This Equity Pledge Agreement (the “**Agreement**”) is entered into by and between the following parties on September 30, 2025 in Shanghai, PRC:

Party A: Beijing Wanguo Chang'an Science & Technology Co., Ltd. (hereinafter referred to as the “**Pledger**”)

Address: Room 211, Building 36, No. 1 Yard, Disheng North Street, Beijing Economic-Technological Development Area, Beijing;

Legal Representative: Zhou Hui.

Party B: Langfang Zhouyu Electronic & Technology Co., Ltd. (hereinafter referred to as the “**Pledgee**”)

Registered Address: Room 9006, Block A, (Talent Home) Puzhaoying Village, Longhe High-Tech Industrial Zone, Anci District, Langfang City, Hebei Province (Office Premises);

Legal Representative: Zhou Hui.

Whereas:

- (1) The Pledger is the registered shareholder of Langfang Shengman Technology Co., Ltd. (with registered address at Office A, 5th Floor, Building 0004, No. 65 Yunqi Road, Longhe High-Tech Industrial Development Zone, Anci District, Langfang City, Hebei Province, hereinafter referred to as the “**Company**”), holding all the equity interests of the Company (hereinafter referred to as “**Company's Equity Interest**”).
- (2) The Pledger entered into an Exclusive Call Option Agreement (the “**Call Option Agreement**”) with the Pledgee and the Company on September 30, 2025, agreeing that the Pledger shall, to the extent permitted by the PRC Law, transfer all or part of its equity Interests or assets to the Pledgee and/or its designated entity or individual as required by the Pledgee.
- (3) The Pledger entered into a Voting Proxy Agreement (the “**Voting Proxy Agreement**”) with the Pledgee and the Company on September 30, 2025, agreeing that the Pledger has granted full authority to the Pledgee or an individual designated by the Pledgee to exercise all voting rights on behalf of the Pledger as a shareholder of the Company.
- (4) The Company entered into an Infrastructure Service Agreement on September 30, 2025 (the “**Infrastructure Service Agreement**”) with the Pledgee, agreeing that the Pledgee will exclusively provide infrastructure-related services to the Company, and the Company will pay infrastructure service fees to the Pledgee for such services.

- (5) The Pledger agrees to pledge all its equity shares in the Company as security to the Pledgee for the purpose of guaranteeing the performance of the Contractual Obligations (as defined below) of the Pledger and the Company and the discharge of the Secured Debts (as defined below) under this Agreement, to which the Pledgee shall have first priority.

Now, therefore, the parties agree as follows through negotiation:

Article 1 Terms and Definitions

- 1.1 Unless otherwise specified or in cases where the context demands a different interpretation, the terms used in this Agreement shall have the following meanings:

"Contractual Obligations":	means all contractual obligations of the Pledger and the Company under the Transaction Agreements (as defined below) and this Agreement.
"Secured Debts":	means all direct, indirect and derivative losses and losses of anticipated profits, suffered by the Pledgee, incurred as a result of any Event of Default (as defined below) by the Pledger and/or the Company, and all expenses occurred in connection with enforcement by the Pledgee of the Pledger' and/or the Company's Contractual Obligations. The Pledger's amount of pledge (i.e. the secured amount) is RMB 50,000,000.
"Transaction Agreements":	means the Call Option Agreement, the Voting Proxy Agreement and the Infrastructure Service Agreement, and any amendments, revisions, and/or restatements to the aforementioned documents.
"Event of Default":	means any breach by the Pledger or the Company of their obligations under the Contractual Obligations, the Transaction Agreements, and/or this Agreement.
"Pledged Equity":	means all Company's Equity Interests lawfully owned by the Pledger on the effective date of the Agreement and to be pledged to the Pledgee for the purpose of guaranteeing the performance of the Contractual Obligations by the Pledger and

the Company in accordance with this Agreement. The total amount of the pledged equity from the Pledger is RMB 50,000,000, plus the increased capital contributions and dividends under Articles 2.6 and 2.7 of this Agreement.

“PRC”: means, for the purpose of this Agreement, the People’s Republic of China, excluding Hong Kong, Macau and Taiwan.

“PRC Law”: means the laws, administrative regulations, administrative rules, local regulations, judicial interpretations and other binding legal documents of the People’s Republic of China that are in force at the time.

- 1.2 Unless otherwise stipulated in the context of this Agreement, Article, Section, Paragraph and Subparagraph referred to in this Agreement shall mean the relevant content in this Agreement.

Article 2 Equity Pledge

- 2.1 The Pledger hereby agrees to pledge to Pledgee the Pledged Equity, which it lawfully owns and has the right of disposal, as the Pledgee’s interest in the Transaction Agreements, and as the guarantee for the performance of the Contractual Obligations and the discharge of the Secured Debts.
- 2.2 The Pledger undertakes that it shall record the equity pledge arrangement hereunder (the “**Equity Pledge**”) in the register of shareholders of the Company on the date of the execution of this Agreement, and shall use its best efforts to register the Equity Pledge at the administration for industry and commerce where the Company is registered within a time period agreed by the parties. In case of any discrepancy between the simplified agreement (if any) used for the administration for industry and commerce registration of the Equity Pledge and this Agreement, this Agreement shall prevail. The pledge right under this Agreement shall be established upon the registration of the pledge with the administration for industry and commerce registration authority.
- 2.3 During the valid term of this Agreement, unless attributable to the Pledgee’s willful conduct or the Pledgee’s gross negligence with direct causation to the consequence, the Pledgee shall not be held liable to any reduction in the value of the Pledged Equity, and the Pledger shall have no right to claim any compensation or to make other requests in any way against the Pledgee.
- 2.4 Without violating the provisions of the above-mentioned Article 2.3, if there is any

probability that the value of the Pledged Equity will be notably reduced which is sufficient to prejudice the rights of the Pledgee, the Pledgee may require the Pledger to provide corresponding security, or may auction or sell the Pledged Equity on behalf of the Pledger, and reach an agreement with the Pledger to use the proceeds from such auction or sales to prepay the Secured Debts or to withdraw and deposit such proceeds with the notary office in the place where the Pledgee is domiciled (all expenses so incurred shall be assumed by the Pledger). Furthermore, upon the Pledgee's request, the Pledger shall provide other assets as security for the Secured Debts.

- 2.5 The Pledgee shall have first-priority security interest in the Pledged Equity. Upon occurrence of any Event of Default, the Pledgee has the right to dispose of the Pledged Equity in accordance with Article 4 of this Agreement.
- 2.6 The Pledger may increase the registered capital of the Company with the Pledgee's prior consent. If the Pledger subscribes for the increased registered capital of the Company, the Pledger shall, as required by the Pledgee, execute the relevant equity pledge agreement for the pledge of the increased registered capital of the Company, and go through the formalities for equity pledge correspondingly.
- 2.7 The Pledger shall not distribute dividends or capital bonus (whether formed before or after the execution of this Agreement) with respect to the Pledged Equity without prior written consent of the Pledgee. The dividends or capital bonus (whether formed before or after the execution of this Agreement) distributed from the Pledged Equity received by the Pledger shall be deposited into an account designated and supervised by the Pledgee and shall be used to discharge the Secured Debts prior and in preference to making any other payment.
- 2.8 The Pledger may receive dividends or capital bonus distributed from the Pledged Equity only with the prior written consent of the Pledgee.

Article 3 Release of Pledge

After the Pledger and the Company have fully and completely performed all of the Contractual Obligations, the Pledgee shall, upon the Pledger's request, release the Equity Pledge under this Agreement and cooperate with the Pledger to cancel the registration of the Equity Pledge on the Company's register of shareholders, as well as the cancellation of equity pledge registration with the administration for industry and commerce registration authority. The Pledgee shall assume the reasonable expenses arising out of the release of the Equity Pledge.

Article 4 Disposal of Pledged Equity

- 4.1 The Pledger and the Pledgee hereby agree that in case of the occurrence of any Event of Default, the Pledgee shall have the right to, by notifying the Pledger in writing, exercise all the remedial rights and power as prescribed by the PRC Law, the Transaction Agreements and the provisions of this Agreement, including but not limited to being compensated in first priority with proceeds from auctions or sales of the Pledged Equity. The Pledgee shall not be held liable to any loss caused by its reasonable exercise of such rights and power. The Pledger further acknowledges and agrees that if it breaches Article 8 of this Agreement and fails to rectify such breach within a reasonable period after receiving written notice from the Pledgee, this shall constitute a material breach of this Agreement by the Pledger.
- 4.2 The Pledgee shall have the right to delegate in writing its lawyers or other agents to exercise all or any part of its rights and power above, and the Pledger shall not raise any objection thereto.
- 4.3 The Pledger shall assume the reasonable expenses arising from the Pledgee's exercise of any or all of the above-mentioned rights and power; the Pledgee has the right to deduct such expenses from the proceeds gained from its exercise of such rights and power.
- 4.4 The proceeds gained from the Pledgee's exercise of its rights and power shall be settled in accordance with the following order:
- firstly, to pay all expenses arising out of the disposal of the Pledged Equity and the Pledgee's exercise of its rights and power (including but not limited to court expenses and the remuneration paid to its lawyers and agents);
- secondly, to pay the taxes and charges payable for the disposal of the Pledged Equity; and
- thirdly, to repay the Secured Debts to the Pledgee.
- If any balance remains after the deduction of the above amounts, the Pledgee shall return the balance to the Pledger or any other person entitled to such amount pursuant to the relevant laws and regulations, or deposit such amount with the notary office in the place where the Pledgee is domiciled (all expenses so incurred shall be assumed by the Pledger).
- 4.5 The Pledgee has the discretion to, simultaneously or in certain sequence, exercise any remedies for defaults that it is entitled to. The Pledgee may exercise its rights to auction or sell the Pledged Equity under this Agreement without first exercising any other remedies for defaults.

Article 5 Costs and Expenses

All actual expenses related to the creation of the Equity Pledge under this Agreement, including but not limited to stamp duty, any other taxes and all legal fees, etc., shall be assumed by the parties respectively.

Article 6 Continuity and No Waiver

The Equity Pledge created under this Agreement is a continuing assurance, which shall be valid until the Contractual Obligations are fully performed or the Secured Debts are fully discharged. No waiver or grace period of any default of the Pledger given by the Pledgee, or the Pledgee's delay in performance of any of its rights under the Transaction Agreements and this Agreement, shall affect the rights of the Pledgee under this Agreement, the Transaction Agreements and the relevant PRC Law to require, at any time thereafter, the Pledger to strictly implement the Transaction Agreements and this Agreement, or the rights that the Pledgee is entitled to with respect to the Pledger's subsequent breach of the Transaction Agreements and/or this Agreement.

Article 7 Representations and Warranties

The Pledger represents and warrants to the Pledgee as follows:

- 7.1 It is a limited liability company duly incorporated and validly existing under the law of the Pledgee's domicile as an independent legal person and with complete, independent legal status and legal competence to execute, deliver and perform this Agreement, and can independently act as a litigant in proceedings.
- 7.2 It has full capacity and power to execute and deliver this Agreement and all other documents to be executed by him/her in relation to the transaction referred to in this Agreement, and has full internal power and authority to complete the transaction referred to in this Agreement.
- 7.3 All the reports, documents and information related to the Pledger and all the matters required under this Agreement provided to the Pledgee by the Pledger prior to the effective date of this Agreement are true and accurate in all material respects as of the effective date of this Agreement.
- 7.4 All the reports, documents and information related to the Pledger and all the matters required under this Agreement provided to the Pledgee by the Pledger after the effective date of this Agreement are true, accurate and effective in all material respects at the time of provision.
- 7.5 On the effective date of the Agreement, the Pledger is the sole legal and beneficial owner of the Pledged Equity and has the right to dispose of the Pledged Equity or any part of it. There is no existing dispute with respect to the ownership of the

Pledged Equity.

- 7.6 Except for the security interests created over the Pledged Equity under this Agreement and the rights created under the Transaction Agreements, there are no other security interests or third party rights over the Pledged Equity.
- 7.7 The Pledged Equity can be legally pledged and transferred, and the Pledger has full rights and power to pledge the Pledged Equity to the Pledgee in accordance with the provisions of this Agreement.
- 7.8 This Agreement, upon due execution by the Pledger, constitutes the lawful, valid and binding obligations on the Pledger.
- 7.9 All third party approvals, permits, waivers and authorizations, all approvals, permits and waivers from any governmental authorities, and all registration or filing formalities with any government authorities (if legally required), which are required with respect to the execution and performance of this Agreement and the Equity Pledge under this Agreement, have been obtained or processed, and will be fully effective during the valid term of this Agreement.
- 7.10 The execution and performance of this Agreement by the Pledger does not violate or conflict with any laws applicable thereto, any agreement, any court judgment, any arbitration award or any decision of administrative authorities to which it is a party or by which its assets is bound.
- 7.11 The pledge under this Agreement constitutes the security interest over the Pledged Equity with the first priority.
- 7.12 All taxes and expenses payable for the obtainment of the Pledged Equity have been paid by the Pledger in full.
- 7.13 There is no pending or, to the knowledge of the Pledger, imminent lawsuit, legal proceeding or claim at any court or arbitration tribunal against the Pledger, its property or the Pledged Equity, or any pending or, to the knowledge of the Pledger, imminent lawsuit, legal proceeding or claim at any government authority or administrative authority against the Pledger, its property or the Pledged Equity, that will have material or adverse effect on the financial conditions of the Pledger or its abilities to perform its obligations and security liabilities under this Agreement.
- 7.14 The Pledger hereby undertakes to the Pledgee that the above representations and warranties are true and accurate and will be fully complied with under any circumstance and at any time before the Contractual Obligations are performed in full or the Secured Debts are discharged in full.

Article 8 Pledger's Undertakings

The Pledger hereby undertakes to the Pledgee as follows:

- 8.1 Without prior written consent of the Pledgee, the Pledger shall not create, or allow to be created, any new pledge or any other security interests over the Pledged Equity. Any pledge or other security interest created over all or any part of the Pledged Equity without prior written consent of the Pledgee shall be invalid.
- 8.2 Without prior written notice to and prior written consent from the Pledgee, the Pledger shall not transfer the Pledged Equity or request the Company to reduce the registered capital. All activities of the Pledger to transfer the Pledged Equity or to request the Company to reduce the registered capital shall be invalid. The proceeds obtained from the Pledger's transfer of the Pledged Equity shall be used first to prepay the Secured Debts to the Pledgee or to be deposited with a third party as agreed with the Pledgee. In case Pledger transfers the Pledged Equity held by it with prior written consent from the Pledgee, the Pledged Equity held by other pledger shall continue to be bound by the Agreement without being adversely affected.
- 8.3 In the event of occurrence of any lawsuit, arbitration or other claim which may have adverse effect on the interests of the Pledger or the Pledgee under the Transaction Agreements and this Agreement or on the Pledged Equity, the Pledger undertakes to notify the Pledgee in writing as soon as possible and in a timely manner, and, as reasonably required by the Pledgee, to take all necessary measures to ensure the pledge interest of the Pledgee over the Pledged Equity.
- 8.4 The Pledger shall not take, or allow to be taken, any activity or action which may have adverse effect on the Pledgee's interest under the Transaction Agreements and this Agreement or on the Pledged Equity.
- 8.5 After the execution of this Agreement, the Pledger shall use its best efforts and take all necessary measures to promptly register the Equity Pledge under this Agreement at the relevant administration for industry and commerce department. The Pledger undertakes to, as reasonably required by the Pledgee, take all necessary measures and execute all necessary documents (including but not limited to any supplemental agreement to this Agreement) to ensure the pledge interest of the Pledgee over the Pledged Equity and the exercise and realization thereof.
- 8.6 If the exercise of the right of pledge under this Agreement will result in the transfer of any Pledged Equity, the Pledger undertakes to take all measures to complete such transfer.
- 8.7 The Pledger ensures that the convening procedures, voting methods, and content of the company's shareholders' meetings and board of directors' meetings held

for the purpose of signing this Agreement, establishing the pledge right, and exercising the pledge right, do not violate laws, administrative regulations, or the company's articles of association.

Article 9 Change of Circumstances

As supplement and not in conflict with the Transaction Agreements and other provisions of this Agreement, if at any time, due to the promulgation or change of any PRC Law, or the change of interpretation or application of such PRC Law, or the change of the relevant registration procedures, the Pledgee believes that it is illegal or in conflict with such PRC Law, to keep this Agreement effective and/or to dispose of the Pledged Equity in accordance with this Agreement, the Pledger shall promptly take any action and/or execute any agreement or other document upon written instruction by the Pledgee and as reasonably required by the Pledgee, so as to:

- (1) maintain this Agreement effective;
- (2) facilitate the disposal of the Pledged Equity in accordance with this Agreement; and/or
- (3) maintain the intent of this Agreement or realize the security created by this Agreement.

Article 10 Confidentiality

10.1 Regardless of whether this Agreement is terminated or not, the parties shall be under the obligation to keep strictly confidential any business secrets, proprietary information, client information and other related materials of the other parties, as well as any other non-public information of any other party (collectively the "**Confidential Information**") obtained during the execution and performance of this Agreement. Except with the prior written consent of the other party or as required to be disclosed by relevant laws and regulations, securities listing rules, rules or regulations of a stock exchange, or orders of any relevant government department, competent authority, or court, the party receiving the Confidential Information (referred to as the "**Receiving Party**") shall not disclose, give, or transfer the Confidential Information or any part thereof to any third party; except for the purpose of performing this Agreement, the Receiving Party shall not use or indirectly use the Confidential Information or any part thereof for any purpose.

10.2 The following information shall not be considered Confidential Information:

- (1) Any information that the Receiving Party had previously known through legal means, as evidenced in writing;

(2) Information that has entered the public domain or become known to the public due to other reasons not attributable to the fault of the Receiving Party; or

(3) Information that the Receiving Party lawfully obtains from other sources after receiving the Confidential Information.

10.3 The Receiving Party may disclose Confidential Information to its or its affiliates' relevant employees, agents, lenders or potential lenders (including agents or trustees of lenders), financing arrangers or potential financing arrangers, and professionals engaged by the aforementioned entities, provided that the Receiving Party shall ensure that the aforementioned personnel are also bound by this Agreement or (with respect to any lender (including agents or trustees of lenders), financing arrangers) separately signed relevant confidentiality agreements to keep the Confidential Information confidential and use such Confidential Information only for the purpose of performing this Agreement.

10.4 The parties agree that, regardless of any change, rescission or termination of this Agreement, this Article 10 shall remain in effect.

Article 11 Effectiveness and Term of Agreement

11.1 This Agreement shall become effective upon being duly executed by both parties..

11.2 This Agreement shall terminate until the Contractual Obligations are fully performed or the Secured Debts are fully discharged.

Article 12 Notices

12.1 All notices between the parties in connection with the performance of the rights and obligations under this Agreement shall be made in writing and shall be delivered in person, by registered mail, postage prepaid mail, or recognized express mail to the other party.

12.2 If any of such notices or other correspondences is transmitted by facsimile or telex, it shall be deemed delivered immediately upon transmission; if delivered in person, it shall be deemed delivered at the time of delivery; if sent by post, it shall be deemed delivered five (5) days after dispatch.

Article 13 Miscellaneous

13.1 Without consent of the Pledger, the Pledgee may transfer its rights and/or obligations hereunder to any third party upon notifying the Pledger; However, the

Pledger may not transfer its rights, obligations or liabilities hereunder to any third party without the prior written consent of the Pledgee. The successors or permitted assignees (if any) of the Pledger shall continue to perform the respective obligations of the Pledger under this Agreement.

- 13.2 This Agreement is made in duplicate (2 copies), with one (1) original to be retained by each party hereto. More originals may be executed (when necessary) for the purpose of registration or filing formalities.
- 13.3 The conclusion, validity, performance, amendment, interpretation and termination of this Agreement shall be governed by the PRC Law.
- 13.4 Any dispute arising out of or relating to this Agreement shall be settled through amicable negotiations between the parties. If any dispute cannot be resolved through negotiations within thirty (30) days, the dispute shall be referred to Shanghai International Economic and Trade Arbitration Commission for arbitration in accordance with the commission's arbitration rules in Shanghai. The arbitration award shall be final and binding upon the parties.
- 13.5 Any right, power or remedy granted to a party by any provision of this Agreement shall not preclude the party from any right, power or remedy granted by other provisions of this Agreement, and any exercise of any right, power and remedy by a party shall not preclude the party from exercising other rights, power and remedies.
- 13.6 No failure or delay by any party in exercising any right, power or remedy (the "**Said Party's Rights**") provided by law or under this Agreement shall constitute a waiver of the Said Party's Rights and no single or partial waiver of any Said Party's Rights shall preclude the exercise of any Said Party Rights in other means or the exercise of any other Said Party's Rights.
- 13.7 The headings hereof have been inserted for convenience of reference only, under no circumstances shall such headings be construed to affect the meaning, construction or effect of this Agreement.
- 13.8 The provisions of this Agreement are severable and independent to one another. If at any time one or several articles herein shall be deemed invalid, illegal or unenforceable, the validity, legality or enforceability of other provisions herein shall not be affected thereby.
- 13.9 Any amendments or supplements to this Agreement shall be made in writing. Except for the assignment by the Pledgee of its rights hereunder pursuant to Article 13.1, the amendments or supplements to this Agreement shall take effect only upon the due execution by the parties to this Agreement. Subject to Article 13.1 above, this Agreement shall be binding on the lawful successors of both parties.

[Remainder of this page intentionally left blank]

[Signature page]

In witness whereof, this Equity Pledge Agreement is executed by and between the following parties on the date and at the place first above written.

Beijing Wanguo Chang'an Science & Technology Co., Ltd.
(Seal)

Signature: _____

Name:
Title:

Langfang Zhouyu Electronic & Technology Co., Ltd.
(Seal)

Signature: _____

Name:
Title:

Signature page to Equity Pledge Agreement

Langfang Zhouyu Electronic & Technology Co., Ltd.

Langfang Shengman Technology Co., Ltd.

and

Beijing Wanguo Chang'an Science & Technology Co., Ltd.

with regards to

Langfang Shengman Technology Co., Ltd.

Voting Proxy Agreement

Date: September 30, 2025

Voting Proxy Agreement

This Voting Proxy Agreement (the "**Agreement**") is entered into on September 30, 2025 in Shanghai, the People's Republic of China ("**China**") by and among:

- (1) **Langfang Zhouyu Electronic & Technology Co., Ltd.** (hereinafter referred to as "**Asset Company**")
Registered Address: Room 9006, Block A, (Talent Home) Puzhaoying Village, Longhe High-Tech Industrial Zone, Anci District, Langfang City, Hebei Province (Office Premises);
Legal Representative: Zhou Hui.
- (2) **Langfang Shengman Technology Co., Ltd.** (hereinafter referred to as "**Company**")
Registered Address: Office A, 5th Floor, Building 0004, No. 65 Yunqi Road, Longhe High-Tech Industrial Development Zone, Anci District, Langfang City, Hebei Province;
Legal Representative: Shan Xinying.
- (3) **Beijing Wanguo Chang'an Science & Technology Co., Ltd.** (hereinafter referred to as "**Shareholder**")
Registered Address: Room 211, Building 36, No. 1 Yard, Disheng North Street, Beijing Economic-Technological Development Area, Beijing;
Legal Representative: Zhou Hui.

(In this Agreement, the above parties are referred to individually as a "**Party**" and collectively as the "**Parties**".)

Whereas:

1. As of the execution date of this Agreement, the Shareholder is the registered shareholder of the Company and in possession of all the equity interests of the Company;
2. The Shareholder intends to authorize the Asset Company or an individual designated by the Asset Company as its voting attorney to exercise its voting right in the Company (including the shareholders' voting rights formed due to any form of capital increase during the term of this Agreement), and the Asset Company intends to accept such entrustment by itself or through a designated individual.

Now, therefore, the Parties reach an agreement as follows through amicable negotiation:

Article 1 Voting Proxy

- 1.1 The Shareholder hereby irrevocably undertakes that, during the term of this Agreement and subject to the provisions of Article 1.2 hereof, it will execute a Power

of Attorney in the form and substance as set forth in Annex I hereto, authorizing the Asset Company or its designated individual at that time (the "**Attorney**") to exercise the following rights enjoyed by the Shareholder as the holder of the Company's equity interests pursuant to the then-effective articles of association of the Company (hereinafter collectively referred to as the "**Authorized Rights**"):

- (1) Right to exercise, on behalf of the Shareholder, voting rights on all matters requiring shareholder resolution, including but not limited to appointing and electing the directors and other senior management personnel of the Company who should be appointed and removed by the shareholder, and selling or transferring all or part of the Shareholder's equity interests in the Company;
 - (2) Other shareholders' voting rights under the articles of association of the Company (including any other shareholders' voting rights stipulated after the amendment of such articles);
 - (3) Right to execute, as the Shareholder's agent on behalf of the Shareholder, any documents that the Shareholder has the right to sign in its capacity as a shareholder (including signing any necessary documents when the relevant parties transfer equity or otherwise dispose of it according to the Exclusive Call Option Agreement and the Equity Interest Pledge Agreement (including amendments, supplements or restatements thereof from time to time)) and to handle any required government approvals, registrations, filings and other procedures;
 - (4) Right to submit documents to the relevant business registration authority for filing and archiving on behalf of the Shareholder; and
 - (5) Other voting rights that should be enjoyed by the Shareholder as stipulated by PRC law (including the then-effective laws, administrative regulations, departmental rules, local regulations, judicial interpretations and other binding normative documents of the PRC, hereinafter collectively referred to as "**PRC Law**").
- 1.2 When and only when the Asset Company issues a written notice to the Shareholder requesting the dismissal and replacement of the Attorney shall the Shareholder immediately revoke the assignment of the current Attorney under this Agreement and authorize another individual designated by the Asset Company at the time to exercise the Authorized Rights in accordance with the stipulations of this Agreement; the new authorization shall replace the original authorization immediately. Except for this, the Shareholder shall under no other circumstances revoke the authorization to the Attorney.
- 1.3 the Asset Company shall ensure the Attorney fulfills his/her authorized duties within the scope of authorization under this Agreement with due diligence and caution; all

documents signed by the Attorney regarding the above-mentioned authorized matters shall be deemed as signed by the Shareholder; the Shareholder shall acknowledge and be held liable for any legal consequence arising from the Attorney's exercise of the above-mentioned Authorized Rights.

- 1.4 The Shareholder hereby confirms that the Attorney does not have to consult with the Shareholder before making decisions during his/her exercise of the above-mentioned Authorized Rights. The Asset Company shall nonetheless ensure that the Attorney will inform the Shareholder of any such decision in a timely manner once the decision is made.

Article 2 Right to Information

The Attorney shall, for the purpose of exercising the Authorized Rights under this Agreement, have the right to access the relevant information of the Company concerning its operation, business, clients, finance, and employees, and to review the relevant materials of the Company. The Company shall give full cooperation in this regard.

Article 3 Exercise of Authorized Rights

- 3.1 The Shareholder and the Company shall give full assistance to facilitate the Attorney's exercise of the Authorized Rights, including prompt execution of the decisions made by the Attorney with regards to the Company and other pertinent legal documents when necessary (e.g., the documents required to be submitted to government authorities for examination and approval, registration, and/or filing).
- 3.2 If, at any time during the term of this Agreement, the grant or exercise of the Authorized Rights under this Agreement is unenforceable for any reason (except for breach of this Agreement by the Shareholder or the Company), the Parties shall immediately seek an alternative scheme most similar to the unenforceable one, and enter into a supplementary agreement to make modifications or adjustments to the provisions of this Agreement when necessary, in order to ensure the continuous fulfillment of the purpose of this Agreement.

Article 4 Exemption and Compensation

- 4.1 The Parties acknowledge that the Asset Company shall not be requested to be liable for or compensate (monetary or otherwise) other Parties or any third party due to the exercise of the Authorized Rights by the Attorney designated by the Asset Company under this Agreement.
- 4.2 The Company and the Shareholder agree to indemnify the Asset Company and hold it harmless against all losses incurred or likely to incur due to the exercise of the

Authorized Rights by the Attorney designated by the Asset Company, including but not limited to any loss resulting from any litigation, demand, arbitration or claim initiated or raised by any third party against it or from administrative investigation or penalty of governmental authorities. However, losses incurred due to willful misconduct or gross negligence of the Attorney shall not be compensated.

Article 5 Representations and Warranties

5.1 The Shareholder hereby represents and warrants that:

- 5.1.1 It is a limited liability company duly incorporated and validly existing under the PRC Law as an independent legal person. It has complete, independent legal status and legal capacity to sign, deliver and perform this Agreement and can independently act as a litigant in proceedings.
- 5.1.2 It has full capacity, power and authority to sign and deliver this Agreement and all other documents related to the transaction referred to in this Agreement, and has full capacity, power and authority to complete the transaction referred to in this Agreement.
- 5.1.3 This Agreement is executed and delivered by the Shareholder lawfully and properly; this Agreement constitutes legal and binding obligations on it and is enforceable on it in accordance with the terms and conditions hereof.
- 5.1.4 The Shareholder is the sole legal registered shareholder of the Company as of the effective date of this Agreement, and except the rights created by this Agreement, the Equity Interest Pledge Agreement executed between it and the Asset Company (including amendments, supplements or restatements thereof from time to time), and the Exclusive Call Option Agreement executed among it, the Company and the Asset Company (including amendments, supplements or restatements thereof from time to time), there exists no third party right on the Authorized Rights. Pursuant to this Agreement, the Attorney may fully and sufficiently exercise the Authorized Rights in accordance with the effective articles of incorporation of the Company.
- 5.1.5 Without the consent of the Asset Company, the Shareholder shall not take any action to propose, assert or demand the amendment, revision, termination or any other change to the articles of association of the Company.

5.2 The Asset Company and the Company hereby respectively represents and warrants that:

- 5.2.1 It is a limited liability company duly incorporated and validly existing under the PRC Law as an independent legal person. It has complete, independent legal status and legal capacity to sign, deliver and perform this Agreement, and can independently act as a litigant in proceedings.
- 5.2.2 It has full internal power and authority to sign and deliver the documents to be executed by it related to the transaction referred to in this Agreement, and has full internal power and authority to complete the transaction referred to in this Agreement.
- 5.3 The Company further represents and warranties that the Shareholder is the sole legal registered shareholder of the Company on the effective date of this Agreement. Except the rights created by this Agreement, the Equity Interest Pledge Agreement executed between the Shareholder and the Asset Company (including amendments, supplements or restatements thereof from time to time), and the Exclusive Call Option Agreement executed among it, the Shareholder and the Asset Company (including amendments, supplements or restatements thereof from time to time), there are no third-party rights over the Authorized Rights. Pursuant to this Agreement, the Attorney may fully and sufficiently exercise the Authorized Rights in accordance with the effective articles of incorporation of the Company.
- 5.4 The Company hereby irrevocably undertakes to the Asset Company that, once it knows or should know of any situation where the Company's equity interests held by the Shareholder may be transferred to any third party other than the Asset Company or a person or entity designated by the Asset Company due to applicable law, or a judgment or ruling of a court or arbitration institution, or for any other reason, it shall immediately and without delay notify the Asset Company.

Article 6 Term of Agreement

- 6.1 This Agreement takes effect as of the date of due execution of all the Parties hereto, unless terminated in advance by written agreement among all Parties or in accordance with Article 9.1 of this Agreement.
- 6.2 If the Shareholder transfers all of its equity interests in the Company with prior consent of the Asset Company, it will cease to be a Party of this Agreement from the time when it has completed its relevant assistance obligations under this Agreement, all relevant necessary documents have been duly signed, and relevant internal company procedures and government approval, registration, filing and other procedures have been completed (but it shall still be bound by Articles 4, 5.1, 6, 7, 8, 9 and 10 hereof) while the obligations and undertakings of the other Parties shall not be negatively affected.

Article 7 Notice

- 7.1 All notices or other correspondences among the Parties in connection with the performance of the rights and obligations under this Agreement shall be in writing and be delivered in person, by registered mail, postage prepaid mail, recognized express mail to the Party concerned.
- 7.2 If any of such notices or other correspondences is transmitted by facsimile or telex, it shall be treated as delivered immediately upon transmission; if delivered in person, it shall be treated as delivered at the time of delivery; if posted by mail, it shall be deemed delivered five (5) days after dispatch.

Article 8 Confidentiality Obligations

- 8.1 Regardless of whether this Agreement is terminated or not, the Parties shall be under the obligation to keep strictly confidential any business secrets, proprietary information, client information and other related materials of the other Parties, as well as any other non-public information of any other Party (collectively the **"Confidential Information"**) obtained during the execution and performance of this Agreement. Except with the prior written consent of the other Party or as required to be disclosed by relevant laws and regulations, securities listing rules, rules or regulations of a stock exchange, or orders of any relevant government department, competent authority, or court, the Party receiving the Confidential Information (referred to as the **"Receiving Party"**) shall not disclose, give, or transfer the Confidential Information or any part thereof to any third party; except for the purpose of performing this Agreement, the Receiving Party shall not use or indirectly use the Confidential Information or any part thereof for any purpose.
- 8.2 The following information shall not be considered Confidential Information:
- 8.2.1 Any information that the Receiving Party had previously known through legal means, as evidenced in writing;
 - 8.2.2 Information that has entered the public domain or become known to the public due to other reasons not attributable to the fault of the Receiving Party; or
 - 8.2.3 Information that the Receiving Party lawfully obtains from other sources after receiving the Confidential Information.
- 8.3 The Receiving Party may disclose Confidential Information to its or its affiliates' relevant employees, agents, lenders or potential lenders (including agents or trustees of lenders), financing arrangers or potential financing arrangers, and professionals engaged by the aforementioned entities, provided that the Receiving Party shall ensure that the aforementioned personnel are also bound by this Agreement or (with respect to any lender (including agents or trustees of lenders),

financing arrangers) separately signed relevant confidentiality agreements to keep the Confidential Information confidential and use such Confidential Information only for the purpose of performing this Agreement.

- 8.4 The Parties agree that, regardless of any change, rescission or termination of this Agreement, this Article 8 shall remain in effect.

Article 9 Breach of Agreement

- 9.1 The Parties agree and acknowledge that, any substantial violation of any provision under this Agreement, or substantially non-performance of this Agreement by a Party (the "**Breaching Party**") constitutes a breach of the Agreement (the "**Breach of Agreement**"). Any of the non-breaching Parties (the "**Non-breaching Parties**") shall be entitled to require the Breaching Party to correct or take remedial measures within a reasonable time limit. Where the Breaching Party fails to take any remedy measures in a reasonable time limit required by the Non-breaching Party or within 10 days after the written notice of the Non-breaching Party, if the Breaching Party is the Shareholder or the Company, then the Non-breaching Party has the right to take any of the following measures at its discretion: (1) terminating this Agreement and requiring full compensation from the Breaching Party; or (2) requiring the compulsory performance of the obligations of and full compensation from the Breaching Party under this Agreement; if the Breaching Party is the Asset Company, then the Non-breaching Party has the right to require the compulsory performance of the obligations of and full compensation from the Breaching Party under this Agreement.
- 9.2 The Parties agree and acknowledge that the Shareholder or the Company shall under no circumstances prematurely terminate this Agreement for whatever reasons, unless otherwise specified in this Agreement or required by law.
- 9.3 Notwithstanding any other provisions herein, the effectiveness of this Article shall survive the suspension or termination of this Agreement.

Article 10 Miscellaneous

- 10.1 This Agreement is made in triplicate (3 copies), with each Party holding a copy.
- 10.2 The conclusion, validity, performance, amendment, interpretation and termination of this Agreement are governed by the PRC Law.
- 10.3 The Parties shall strive to settle any dispute or conflicts arising from or in connection with this Agreement through amicable negotiation. If the discrepancies cannot be solved by negotiations within thirty (30) days, they should be submitted to Shanghai International Economic and Trade Arbitration Commission for arbitration in accordance with the commission's arbitration rules in Shanghai. The award of the arbitration shall be final and binding on the Parties.

- 10.4 Any right, power or remedy granted to a Party by one term of this Agreement does not exclude the Party from any right, power or remedy granted by other terms or laws and regulations; the exercise of any right, power or remedy by a Party shall not preclude the Party's exercise of its other rights, powers or remedies.
- 10.5 No failure or delay by any Party in exercising any right, power or remedy (the "**Said Party's Rights**") provided by law or under this Agreement shall be construed as a waiver of it and no single or partial wavier of any Said Party's Rights shall preclude any other or further exercise of it or the exercise of any other Said Party's Rights.
- 10.6 The headings hereof have been inserted for convenience of reference only, under no circumstances shall such headings be construed to affect the meaning, construction or effectiveness of this Agreement.
- 10.7 The provisions of this Agreement are severable and independent to one another. If at any time one or several articles herein shall be deemed invalid, illegal or unenforceable, the validity, legality or enforceability of other provisions herein shall not be affected thereby.
- 10.8 Any amendment or supplement of this Agreement shall be made in writing and duly executed by all Parties herein before taking effect.
- 10.9 Without prior written permission from the Asset Company, the other Parties shall not transfer any of its rights and/or obligations under this Agreement to any third party. Other Parties agree that, subject to prior reasonable written notice to the other Parties, the Asset Company has the right to unilaterally transfer any rights and/or obligations under this Agreement to any third party.
- 10.10 This Agreement is binding on all the Parties herein and their respective lawful successors and assignees.

[Remainder of this page intentionally left blank]

Signature page

In witness whereof, this Voting Proxy Agreement is entered into by the following Parties on the date and at the place first above written.

Langfang Zhouyu Electronic & Technology Co., Ltd.

(Seal)

Signature: _____
Name: _____
Title: _____

Langfang Shengman Technology Co., Ltd.

(Seal)

Signature: _____
Name: _____
Title: _____

Beijing Wanguo Chang'an Science & Technology Co., Ltd.

(Seal)

Signature: _____
Name: _____
Title: _____

Signature page to Voting Proxy Agreement

Annex I

Power of Attorney

This Power of Attorney (hereinafter referred to as "**this Authorization**") is executed on _____ by Beijing Wanguo Chang'an Science & Technology Co., Ltd. (hereinafter referred to as the "**Principal**") in favor of _____ (hereinafter referred to as the "**Attorney**").

WHEREAS, the Principal, Langfang Shengman Technology Co., Ltd. (the "**Company**"), and Langfang Zhouyu Electronic & Technology Co., Ltd. (the "**Asset Company**") entered into a Voting Proxy Agreement on _____ (the "**Voting Proxy Agreement**"), the Principal hereby grants to the Attorney a general power of attorney to act as the Principal's agent, on behalf of the Company, and exercise the following rights enjoyed by the Principal as the shareholder of the Company:

- (1) Right to exercise, on behalf of the Principal, voting rights on all matters requiring shareholder resolution, including but not limited to appointing and electing the directors and other senior management personnel of the Company who should be appointed and removed by the shareholder, and selling or transferring all or part of the Principal's equity interests in the Company;
- (2) Other shareholders' voting rights under the articles of association of the Company (including any other shareholders' voting rights stipulated after the amendment of such articles);
- (3) Right to execute, as the Principal's agent on behalf of the Principal, any documents that the Principal has the right to sign in its capacity as a shareholder (including signing any necessary documents when the relevant parties transfer equity or otherwise dispose of it according to the Exclusive Call Option Agreement and the Equity Interest Pledge Agreement (including amendments, supplements or restatements thereof from time to time)) and to handle any required government approvals, registrations, filings and other procedures.

The Principal hereby irrevocably confirms that, unless the Principal issues an instruction to replace the Attorney, this Authorization shall remain in full force and effect until the expiration or early termination of the Voting Proxy Agreement.

IN WITNESS WHEREOF, this Power of Attorney is executed as follows.

(Remainder of this page intentionally left blank)

Annex to the Voting Proxy Agreement

Name of the Shareholder:

Beijing Wanguo Chang'an Science & Technology Co., Ltd.
(Seal)

Signature of Legal Representative:

Date: _____

Annex to the Voting Proxy Agreement

Global Data Solutions Co., Ltd.

Changshu Yuntu Huichuang Data Technology Co., Ltd.

and

**Changshu Wanguo Yunfeng Data Science & Technology
Co., Ltd.**

with regards to

Changshu Yuntu Huichuang Data Technology Co., Ltd.

Exclusive Call Option Agreement

Date: September 30, 2025

Exclusive Call Option Agreement

This Exclusive Call Option Agreement (the “**Agreement**”) is entered into by and among the following parties on September 30, 2025 in Shanghai, China:

1. **Global Data Solutions Co., Ltd.** (hereinafter referred to as “**Existing Shareholder**”)
Registered Address: Unit A0503-1, International Science Park, No. 1355 Jinji Lake Avenue, Suzhou Industrial Park;
Legal Representative: Chen Yilin.
2. **Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd.** (hereinafter referred to as “**Asset Company**”)
Registered Address: Room 202, Building C3, No. 8 Wangwan North Road, Changshu Economic and Technological Development Zone;
Legal Representative: Wang Haiming.
3. **Changshu Yuntu Huichuang Data Technology Co., Ltd.** (hereinafter referred to as “**License Company**”)
Registered Address: Room 202, Building C3, No. 8 Wangwan North Road, Changshu Economic and Technological Development Zone, Changshu City, Suzhou City, Jiangsu Province;
Legal Representative: Zhang Kejing.

(In this Agreement, the above parties are referred to individually as a “**Party**” and collectively as the “**Parties**”).

Whereas:

- (1) The Existing Shareholder is the registered shareholder of the License Company and in legal possession of all the equity interests of the License Company on the execution date of this Agreement (basic information of the License Company on the execution date of this Agreement is shown in Exhibit 1 to this Agreement).
- (2) The Existing Shareholder intends to transfer all of its equity interests in the License Company to the Asset Company and/or any other entity or individual designated by the Asset Company without violating the PRC Laws and Regulations, and the Asset Company intends to accept the transfer.
- (3) The License Company intends to transfer the Assets of the License Company (as defined below) to the Asset Company and/or the entity or individual designated by the Asset Company without violating the PRC Laws and Regulations, and the Asset

Company intends to accept the transfer by itself or designate other entity or individual to accept it.

- (4) In order to carry out the aforesaid transfer of equity interests or assets, the Existing Shareholder hereby irrevocably grants to the Asset Company an exclusive call option right to purchase equity interests (the **"Stock Option"**) and the License Company acknowledges such Stock Option; and the License Company hereby irrevocably grants to the Asset Company an Asset Purchase Option (as defined below) and the Existing Shareholder acknowledges such Asset Purchase Option. To the extent permitted by the PRC Laws and Regulations and in accordance with the Stock Option and the Asset Purchase Option, the Existing Shareholder or the License Company (as applicable) shall, based on the requirements of the Asset Company, transfer the Option Stock or the Assets of the License Company (as defined below) to the Asset Company and/or any other entity or individual designated by the Asset Company in accordance with the provisions of this Agreement.

Now, therefore, the Parties agree as follows through negotiation:

Article 1 Terms and Definitions

- 1.1 Unless otherwise specified or in cases where the context demands a different interpretation, the terms used in this Agreement shall have the following meanings:

"Option Stock"	means, as to the Existing Shareholder, all the equity interests held by the Existing Shareholder in the Registered Capital of the License Company (as defined below).
"Registered Capital of the License Company"	means, on the execution date of this Agreement, the registered capital of the License Company of RMB 50,000,000 Yuan, including any enlarged registered capital after future capital increase during the term of this Agreement.
"Existing Business of the License Company"	means, on the execution date of this Agreement, the business scope of the License Company as specified in its business license.
"Transferred Equity Interests"	means, when the Asset Company exercises its Stock Option (the "Exercise"), the equity interests of the License Company that the Asset Company has the right to request the Existing Shareholder to transfer to it or its designated

entity or individual pursuant to Article 3.2 of this Agreement. The amount may be part or all of the Option Stock. The specific amount shall be decided by the Asset Company at its absolute discretion according to the PRC Laws and Regulations and its commercial considerations at the time.

"Conversion Price"	means, during each Exercise in accordance with Article 4 of this Agreement, the total consideration paid to the Existing Shareholder for the acquisition of the Transferred Equity Interests by the Asset Company or its designated entity or individual.
"Certificates"	means any approval, license, filing, and registration the License Company shall hold for legal and effective management of the Existing Business and all other business.
"Assets of the License Company"	means all tangible and intangible assets owned or entitled to use by the License Company during the term of this Agreement, including but not limited to any real estate, movable property, trademark, copyright, patent, proprietary technology, domain name, software use right and other intellectual properties.
"Asset Purchase Option"	means the option to require the purchase of any Assets of the License Company granted by the License Company to the Asset Company in accordance with the terms of the Agreement.
"Principal Agreements"	means the agreements to which the License Company is a party and has material effect on the business and Assets of the License Company.
"PRC":	means, for the purpose of this Agreement, the People's Republic of China, excluding Hong Kong, Macau and Taiwan.
"PRC Laws and Regulations"	refers to the laws, administrative regulations, administrative rules, local regulations, judicial interpretations and other binding legal documents of the People's Republic of China that are in force at the time.

- 1.2 Unless otherwise stipulated in the context of this Agreement, Article, Section, Paragraph and Subparagraph referred to in this Agreement mean the relevant content in this Agreement.

Article 2 Award of Stock Option and Asset Purchase Option

- 2.1 The Existing Shareholder hereby irrevocably and unconditionally grants, to the Asset Company an exclusive Stock Option, pursuant to which, the Asset Company shall have the right to request the Existing Shareholder to transfer the Option Stock to the Asset Company or its designated entity or individual, to the extent permitted by the PRC Laws and Regulations, in accordance with the procedures specified in this Agreement. The Asset Company also agrees to accept such Stock Option.
- 2.2 The License Company hereby agrees that the Existing Shareholder grants the Asset Company such Stock Option in accordance with the above Article 2.1 and other provisions in this Agreement.
- 2.3 The License Company irrevocably and unconditionally grants, to the Asset Company an exclusive Asset Purchase Option, pursuant to which, the Asset Company shall have the right to request the License Company to transfer all or part of the Assets of the License Company to the Asset Company and/or its designated entity and/or individual at any time (including but not limited to when the Asset Company independently determines there is a risk that the Existing Shareholder may be required by the PRC Laws and Regulations to transfer all or part of the Option Stock to any third party other than the Asset Company and/or the individual or entity designated by the Asset Company), in accordance with the procedures specified in this Agreement. The Asset Company also agrees to accept such Asset Purchase Option.
- 2.4 The Existing Shareholder hereby agrees that the License Company grants the Asset Company such Asset Purchase Option in accordance with the above Article 2.3 and other provisions in this Agreement.

Article 3 Exercise Procedures

- 3.1 The Asset Company shall have the right to decide at its absolute discretion the specific time, procedure and number of exercise to the extent permitted by the PRC Laws and Regulations.
- 3.2 Regarding the Stock Option, if, at the time of the Exercise, the PRC Laws and Regulations then effective allow the Asset Company and/or its designated entity or

individual to hold all equity interests of the License Company, the Asset Company shall be entitled to exercise all the Stock Option, and all the Option Stock shall be acquired by the Asset Company and/or its designated other entity or individual from the Existing Shareholder in a one-off transfer; if at the time of the Exercise, the PRC Laws and Regulations then effective only allow the Asset Company and/or its designated entity or individual to hold part of the equity interests of the License Company, the Asset Company shall be entitled to decide the amount of the Transferred Equity Interests within the upper limit of the proportion of equity interests regulated by the PRC Laws and Regulations (the “**Upper Limit**”), and such amount of the Transferred Equity Interests shall be acquired by the Asset Company and/or its designated entity or individual from the Existing Shareholder. Under the latter situation, the Asset Company is entitled to exercise the Stock Option in installments in accordance with the gradual relaxation of the Upper Limit allowed by the PRC Laws and Regulations until all the Stock Option has been exercised.

- 3.3 Regarding the Stock Option, during each Exercise, the Asset Company shall have the right to decide at its discretion the number of equity interests to be transferred by the Existing Shareholder to the Asset Company and/or its designated entity or individual, and the Existing Shareholder shall transfer the Transferred Equity Interests to the Asset Company and/or its designated entity or individual respectively as required by the Asset Company. The Asset Company and/or its designated entity or individual shall pay the Conversion Price to the Existing Shareholder for the Transferred Equity Interests under each Exercise.
- 3.4 Regarding the Asset Purchase Option, during each Exercise, the Asset Company shall have the right to decide at its discretion the specific Assets of the License Company to be transferred by the License Company to the Asset Company and/or its designated entity and/or individual, and the License Company shall transfer the assets to the Asset Company and/or its designated entity and/or individual respectively as required by the Asset Company. Asset Company and/or its designated entity and/or individual shall pay the Conversion Price to the License Company for the transferred assets under each Exercise.
- 3.5 During each Exercise, the Asset Company may purchase the Transferred Equity Interests or transferred assets by itself or may designate any third party to purchase all or part of the Transferred Equity Interests or transferred assets.
- 3.6 The Asset Company shall, upon its decision to exercise the Stock Option, issue a written notice to exercise the Option (the “**Exercise Notice**”, the form of which is set

forth in Exhibit 2 and Exhibit 3 to this Agreement respectively) to the Existing Shareholder. The Existing Shareholder shall, within thirty (30) days upon the receipt of the Exercise Notice, make a one-off transfer of the Transferred Equity Interests in whole to the Asset Company and/or its designated entity or individual in accordance with the Exercise Notice and the provisions of Article 3.3 of this Agreement.

3.7 The Existing Shareholder hereby represents and warrants that once the Asset Company issues an Exercise Notice:

- (1) It shall promptly pass a shareholder resolution and take all necessary actions to agree on the transfer of the Transferred Equity Interests or transferred assets in whole to the Asset Company and/or its designated entity or individual at the Conversion Price;
- (2) It shall promptly execute an equity transfer agreement or assets transfer agreement with the Asset Company and/or its designated entity or individual to transfer the Transferred Equity Interests or transferred assets in whole to the Asset Company and/or its designated entity or individual at the Conversion Price; and
- (3) It shall provide necessary support to the Asset Company in accordance with the Asset Company's requirements and applicable laws and regulations (including to provide and execute all relating legal documents, perform all government approval, registration, filing procedures and bear all the relevant obligations) to enable the Asset Company and/or its designated entity or individual to obtain the Transferred Equity Interests or transferred assets without legal defects.

3.8 The Existing Shareholder shall, upon the request of the Asset Company, execute a power of attorney (the "**Power of Attorney**", the form of which is set forth in Exhibit 4 to this Agreement) to authorize in writing any person designated by the Asset Company (the "**Trustee**") to represent the Existing Shareholder to execute any and all necessary legal documents to enable the Asset Company and/or its designated entity or individual to obtain the Transferred Equity Interests or transferred assets without legal defects. The Power of Attorney shall be kept by the Asset Company upon execution, and, when necessary, the Asset Company may at any time require that the Existing Shareholder to execute multiple duplicates of the Power of Attorney and present them to relevant government authorities. When and only when the Asset Company issues a written notice to the Existing Shareholder to dismiss and

replace the Trustee shall the Existing Shareholder immediately revoke the entrustment of the existing Trustee under this Agreement and entrust another Trustee designated by the Asset Company at the time to execute any and all necessary legal documents on behalf of the Existing Shareholder in accordance with this Agreement; the new Power of Attorney shall replace the original Power of Attorney once it is made. Except for this, the Existing Shareholder shall under no other circumstances revoke the Power of Attorney to the Trustee.

Article 4 Conversion Price

- 4.1 During each Exercise by the Asset Company, the total Conversion Price or asset transfer price payable by the Asset Company or its designated entity or individual shall pay to the Existing Shareholder shall be RMB one (1) yuan or any price agreed upon by the Parties in writing. If, at the time of exercise, any PRC Laws and Regulations have mandatory provisions on the Conversion Price or asset transfer price, the Asset Company or its designated entity or individual shall be entitled to take the minimum price permitted by the PRC Laws and Regulations as the Conversion Price or asset transfer price in accordance with the PRC Laws and Regulations.
- 4.2 All taxes and fees arising from the exercise of the Stock Option or the Asset Purchase Option under this Agreement in accordance with applicable laws shall be borne by the License Company, the Existing Shareholder, and the Asset Company respectively in accordance with the law.

Article 5 Representations and Warranties

- 5.1 The Existing Shareholder hereby makes the following representations and warranties, which shall remain at all times in full force as in the occasion when they are made at the time of the transfer of the Option Stock or the Assets of the License Company.
 - 5.1.1 The Existing Shareholder is a limited liability company duly incorporated and validly existing under the PRC Laws and Regulations as an independent legal person and with complete, independent legal status and legal capacity to execute, deliver and perform this Agreement, and can independently act as a litigant in proceedings.
 - 5.1.2 The License Company is a limited liability company duly incorporated and validly existing under the PRC Laws and Regulations as an independent

legal person and with complete, independent legal status and legal capacity to execute, deliver and perform this Agreement, and can independently act as a litigant in proceedings.

- 5.1.3 The Existing Shareholder has full capacity and power to execute and deliver this Agreement and all other documents to be executed by them related to the transaction referred to in this Agreement and has full capacity and power to complete the transaction referred to in this Agreement.
 - 5.1.4 This Agreement is legally and appropriately executed and delivered by the Existing Shareholder. This Agreement constitutes a legal and binding obligation on it, enforceable against it in accordance with the terms of the Agreement.
 - 5.1.5 At the effective date of this Agreement, the Existing Shareholder is the only registered legal owner of the Option Stock. Except for the rights provided under this Agreement, the Equity Pledge Agreement entered into by and between the Existing Shareholder and the Asset Company, and the Shareholder Voting Proxy Agreement entered into by and among the Existing Shareholder, the Asset Company, and the License Company, the Option Stock is free and clear of any liens, pledge, claims, other security interests and other third-party rights; pursuant to this Agreement, the Asset Company and/or its designated entity or individual shall be entitled to the ownership of the Transferred Equity Interests free of any liens, pledge, claims, other security interests and other third-party rights after the Exercise.
 - 5.1.6 Except for the Asset Purchase Option created under this Agreement, the Assets of the License Company are free of any liens, mortgages, claims, other security interests and other third-party rights; pursuant to this Agreement, the Asset Company and/or its designated entity and/or individual shall be entitled to the ownership of the transferred assets free of any liens, mortgages, claims, other security interests and other third-party rights after the Exercise.
- 5.2 The License Company hereby represents and warrants that:
- 5.2.1 The License Company is a limited liability company duly incorporated and validly existing under the PRC Laws and Regulations as an independent legal person. The License Company has full and independent legal status and legal capacity to execute, deliver and perform this Agreement, and can independently act as a litigant in proceedings.
 - 5.2.2 It has full internal power and authority to execute and deliver this Agreement and all other documents to be executed by it in relation to the transaction referred to in this Agreement, and has full internal power and authority to complete the transaction referred to in this Agreement.

- 5.2.3 This Agreement is legally and appropriately executed and delivered by the License Company. This Agreement constitutes a legal and binding obligation on the License Company.
- 5.2.4 The Existing Shareholder is the only registered legal shareholder of the License Company on the effective date of this Agreement. Pursuant to this Agreement, the Asset Company and/or its designated entity or individual shall be entitled to the ownership of the Transferred Equity Interests free of any liens, pledge, claims, other security interests and other third-party rights after the Exercise.
- 5.2.5 On the effective date of this Agreement, the License Company has all the Certificates necessary for its operation. The License Company has sufficient rights and qualifications to operate business within the territory of China. The License Company has been operating its business lawfully since its foundation and there is no breach of the regulations or requirements of Industrial and Commercial Bureau, Tax Bureau, Telecommunication Administration, Administration of Quality Supervision, Labor and Social Security Bureau or other government authorities in any material aspects.

Article 6 Undertakings of the Existing Shareholder

The Existing Shareholder hereby undertakes that:

- 6.1 Within the term of this Agreement, the Existing Shareholder shall take all necessary actions to ensure that the License Company obtain all Certificates for its business operation in a timely manner and maintain the continuing effectiveness of the Certificates at all times;
- 6.2 During the term of the Agreement, without prior written consent by the Asset Company:
 - 6.2.1 The Existing Shareholder shall not transfer or dispose of in any other means any Option Stock or create any security interests or third party rights on the Option Stock;
 - 6.2.2 The Existing Shareholder shall not increase or decrease Registered Capital of the License Company;
 - 6.2.3 The Existing Shareholder shall not dispose of or cause the management of the License Company to dispose of any of the Assets of the License Company (except in the ordinary course of business);
 - 6.2.4 The Existing Shareholder shall not terminate or cause the management of

the License Company to terminate the Principal Agreements or enter into any contract in conflict with the Principal Agreements;

- 6.2.5 The Existing Shareholder shall not appoint or dismiss any of the directors, supervisors or other management personnel of the License Company that shall be appointed and dismissed by the Existing Shareholder;
- 6.2.6 The Existing Shareholder shall not cause the License Company to declare or actually pay any distributable profits, interests, or dividends;
- 6.2.7 The Existing Shareholder shall ensure the continuous existence of the License Company and that the License Company will not be terminated, liquidated or dissolved;
- 6.2.8 The Existing Shareholder shall not modify the articles of association of the License Company; and
- 6.2.9 The Existing Shareholder shall ensure that the License Company will not lend or borrow any loan, or provide guarantee or provide securities in other means, or assume any material liabilities for those other than arising from the ordinary business operations;
- 6.3 During the term of this Agreement, the Existing Shareholder shall use its best endeavor to promote the License Company's business and to ensure the legal operation of the License Company, without any action or nonfeasance that might damage the Assets of the License Company, its reputation, or the effectiveness of its Certificates.
- 6.4 During the term of this Agreement, the Existing Shareholder shall promptly inform the Asset Company of any situation that may have a material adverse effect on the existence, business operations, financial condition, assets, or reputation of the License Company, and promptly take all measures approved by the Asset Company to eliminate such adverse situation or take effective remedial measures against it.

Article 7 Undertakings of The License Company

- 7.1 If any consent, permit, waiver or authorization by any third party, or any approval, permit or exemption by any government authority, or any registration or filing formalities (if required by law) with any government authority is required to be obtained or handled with respect to the execution and performance of this Agreement and the exercise of the Stock Option and the Asset Purchase Option under this Agreement, the License Company shall endeavor to assist in satisfying the above conditions.
- 7.2 Without the Asset Company's prior written consent, the License Company shall not

assist or permit the Existing Shareholder to transfer or otherwise dispose of any Option Stock or create any security interests or other third party rights on any Option Stock.

- 7.3 Without the Asset Company's prior written consent, the License Company shall not transfer or dispose of in any other means any principal Assets of the License Company (except in the ordinary course of business) or create any security interests or third party rights on the Assets of the License Company.

Article 8 Confidentiality

- 8.1 Regardless of whether this Agreement is terminated or not, the Parties shall be under the obligation to keep strictly confidential any business secrets, proprietary information, client information and other related materials of the other Parties, as well as any other non-public information of any other Party (collectively the "**Confidential Information**") obtained during the execution and performance of this Agreement. Except with the prior written consent of the other Party or as required to be disclosed by relevant laws and regulations, securities listing rules, rules or regulations of a stock exchange, or orders of any relevant government department, competent authority, or court, the Party receiving the Confidential Information (referred to as the "**Receiving Party**") shall not disclose, give, or transfer the Confidential Information or any part thereof to any third party; except for the purpose of performing this Agreement, the Receiving Party shall not use or indirectly use the Confidential Information or any part thereof for any purpose.
- 8.2 The following information shall not be considered Confidential Information:
- (1) Any information that the Receiving Party had previously known through legal means, as evidenced in writing;
 - (2) Information that has entered the public domain or become known to the public due to other reasons not attributable to the fault of the Receiving Party; or
 - (3) Information that the Receiving Party lawfully obtains from other sources after receiving the Confidential Information.
- 8.3 The Receiving Party may disclose Confidential Information to its or its affiliates' relevant employees, agents, lenders or potential lenders (including agents or trustees of lenders), financing arrangers or potential financing arrangers, and professionals engaged by the aforementioned entities, provided that the Receiving Party shall ensure that the aforementioned personnel are also bound by this Agreement or (with respect to any lender (including agents or trustees of lenders), financing arrangers) separately signed relevant confidentiality agreements to keep

the Confidential Information confidential and use such Confidential Information only for the purpose of performing this Agreement.

- 8.4 The Parties agree that, regardless of any change, rescission or termination of this Agreement, this Article 8 shall remain in effect.

Article 9 Term of Agreement

This Agreement comes into effect as of its execution date, and shall terminate until all the Option Stock and the Assets of the License Company under this Agreement has been transferred to the Asset Company and/or its designated entity or individual.

Article 10 Notice

- 10.1 All notices or other correspondences among the Parties in connection with the performance of the rights and obligations under this Agreement shall be in writing and be delivered in person, by registered mail, postage prepaid mail, or recognized express mail to the Party concerned.
- 10.2 If any of such notices or other correspondences is transmitted by facsimile or telex, it shall be deemed delivered immediately upon transmission; if delivered in person, it shall be deemed delivered at the time of delivery; if posted by mail, it shall be deemed delivered five (5) days after dispatch.

Article 11 Breach of Agreement

- 11.1 The Parties agree and acknowledge that, any material breach of any provision of this Agreement, or substantial non-performance of this Agreement by any party (the "**Breaching Party**") constitutes a breach of the Agreement (the "**Breach**"). Any of the non-breaching parties (the "**Non-breaching Parties**") shall be entitled to require the Breaching Party to correct or take remedial measures within a reasonable time. Where the Breaching Party does not take any remedy measures in a reasonable time or within 10 days after the written notice from the Non-breaching Parties to request remedial measures, if the breaching party is the Existing Shareholder or the License Company, then the Non-breaching Party, at its discretion, shall have the right to: (1) terminate this Agreement and require full compensation from the Breaching Party; or (2) request for compulsory performance of the obligations of the Breaching Party under this Agreement and request for full compensation from the Breaching Party under this Agreement ; if the Breaching Party is the Asset Company, then the Non-breaching Parties shall have the right to request for compulsory performance of the obligations of the Breaching Party under this Agreement and request for full compensation from the Breaching Party under this Agreement .

- 11.2 The Parties agree and acknowledge that the Existing Shareholder or the License Company shall under no circumstances prematurely terminate this Agreement for whatever reasons.
- 11.3 The rights and remedies stipulated in this Agreement are accumulative, and do not preclude other rights or remedies as prescribed by laws and regulations.
- 11.4 Notwithstanding any other provisions herein, the effect of this Article shall survive the suspension or termination of this Agreement.

Article 12 Miscellaneous

- 12.1 This Agreement is made in triplicate (3 copies), with each Party holding one (1) copy.
- 12.2 The conclusion, validity, performance, amendment, interpretation and termination of this Agreement shall be governed by the PRC Laws and Regulations.
- 12.3 The Parties shall settle any dispute arising out of or relating to this Agreement through amicable negotiation. If any dispute cannot be resolved through negotiations within thirty (30) days, the dispute shall be referred to Shanghai International Economic and Trade Arbitration Commission for arbitration in accordance with the commission's arbitration rules. The seat of arbitration shall be Shanghai. The arbitration award shall be final and binding upon the Parties.
- 12.4 Any right, power or remedy granted to a Party by any provision of this Agreement does not preclude the Party from any right, power or remedy granted by law or other provisions of this Agreement; any Party's exercise of its right, power and remedy by a Party shall not preclude the Party from exercising its other rights, powers and remedies.
- 12.5 No failure or delay by any Party in exercising any right, power or remedy (the "**Said Party's Rights**") provided by law or under this Agreement shall constitute a waiver of the Said Party's Rights and no single or partial waiver of any Said Party's Rights shall preclude the exercise of any Said Party's Rights in other means or the exercise of any other Said Party's Rights.
- 12.6 The headings hereof have been inserted for convenience of reference only, under no circumstances shall such headings be construed to affect the meaning, construction or effect of this Agreement.
- 12.7 The provisions of this Agreement are severable and independent to one another. If at any time one or several articles herein shall be deemed invalid, illegal or unenforceable, the validity, legality or enforceability of other provisions herein shall

not be affected thereby.

- 12.8 This Agreement upon execution shall supersede any other legal documents on the same subject matter entered into by the Parties hereto. Any amendment or supplement of this Agreement shall be made in writing and duly executed by all Parties herein before taking effect.
- 12.9 The Existing Shareholder and the License Company shall not assign any rights and/or obligations hereunder to any third party without the prior written consent of the Asset Company, while the Asset Company may assign any rights and/or obligations hereunder to its designated third party upon notifying the Existing Shareholder and the License Company.
- 12.10 This Agreement is binding on the lawful successors and assignees of the Parties.

[Remainder of this page intentionally left blank]

[Signature page]

In witness whereof, this Exclusive Call Option Agreement is entered into by the following Parties on the date and at the place first above written.

Global Data Solutions Co., Ltd.
(Seal)

Signature: _____
Name: _____
Title: _____

Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd.
(Seal)

Signature: _____
Name: _____
Title: _____

Changshu Yuntu Huichuang Data Technology Co., Ltd.
(Seal)

Signature: _____
Name: _____
Title: _____

Signature page to Exclusive Call Option Agreement

Exhibit 1:

Basic information of the License Company

Company Name: Changshu Yuntu Huichuang Data Technology Co., Ltd.

Registered Address: Room 202, Building C3, No. 8 Wangwan North Road, Changshu Economic and Technological Development Zone, Changshu City, Suzhou City, Jiangsu Province

Registered Capital: RMB 10,000,000

Legal Representative: Zhang Kejing

Shareholding Structure:

Name or Shareholder	Share of Registered Capital	Proportion of Capital Contribution
Global Data Solutions Co., Ltd.	RMB 10,000,000	100%

Exhibit 2:

Format of Exercise Notice

To:

Whereas, our company has entered into an Exclusive Call Option Agreement ("**Call Option Agreement**") with you and Changshu Yuntu Huichuang Data Technology Co., Ltd. ("**License Company**") on [Insert the date], 2025, which designated that under circumstances permitted by the PRC Laws and Regulations, you shall transfer your equity interests in the License Company to our company or any third party designated by our company upon our request.

Now, therefore, our company hereby issue the notice as follows:

Our company hereby request to exercise the Stock Option under the Call Option Agreement and requires you to transfer____% of the equity interests held by you in the License Company (the "**Assigned Equity Interests**") to our company/[insert entity or individual's name] designated by our company. Please immediately transfer all of the Assigned Equity Interests to our company/[insert entity or individual's name] pursuant to the Call Option Agreement within [insert days] days upon receipt of this notice.

Sincerely,

Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd.
(Seal)

Legal representative:

Date:

Exhibit 2 to Exclusive Call Option Agreement

Exhibit 3:

Format of Exercise Notice

To:

Whereas, our company has entered into an Exclusive Call Option Agreement ("**Call Option Agreement**") with you and Global Data Solutions Co., Ltd. on [Insert the date], 2025, which designated that under circumstances permitted by the PRC Laws and Regulations, you shall transfer your assets to our company or any third party designated by our company upon our request.

Now, therefore, our company hereby issue the notice as follows:

Our company hereby request to exercise the Asset Purchase Option under the Call Option Agreement and requires you to transfer all the assets held by you as listed in the attached list (the "**Assigned Assets**") to our company/[insert entity or individual's name] designated by our company. Please immediately transfer all of the Assigned Assets to our company/[insert entity or individual's name] pursuant to the Call Option Agreement within [insert days] days upon receipt of this notice.

Sincerely,

Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd.
(Seal)

Legal representative:

Date:

Exhibit 3 to Exclusive Call Option Agreement

Exhibit 4:

Format of Power of Attorney

I, Global Data Solutions Co., Ltd., hereby irrevocably entrusts _____ [ID Card No.: _____], as its entrusted agent, to execute the legal documents among Changshu Yuntu Huichuang Data Technology Co., Ltd., Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd. and me on the transfer of equity interests or assets of Changshu Yuntu Huichuang Data Technology Co., Ltd.

Signature:

Date

Exhibit 4 to Exclusive Call Option Agreement

**Changshu Wanguo Yunfeng Data Science & Technology
Co., Ltd.**

and

Changshu Yuntu Huichuang Data Technology Co., Ltd.

**Exclusive Technology and Consulting Services
Agreement**

Date: September 30, 2025

Exclusive Technology and Consulting Services Agreement

This Exclusive Technology and Consulting Services Agreement (“**this Agreement**”) is entered into on September 30, 2025 in Shanghai, by and between:

- (1) **Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd.** (hereinafter referred to as the “**Party A**”)
Registered Address: Room 202, Building C3, No. 8 Wangwan North Road, Changshu Economic and Technological Development Zone
Legal Representative: Wang Haiming; and
- (2) **Changshu Yuntu Huichuang Data Technology Co., Ltd.** (hereinafter referred to as the “**Party B**”)
Registered Address: Room 202, Building C3, No. 8 Wangwan North Road, Changshu Economic and Technological Development Zone, Changshu City, Suzhou City, Jiangsu Province
Legal Representative: Zhang Kejing

Each of the Parties shall hereinafter be referred to individually as a “**Party**” and collectively as the “**Parties**.”

Whereas:

1. Party A possesses the necessary resources to provide technology and consulting services;
2. Party B has been lawfully approved by the relevant Chinese governmental authorities to engage in the business activities specified in its business license. All business activities operated and developed by Party B at present and at any time during the term of this Agreement are hereinafter collectively referred to as the “**Core Business**”;
3. Party A agrees to utilize its technological, personnel, and information advantages to provide exclusive technical support, consulting, and other services related to the Core Business to Party B during the term of this Agreement, and Party B agrees to accept such exclusive services provided by Party A or its designee(s) in accordance with the terms and conditions of this Agreement.

Now, therefore, the Parties reach an agreement as follows through amicable negotiation:

Article 1 Services Provided by Party A

- 1.1 Subject to the terms and conditions of this Agreement, Party B hereby appoints Party A as its exclusive service provider during the term of this Agreement to provide comprehensive business support, technical services, and consulting services to Party B, the specific content of which includes all services as determined by Party A from time to time within the scope of the Core Business, including but not limited to the following:
- (1) Licensing Party B to use any software and databases for which Party A has lawful rights;
 - (2) Developing, maintaining, and updating relevant application software required for Party B's business;
 - (3) Designing, installing, and performing daily management, maintenance, and updates of computer network systems, hardware equipment, and databases;
 - (4) Providing technical guidance and professional training to Party B's relevant personnel;
 - (5) Providing consultation regarding, and collection, investigation, research, and analysis of, relevant technical and market information for Party B;
 - (6) Providing enterprise operations consulting to Party B;
 - (7) Providing market research and planning services, market development services, and marketing consulting services to Party B;
 - (8) Providing customer order management and customer service for Party B;
 - (9) Leasing equipment or assets to Party B; and
 - (10) Other related services that may be provided from time to time upon Party B's request, subject to the permissibility under Chinese law.
- 1.2 Party B agrees to accept the consultation and services provided by Party A. Party B further agrees that, unless with the prior written consent of Party A, during the term of this Agreement, with respect to the services or other matters stipulated herein, Party B shall not, directly or indirectly, obtain from any third party any services identical or similar to those under this Agreement, and shall not cooperate with any third party on matters described in this Agreement.
- 1.3 Manner of Service Provision
- (1) The Parties agree that during the term of this Agreement, as circumstances may require and upon Party A's request, Party B shall further enter into additional technical service agreements and consulting service agreements, the form and

content of which are satisfactory to Party A, to specify the detailed content, methods, personnel, and fees for specific technical services and consulting services.

- (2) The Parties agree that during the term of this Agreement, as circumstances may require and upon Party A's request, Party B shall enter into intellectual property rights (including but not limited to software, trademarks, patents, technical secrets) license agreements with Party A during the term of this Agreement, the form and content of which are satisfactory to Party A. Such agreements shall permit Party B to use Party A's relevant intellectual property rights as needed for Party B's business operations at any time.

Article 2 Calculation and Payment of Service Fees

- 2.1 In consideration for the services provided by Party A to Party B, Party B shall pay service fees to Party A, the specific amount of which shall be determined by the Parties based on the following factors:
 - (1) The complexity and difficulty of the services;
 - (2) The positions of Party A's employees and the time required to provide the services;
 - (3) The specific content and commercial value of the services;
 - (4) The market reference prices for services of the same type;
 - (5) The operational situation of Party B.
- 2.2 If Party A transfers technology to Party B, or undertakes software or other technology development commissioned by Party B, or leases equipment or assets to Party B, then the technology transfer fee, commissioned development fee, or rental fee shall be determined by the Parties based on the actual circumstances.
- 2.3 For the services provided by Party A under this Agreement, Party B shall pay the service fees to Party A on an annual basis (or at other times as separately agreed by the Parties). Party A may separately issue a confirmation letter and/or invoice to Party B, indicating the amount of service fees payable for each service period. The specific service fees may also be stipulated in relevant contracts separately entered into by the Parties.

Article 3 Intellectual Property Rights and Confidentiality

- 3.1 Party A shall exclusively own all rights, title, interest, and intellectual property rights

arising from or created in the performance of this Agreement, including but not limited to copyrights, patents, patent applications, trademarks, software, technical secrets, business secrets, and others, whether developed by Party A or Party B. Party B shall execute all appropriate documents, take all appropriate actions, submit all documents and applications, provide all appropriate assistance, and perform all other acts deemed necessary at Party A's sole discretion to vest any ownership, rights, and interests in such intellectual property rights in Party A, and to perfect the protection of Party A's intellectual property rights.

- 3.2 The Parties acknowledge that the existence of this Agreement, the content of this Agreement, and any oral or written materials exchanged between them in preparation for or performance of this Agreement shall be deemed Confidential Information. Each Party shall keep all such Confidential Information confidential, and shall not disclose any Confidential Information to any third party without the prior written consent of the other Party, except for the following information: (a) any information known or to be known by the public (provided it is not disclosed to the public by the Party receiving the Confidential Information without authorization); (b) any information required to be disclosed by applicable laws and regulations, stock exchange rules, or orders of governmental authorities or courts; and (c) any information disclosed by either Party to its shareholders, directors, employees, legal or financial advisors in connection with the transaction described in this Agreement, provided that such shareholders, directors, employees, legal or financial advisors are also bound by confidentiality obligations similar to those under this clause. Any disclosure by a Party's shareholders, directors, employees, or hired institutions shall be deemed a disclosure by that Party, who shall be liable for breach of contract in accordance with this Agreement.

Article 4 Representations and Warranties

- 4.1 Party A represents and warrants as follows:

- (1) Party A is a limited liability company duly organized and validly existing under the laws of China; Party A or its designated service provider(s) will obtain all government permits and licenses required to provide any services under this Agreement before providing such services.
- (2) Party A has taken all necessary corporate actions, obtained necessary authorizations, and secured the consent and approval (if required) of third parties and governmental authorities to execute, deliver, and perform this Agreement; the execution, delivery, and performance of this Agreement by Party A do not violate any explicit provisions of laws and regulations.
- (3) This Agreement constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms.

4.2 Party B represents, warrants, and undertakes as follows:

- (1) Party B is a company duly organized and validly existing under the laws of China, and Party B has timely obtained all permits and licenses necessary to engage in the Core Business.
- (2) Party B has taken all necessary corporate actions, obtained necessary authorizations, and secured the consent and approval (if required) of third parties and governmental authorities to execute, deliver, and perform this Agreement; the execution, delivery, and performance of this Agreement by Party B do not violate any explicit provisions of laws and regulations.
- (3) This Agreement constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms.

Article 5 Term of Agreement

- 5.1 This Agreement shall be executed by the Parties on the date indicated at the beginning hereof and shall take effect from such date. This Agreement shall remain in full force and effect unless explicitly stipulated herein or terminated by Party A in writing.
- 5.2 If during the term of this Agreement, the business term of either Party expires, that Party shall promptly renew its business term to ensure the continued validity and performance of this Agreement. If the application for renewal of the business term of either Party is not approved or agreed upon by any competent authority, this Agreement shall terminate upon the expiration of that Party's business term.
- 5.3 Upon the termination of this Agreement, the rights and obligations of the Parties under Articles 3, 6, 7, and this Article 5.3 shall continue to be effective.

Article 6 Governing Law and Dispute Resolution

- 6.1 The execution, effectiveness, interpretation, performance, amendment, and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.
- 6.2 The Parties shall settle any disputes arising from or in connection with this Agreement through amicable negotiation. If the disputes cannot be solved by negotiations within thirty (30) days, they should be submitted to Shanghai International Arbitration Center for arbitration in accordance with its arbitration rules in Shanghai. The award of the arbitration shall be final and binding on the Parties.

Article 7 Liability for Breach and Indemnification

- 7.1 If Party B materially breaches any provision under this Agreement, Party A shall have the right to terminate this Agreement and claim damages from Party B; Article 7.1 shall not prejudice any other rights of Party A under this Agreement.
- 7.2 Unless otherwise provided by law, Party B shall have no right to terminate or rescind this Agreement under any circumstances.
- 7.3 Party B shall indemnify and hold harmless Party A from and against any loss, damage, liability, or expense incurred as a result of any lawsuit, claim, or other demand brought against Party A arising from or in connection with the consultation and services provided by Party A upon Party B's request, unless such loss, damage, liability, or expense is caused by the gross negligence or willful misconduct of Party A.

Article 8 Force Majeure

- 8.1 If the performance of this Agreement by either Party is directly prevented, hindered, or delayed in whole or in part due to a force majeure event, including but not limited to earthquake, typhoon, flood, fire, epidemic or pandemic, war, strike, and other events beyond the reasonable control of the affected Party that are unforeseeable and unavoidable (hereinafter referred to as "**Force Majeure**"), the Party affected by such Force Majeure shall not be held liable for such non-performance or partial performance. However, the affected Party shall promptly notify the other Party in writing without delay and provide the other Party with details of the Force Majeure event and an explanation for its inability to perform, partially perform, or delay performance within fifteen (15) days after issuing such written notice.
- 8.2 If the Party claiming Force Majeure fails to notify the other Party and provide appropriate proof in accordance with the above provisions, it shall not be exempt from liability for its failure to perform its obligations under this Agreement. The Party affected by Force Majeure shall make reasonable efforts to mitigate the consequences of such Force Majeure and shall resume performance of all relevant obligations as soon as possible after the Force Majeure ceases. If the Party affected by Force Majeure fails to resume performance of the relevant obligations after the reason for temporary exemption from performance due to Force Majeure ceases to exist, that Party shall be liable to the other Party for such failure.
- 8.3 Upon the occurrence of Force Majeure, the Parties shall immediately consult with each other to seek a fair solution and shall make all reasonable efforts to mitigate the consequences of such Force Majeure.

Article 9 Notices

- 9.1 All notices or other correspondences among the Parties in connection with the performance of the rights and obligations under this Agreement shall be in writing and be delivered in person, by registered mail, postage prepaid mail, recognized express mail to the Party concerned.
- 9.2 If any of such notices or other correspondences is transmitted by facsimile or telex, it shall be treated as delivered immediately upon transmission; if delivered in person, it shall be treated as delivered at the time of delivery; if posted by mail, it shall be deemed delivered five (5) days after dispatch.

Article 10 Assignment

- 10.1 Party B shall not assign its rights and obligations under this Agreement to any third party without the prior written consent of Party A.
- 10.2 Party B agrees that Party A may assign its rights and obligations under this Agreement to any third party by providing prior written notice to Party B, without requiring Party B's consent.

Article 11 Severability

If any provision or provisions of this Agreement are held to be invalid, illegal, or unenforceable in any respect under any law or regulation, the validity, legality, and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby. The Parties shall strive in good faith negotiations to replace the invalid, illegal, or unenforceable provisions with valid provisions that are permissible by law and to the maximum extent expected by the Parties, and the economic effect of such valid provisions shall be as similar as possible to the economic effect of the invalid, illegal, or unenforceable provisions.

Article 12 Amendment and Supplement

Any amendment and supplement to this Agreement shall be made in writing. The amendment agreements and supplementary agreements related to this Agreement executed by the Parties shall constitute an integral part of this Agreement and shall have the same legal effect as this Agreement.

Article 13 Language and Copies

This Agreement is written in Chinese in two (2) counterparts, with each Party holding one (1) counterpart, each of which shall have the same legal effect.

Remainder of this page intentionally left blank

In witness whereof, this Exclusive Technology and Consulting Services Agreement is entered into by the following Parties on the date and at the place first above written.

Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd.

(Seal)

Signature: _____
Name: _____
Title: _____

Changshu Yuntu Huichuang Data Technology Co., Ltd.

(Seal)

Signature: _____
Name: _____
Title: _____

Signature page to Exclusive Technology and Consulting Services Agreement

Global Data Solutions Co., Ltd.

and

Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd.

with regards to

Changshu Yuntu Huichuang Data Technology Co., Ltd.

Equity Pledge Agreement

Date: September 30, 2025

Equity Pledge Agreement

This Equity Pledge Agreement (the “**Agreement**”) is entered into by and between the following parties on September 30, 2025 in Shanghai, PRC:

Party A: Global Data Solutions Co., Ltd. (hereinafter referred to as the “**Pledger**”)

Address: Unit A0503-1, International Science Park, No. 1355 Jinji Lake Avenue, Suzhou Industrial Park;

Legal Representative: Chen Yilin.

Party B: Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd. (hereinafter referred to as the “**Pledgee**”)

Registered Address: Room 202, Building C3, No. 8 Wangwan North Road, Changshu Economic and Technological Development Zone;

Legal Representative: Wang Haiming.

Whereas:

- (1) The Pledger is the registered shareholder of Changshu Yuntu Huichuang Data Technology Co., Ltd. (with registered address at Room 202, Building C3, No. 8 Wangwan North Road, Changshu Economic and Technological Development Zone, Changshu City, Suzhou City, Jiangsu Province, hereinafter referred to as the “**Company**”), holding all the equity interests of the Company (hereinafter referred to as “**Company's Equity Interest**”).
- (2) The Pledger entered into an Exclusive Call Option Agreement (the “**Call Option Agreement**”) with the Pledgee and the Company on September 30, 2025, agreeing that the Pledger shall, to the extent permitted by the PRC Law, transfer all or part of its equity interests or assets to the Pledgee and/or its designated entity or individual as required by the Pledgee.
- (3) The Pledger entered into a Voting Proxy Agreement (the “**Voting Proxy Agreement**”) with the Pledgee and the Company on September 30, 2025, agreeing that the Pledger has granted full authority to the Pledgee or an individual designated by the Pledgee to exercise all voting rights on behalf of the Pledger as a shareholder of the Company.
- (4) The Company entered into an Infrastructure Service Agreement on September 30, 2025 (the “**Infrastructure Service Agreement**”) with the Pledgee, agreeing that the Pledgee will exclusively provide infrastructure-related services to the Company, and the Company will pay infrastructure service fees to the Pledgee for such services.
- (5) The Pledger agrees to pledge all its equity shares in the Company as security to

the Pledgee for the purpose of guaranteeing the performance of the Contractual Obligations (as defined below) of the Pledger and the Company and the discharge of the Secured Debts (as defined below) under this Agreement, to which the Pledgee shall have first priority.

Now, therefore, the parties agree as follows through negotiation:

Article 1 Terms and Definitions

- 1.1 Unless otherwise specified or in cases where the context demands a different interpretation, the terms used in this Agreement shall have the following meanings:

"Contractual Obligations":	means all contractual obligations of the Pledger and the Company under the Transaction Agreements (as defined below) and this Agreement.
"Secured Debts":	means all direct, indirect and derivative losses and losses of anticipated profits, suffered by the Pledgee, incurred as a result of any Event of Default (as defined below) by the Pledger and/or the Company, and all expenses occurred in connection with enforcement by the Pledgee of the Pledger' and/or the Company's Contractual Obligations. The Pledger's amount of pledge (i.e. the secured amount) is RMB 50,000,000.
"Transaction Agreements":	means the Call Option Agreement, the Voting Proxy Agreement and the Infrastructure Service Agreement, and any amendments, revisions, and/or restatements to the aforementioned documents.
"Event of Default":	means any breach by the Pledger or the Company of their obligations under the Contractual Obligations, the Transaction Agreements, and/or this Agreement.
"Pledged Equity":	means all Company's Equity Interests lawfully owned by the Pledger on the effective date of the Agreement and to be pledged to the Pledgee for the purpose of guaranteeing the performance of the Contractual Obligations by the Pledger and the Company in accordance with this Agreement.

The total amount of the pledged equity from the Pledger is RMB 50,000,000, plus the increased capital contributions and dividends under Articles 2.6 and 2.7 of this Agreement.

"PRC": means, for the purpose of this Agreement, the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

"PRC Law": means the laws, administrative regulations, administrative rules, local regulations, judicial interpretations and other binding legal documents of the People's Republic of China that are in force at the time.

- 1.2 Unless otherwise stipulated in the context of this Agreement, Article, Section, Paragraph and Subparagraph referred to in this Agreement shall mean the relevant content in this Agreement.

Article 2 Equity Pledge

- 2.1 The Pledger hereby agrees to pledge to Pledgee the Pledged Equity, which it lawfully owns and has the right of disposal, as the Pledgee's interest in the Transaction Agreements, and as the guarantee for the performance of the Contractual Obligations and the discharge of the Secured Debts.
- 2.2 The Pledger undertakes that it shall record the equity pledge arrangement hereunder (the "**Equity Pledge**") in the register of shareholders of the Company on the date of the execution of this Agreement, and shall use its best efforts to register the Equity Pledge at the administration for industry and commerce where the Company is registered within a time period agreed by the parties. In case of any discrepancy between the simplified agreement (if any) used for the administration for industry and commerce registration of the Equity Pledge and this Agreement, this Agreement shall prevail. The pledge right under this Agreement shall be established upon the registration of the pledge with the administration for industry and commerce registration authority.
- 2.3 During the valid term of this Agreement, unless attributable to the Pledgee's willful conduct or the Pledgee's gross negligence with direct causation to the consequence, the Pledgee shall not be held liable to any reduction in the value of the Pledged Equity, and the Pledger shall have no right to claim any compensation or to make other requests in any way against the Pledgee.
- 2.4 Without violating the provisions of the above-mentioned Article 2.3, if there is any probability that the value of the Pledged Equity will be notably reduced which is

sufficient to prejudice the rights of the Pledgee, the Pledgee may require the Pledger to provide corresponding security, or may auction or sell the Pledged Equity on behalf of the Pledger, and reach an agreement with the Pledger to use the proceeds from such auction or sales to prepay the Secured Debts or to withdraw and deposit such proceeds with the notary office in the place where the Pledgee is domiciled (all expenses so incurred shall be assumed by the Pledger). Furthermore, upon the Pledgee's request, the Pledger shall provide other assets as security for the Secured Debts.

- 2.5 The Pledgee shall have first-priority security interest in the Pledged Equity. Upon occurrence of any Event of Default, the Pledgee has the right to dispose of the Pledged Equity in accordance with Article 4 of this Agreement.
- 2.6 The Pledger may increase the registered capital of the Company with the Pledgee's prior consent. If the Pledger subscribes for the increased registered capital of the Company, the Pledger shall, as required by the Pledgee, execute the relevant equity pledge agreement for the pledge of the increased registered capital of the Company, and go through the formalities for equity pledge correspondingly.
- 2.7 The Pledger shall not distribute dividends or capital bonus (whether formed before or after the execution of this Agreement) with respect to the Pledged Equity without prior written consent of the Pledgee. The dividends or capital bonus (whether formed before or after the execution of this Agreement) distributed from the Pledged Equity received by the Pledger shall be deposited into an account designated and supervised by the Pledgee and shall be used to discharge the Secured Debts prior and in preference to making any other payment.
- 2.8 The Pledger may receive dividends or capital bonus distributed from the Pledged Equity only with the prior written consent of the Pledgee.

Article 3 Release of Pledge

After the Pledger and the Company have fully and completely performed all of the Contractual Obligations, the Pledgee shall, upon the Pledger's request, release the Equity Pledge under this Agreement and cooperate with the Pledger to cancel the registration of the Equity Pledge on the Company's register of shareholders, as well as the cancellation of equity pledge registration with the administration for industry and commerce registration authority. The Pledgee shall assume the reasonable expenses arising out of the release of the Equity Pledge.

Article 4 Disposal of Pledged Equity

- 4.1 The Pledger and the Pledgee hereby agree that in case of the occurrence of any

Event of Default, the Pledgee shall have the right to, by notifying the Pledger in writing, exercise all the remedial rights and power as prescribed by the PRC Law, the Transaction Agreements and the provisions of this Agreement, including but not limited to being compensated in first priority with proceeds from auctions or sales of the Pledged Equity. The Pledgee shall not be held liable to any loss caused by its reasonable exercise of such rights and power. The Pledger further acknowledges and agrees that if it breaches Article 8 of this Agreement and fails to rectify such breach within a reasonable period after receiving written notice from the Pledgee, this shall constitute a material breach of this Agreement by the Pledger.

- 4.2 The Pledgee shall have the right to delegate in writing its lawyers or other agents to exercise all or any part of its rights and power above, and the Pledger shall not raise any objection thereto.
- 4.3 The Pledger shall assume the reasonable expenses arising from the Pledgee's exercise of any or all of the above-mentioned rights and power; the Pledgee has the right to deduct such expenses from the proceeds gained from its exercise of such rights and power.
- 4.4 The proceeds gained from the Pledgee's exercise of its rights and power shall be settled in accordance with the following order:
- firstly, to pay all expenses arising out of the disposal of the Pledged Equity and the Pledgee's exercise of its rights and power (including but not limited to court expenses and the remuneration paid to its lawyers and agents);
- secondly, to pay the taxes and charges payable for the disposal of the Pledged Equity; and
- thirdly, to repay the Secured Debts to the Pledgee.
- If any balance remains after the deduction of the above amounts, the Pledgee shall return the balance to the Pledger or any other person entitled to such amount pursuant to the relevant laws and regulations, or deposit such amount with the notary office in the place where the Pledgee is domiciled (all expenses so incurred shall be assumed by the Pledger).
- 4.5 The Pledgee has the discretion to, simultaneously or in certain sequence, exercise any remedies for defaults that it is entitled to. The Pledgee may exercise its rights to auction or sell the Pledged Equity under this Agreement without first exercising any other remedies for defaults.

Article 5 Costs and Expenses

All actual expenses related to the creation of the Equity Pledge under this Agreement, including but not limited to stamp duty, any other taxes and all legal fees, etc., shall be assumed by the parties respectively.

Article 6 Continuity and No Waiver

The Equity Pledge created under this Agreement is a continuing assurance, which shall be valid until the Contractual Obligations are fully performed or the Secured Debts are fully discharged. No waiver or grace period of any default of the Pledger given by the Pledgee, or the Pledgee's delay in performance of any of its rights under the Transaction Agreements and this Agreement, shall affect the rights of the Pledgee under this Agreement, the Transaction Agreements and the relevant PRC Law to require, at any time thereafter, the Pledger to strictly implement the Transaction Agreements and this Agreement, or the rights that the Pledgee is entitled to with respect to the Pledger's subsequent breach of the Transaction Agreements and/or this Agreement.

Article 7 Representations and Warranties

The Pledger represents and warrants to the Pledgee as follows:

- 7.1 It is a limited liability company duly incorporated and validly existing under the law of the Pledgee's domicile as an independent legal person and with complete, independent legal status and legal competence to execute, deliver and perform this Agreement, and can independently act as a litigant in proceedings.
- 7.2 It has full capacity and power to execute and deliver this Agreement and all other documents to be executed by him/her in relation to the transaction referred to in this Agreement, and has full internal power and authority to complete the transaction referred to in this Agreement.
- 7.3 All the reports, documents and information related to the Pledger and all the matters required under this Agreement provided to the Pledgee by the Pledger prior to the effective date of this Agreement are true and accurate in all material respects as of the effective date of this Agreement.
- 7.4 All the reports, documents and information related to the Pledger and all the matters required under this Agreement provided to the Pledgee by the Pledger after the effective date of this Agreement are true, accurate and effective in all material respects at the time of provision.
- 7.5 On the effective date of the Agreement, the Pledger is the sole legal and beneficial owner of the Pledged Equity and has the right to dispose of the Pledged Equity or any part of it. There is no existing dispute with respect to the ownership of the Pledged Equity.

- 7.6 Except for the security interests created over the Pledged Equity under this Agreement and the rights created under the Transaction Agreements, there are no other security interests or third party rights over the Pledged Equity.
- 7.7 The Pledged Equity can be legally pledged and transferred, and the Pledger has full rights and power to pledge the Pledged Equity to the Pledgee in accordance with the provisions of this Agreement.
- 7.8 This Agreement, upon due execution by the Pledger, constitutes the lawful, valid and binding obligations on the Pledger.
- 7.9 All third party approvals, permits, waivers and authorizations, all approvals, permits and waivers from any governmental authorities, and all registration or filing formalities with any government authorities (if legally required), which are required with respect to the execution and performance of this Agreement and the Equity Pledge under this Agreement, have been obtained or processed, and will be fully effective during the valid term of this Agreement.
- 7.10 The execution and performance of this Agreement by the Pledger does not violate or conflict with any laws applicable thereto, any agreement, any court judgment, any arbitration award or any decision of administrative authorities to which it is a party or by which its assets is bound.
- 7.11 The pledge under this Agreement constitutes the security interest over the Pledged Equity with the first priority.
- 7.12 All taxes and expenses payable for the obtainment of the Pledged Equity have been paid by the Pledger in full.
- 7.13 There is no pending or, to the knowledge of the Pledger, imminent lawsuit, legal proceeding or claim at any court or arbitration tribunal against the Pledger, its property or the Pledged Equity, or any pending or, to the knowledge of the Pledger, imminent lawsuit, legal proceeding or claim at any government authority or administrative authority against the Pledger, its property or the Pledged Equity, that will have material or adverse effect on the financial conditions of the Pledger or its abilities to perform its obligations and security liabilities under this Agreement.
- 7.14 The Pledger hereby undertakes to the Pledgee that the above representations and warranties are true and accurate and will be fully complied with under any circumstance and at any time before the Contractual Obligations are performed in full or the Secured Debts are discharged in full.

Article 8 Pledger's Undertakings

The Pledger hereby undertakes to the Pledgee as follows:

- 8.1 Without prior written consent of the Pledgee, the Pledger shall not create, or allow to be created, any new pledge or any other security interests over the Pledged Equity. Any pledge or other security interest created over all or any part of the Pledged Equity without prior written consent of the Pledgee shall be invalid.
- 8.2 Without prior written notice to and prior written consent from the Pledgee, the Pledger shall not transfer the Pledged Equity or request the Company to reduce the registered capital. All activities of the Pledger to transfer the Pledged Equity or to request the Company to reduce the registered capital shall be invalid. The proceeds obtained from the Pledger's transfer of the Pledged Equity shall be used first to prepay the Secured Debts to the Pledgee or to be deposited with a third party as agreed with the Pledgee. In case Pledger transfers the Pledged Equity held by it with prior written consent from the Pledgee, the Pledged Equity held by other pledger shall continue to be bound by the Agreement without being adversely affected.
- 8.3 In the event of occurrence of any lawsuit, arbitration or other claim which may have adverse effect on the interests of the Pledger or the Pledgee under the Transaction Agreements and this Agreement or on the Pledged Equity, the Pledger undertakes to notify the Pledgee in writing as soon as possible and in a timely manner, and, as reasonably required by the Pledgee, to take all necessary measures to ensure the pledge interest of the Pledgee over the Pledged Equity.
- 8.4 The Pledger shall not take, or allow to be taken, any activity or action which may have adverse effect on the Pledgee's interest under the Transaction Agreements and this Agreement or on the Pledged Equity.
- 8.5 After the execution of this Agreement, the Pledger shall use its best efforts and take all necessary measures to promptly register the Equity Pledge under this Agreement at the relevant administration for industry and commerce department. The Pledger undertakes to, as reasonably required by the Pledgee, take all necessary measures and execute all necessary documents (including but not limited to any supplemental agreement to this Agreement) to ensure the pledge interest of the Pledgee over the Pledged Equity and the exercise and realization thereof.
- 8.6 If the exercise of the right of pledge under this Agreement will result in the transfer of any Pledged Equity, the Pledger undertakes to take all measures to complete such transfer.
- 8.7 The Pledger ensures that the convening procedures, voting methods, and content of the company's shareholders' meetings and board of directors' meetings held for the purpose of signing this Agreement, establishing the pledge right, and

exercising the pledge right, do not violate laws, administrative regulations, or the company's articles of association.

Article 9 Change of Circumstances

As supplement and not in conflict with the Transaction Agreements and other provisions of this Agreement, if at any time, due to the promulgation or change of any PRC Law, or the change of interpretation or application of such PRC Law, or the change of the relevant registration procedures, the Pledgee believes that it is illegal or in conflict with such PRC Law, to keep this Agreement effective and/or to dispose of the Pledged Equity in accordance with this Agreement, the Pledgor shall promptly take any action and/or execute any agreement or other document upon written instruction by the Pledgee and as reasonably required by the Pledgee, so as to:

- (1) maintain this Agreement effective;
- (2) facilitate the disposal of the Pledged Equity in accordance with this Agreement; and/or
- (3) maintain the intent of this Agreement or realize the security created by this Agreement.

Article 10 Confidentiality

10.1 Regardless of whether this Agreement is terminated or not, the parties shall be under the obligation to keep strictly confidential any business secrets, proprietary information, client information and other related materials of the other parties, as well as any other non-public information of any other party (collectively the "**Confidential Information**") obtained during the execution and performance of this Agreement. Except with the prior written consent of the other party or as required to be disclosed by relevant laws and regulations, securities listing rules, rules or regulations of a stock exchange, or orders of any relevant government department, competent authority, or court, the party receiving the Confidential Information (referred to as the "**Receiving Party**") shall not disclose, give, or transfer the Confidential Information or any part thereof to any third party; except for the purpose of performing this Agreement, the Receiving Party shall not use or indirectly use the Confidential Information or any part thereof for any purpose.

10.2 The following information shall not be considered Confidential Information:

- (1) Any information that the Receiving Party had previously known through legal means, as evidenced in writing;
- (2) Information that has entered the public domain or become known to the

public due to other reasons not attributable to the fault of the Receiving Party; or

(3) Information that the Receiving Party lawfully obtains from other sources after receiving the Confidential Information.

10.3 The Receiving Party may disclose Confidential Information to its or its affiliates' relevant employees, agents, lenders or potential lenders (including agents or trustees of lenders), financing arrangers or potential financing arrangers, and professionals engaged by the aforementioned entities, provided that the Receiving Party shall ensure that the aforementioned personnel are also bound by this Agreement or (with respect to any lender (including agents or trustees of lenders), financing arrangers) separately signed relevant confidentiality agreements to keep the Confidential Information confidential and use such Confidential Information only for the purpose of performing this Agreement.

10.4 The parties agree that, regardless of any change, rescission or termination of this Agreement, this Article 10 shall remain in effect.

Article 11 Effectiveness and Term of Agreement

11.1 This Agreement shall become effective upon being duly executed by both parties..

11.2 This Agreement shall terminate until the Contractual Obligations are fully performed or the Secured Debts are fully discharged.

Article 12 Notices

12.1 All notices between the parties in connection with the performance of the rights and obligations under this Agreement shall be made in writing and shall be delivered in person, by registered mail, postage prepaid mail, or recognized express mail to the other party.

12.2 If any of such notices or other correspondences is transmitted by facsimile or telex, it shall be deemed delivered immediately upon transmission; if delivered in person, it shall be deemed delivered at the time of delivery; if sent by post, it shall be deemed delivered five (5) days after dispatch.

Article 13 Miscellaneous

13.1 Without consent of the Pledger, the Pledgee may transfer its rights and/or obligations hereunder to any third party upon notifying the Pledger; However, the Pledger may not transfer its rights, obligations or liabilities hereunder to any third

party without the prior written consent of the Pledgee. The successors or permitted assignees (if any) of the Pledger shall continue to perform the respective obligations of the Pledger under this Agreement.

- 13.2 This Agreement is made in duplicate (2 copies), with one (1) original to be retained by each party hereto. More originals may be executed (when necessary) for the purpose of registration or filing formalities.
- 13.3 The conclusion, validity, performance, amendment, interpretation and termination of this Agreement shall be governed by the PRC Law.
- 13.4 Any dispute arising out of or relating to this Agreement shall be settled through amicable negotiations between the parties. If any dispute cannot be resolved through negotiations within thirty (30) days, the dispute shall be referred to Shanghai International Economic and Trade Arbitration Commission for arbitration in accordance with the commission's arbitration rules in Shanghai. The arbitration award shall be final and binding upon the parties.
- 13.5 Any right, power or remedy granted to a party by any provision of this Agreement shall not preclude the party from any right, power or remedy granted by other provisions of this Agreement, and any exercise of any right, power and remedy by a party shall not preclude the party from exercising other rights, power and remedies.
- 13.6 No failure or delay by any party in exercising any right, power or remedy (the "**Said Party's Rights**") provided by law or under this Agreement shall constitute a waiver of the Said Party's Rights and no single or partial waiver of any Said Party's Rights shall preclude the exercise of any Said Party Rights in other means or the exercise of any other Said Party's Rights.
- 13.7 The headings hereof have been inserted for convenience of reference only, under no circumstances shall such headings be construed to affect the meaning, construction or effect of this Agreement.
- 13.8 The provisions of this Agreement are severable and independent to one another. If at any time one or several articles herein shall be deemed invalid, illegal or unenforceable, the validity, legality or enforceability of other provisions herein shall not be affected thereby.
- 13.9 Any amendments or supplements to this Agreement shall be made in writing. Except for the assignment by the Pledgee of its rights hereunder pursuant to Article 13.1, the amendments or supplements to this Agreement shall take effect only upon the due execution by the parties to this Agreement. Subject to Article 13.1 above, this Agreement shall be binding on the lawful successors of both parties.

Remainder of this page intentionally left blank

Signature page

In witness whereof, this Equity Pledge Agreement is executed by and between the following parties on the date and at the place first above written.

Global Data Solutions Co., Ltd.

(Seal)

Signature: _____

Name:

Title:

Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd.

(Seal)

Signature: _____

Name:

Title:

Signature page to Equity Pledge Agreement

**Changshu Wanguo Yunfeng Data Science & Technology
Co., Ltd.**

Changshu Yuntu Huichuang Data Technology Co., Ltd.

and

Global Data Solutions Co., Ltd.

with regards to

Changshu Yuntu Huichuang Data Technology Co., Ltd.

Voting Proxy Agreement

Date: September 30, 2025

Voting Proxy Agreement

This Voting Proxy Agreement (the "**Agreement**") is entered into on September 30, 2025 in Shanghai, the People's Republic of China ("**China**") by and among:

- (1) **Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd.** (hereinafter referred to as "**Asset Company**")
Registered Address: Room 202, Building C3, No. 8 Wangwan North Road, Changshu Economic and Technological Development Zone;
Legal Representative: Wang Haiming.
- (2) **Changshu Yuntu Huichuang Data Technology Co., Ltd.** (hereinafter referred to as "**Company**")
Registered Address: Room 202, Building C3, No. 8 Wangwan North Road, Changshu Economic and Technological Development Zone, Changshu City, Suzhou City, Jiangsu Province;
Legal Representative: Zhang Kejing.
- (3) **Global Data Solutions Co., Ltd.** (hereinafter referred to as "**Shareholder**")
Registered Address: Unit A0503-1, International Science Park, No. 1355 Jinji Lake Avenue, Suzhou Industrial Park;
Legal Representative: Chen Yilin.

(In this Agreement, the above parties are referred to individually as a "**Party**" and collectively as the "**Parties**".)

Whereas:

1. As of the execution date of this Agreement, the Shareholder is the registered shareholder of the Company and in possession of all the equity interests of the Company;
2. The Shareholder intends to authorize the Asset Company or an individual designated by the Asset Company as its voting attorney to exercise its voting right in the Company (including the shareholders' voting rights formed due to any form of capital increase during the term of this Agreement), and the Asset Company intends to accept such entrustment by itself or through a designated individual.

Now, therefore, the Parties reach an agreement as follows through amicable negotiation:

Article 1 Voting Proxy

- 1.1 The Shareholder hereby irrevocably undertakes that, during the term of this Agreement and subject to the provisions of Article 1.2 hereof, it will execute a Power

of Attorney in the form and substance as set forth in Annex I hereto, authorizing the Asset Company or its designated individual at that time (the "**Attorney**") to exercise the following rights enjoyed by the Shareholder as the holder of the Company's equity interests pursuant to the then-effective articles of association of the Company (hereinafter collectively referred to as the "**Authorized Rights**"):

- (1) Right to exercise, on behalf of the Shareholder, voting rights on all matters requiring shareholder resolution, including but not limited to appointing and electing the directors and other senior management personnel of the Company who should be appointed and removed by the shareholder, and selling or transferring all or part of the Shareholder's equity interests in the Company;
 - (2) Other shareholders' voting rights under the articles of association of the Company (including any other shareholders' voting rights stipulated after the amendment of such articles);
 - (3) Right to execute, as the Shareholder's agent on behalf of the Shareholder, any documents that the Shareholder has the right to sign in its capacity as a shareholder (including signing any necessary documents when the relevant parties transfer equity or otherwise dispose of it according to the Exclusive Call Option Agreement and the Equity Interest Pledge Agreement (including amendments, supplements or restatements thereof from time to time)) and to handle any required government approvals, registrations, filings and other procedures;
 - (4) Right to submit documents to the relevant business registration authority for filing and archiving on behalf of the Shareholder; and
 - (5) Other voting rights that should be enjoyed by the Shareholder as stipulated by PRC law (including the then-effective laws, administrative regulations, departmental rules, local regulations, judicial interpretations and other binding normative documents of the PRC, hereinafter collectively referred to as "**PRC Law**").
- 1.2 When and only when the Asset Company issues a written notice to the Shareholder requesting the dismissal and replacement of the Attorney shall the Shareholder immediately revoke the assignment of the current Attorney under this Agreement and authorize another individual designated by the Asset Company at the time to exercise the Authorized Rights in accordance with the stipulations of this Agreement; the new authorization shall replace the original authorization immediately. Except for this, the Shareholder shall under no other circumstances revoke the authorization to the Attorney.
- 1.3 the Asset Company shall ensure the Attorney fulfills his/her authorized duties within the scope of authorization under this Agreement with due diligence and caution; all

documents signed by the Attorney regarding the above-mentioned authorized matters shall be deemed as signed by the Shareholder; the Shareholder shall acknowledge and be held liable for any legal consequence arising from the Attorney's exercise of the above-mentioned Authorized Rights.

- 1.4 The Shareholder hereby confirms that the Attorney does not have to consult with the Shareholder before making decisions during his/her exercise of the above-mentioned Authorized Rights. The Asset Company shall nonetheless ensure that the Attorney will inform the Shareholder of any such decision in a timely manner once the decision is made.

Article 2 Right to Information

The Attorney shall, for the purpose of exercising the Authorized Rights under this Agreement, have the right to access the relevant information of the Company concerning its operation, business, clients, finance, and employees, and to review the relevant materials of the Company. The Company shall give full cooperation in this regard.

Article 3 Exercise of Authorized Rights

- 3.1 The Shareholder and the Company shall give full assistance to facilitate the Attorney's exercise of the Authorized Rights, including prompt execution of the decisions made by the Attorney with regards to the Company and other pertinent legal documents when necessary (e.g., the documents required to be submitted to government authorities for examination and approval, registration, and/or filing).
- 3.2 If, at any time during the term of this Agreement, the grant or exercise of the Authorized Rights under this Agreement is unenforceable for any reason (except for breach of this Agreement by the Shareholder or the Company), the Parties shall immediately seek an alternative scheme most similar to the unenforceable one, and enter into a supplementary agreement to make modifications or adjustments to the provisions of this Agreement when necessary, in order to ensure the continuous fulfillment of the purpose of this Agreement.

Article 4 Exemption and Compensation

- 4.1 The Parties acknowledge that the Asset Company shall not be requested to be liable for or compensate (monetary or otherwise) other Parties or any third party due to the exercise of the Authorized Rights by the Attorney designated by the Asset Company under this Agreement.
- 4.2 The Company and the Shareholder agree to indemnify the Asset Company and hold it harmless against all losses incurred or likely to incur due to the exercise of the

Authorized Rights by the Attorney designated by the Asset Company, including but not limited to any loss resulting from any litigation, demand, arbitration or claim initiated or raised by any third party against it or from administrative investigation or penalty of governmental authorities. However, losses incurred due to willful misconduct or gross negligence of the Attorney shall not be compensated.

Article 5 Representations and Warranties

5.1 The Shareholder hereby represents and warrants that:

- 5.1.1 It is a limited liability company duly incorporated and validly existing under the PRC Law as an independent legal person. It has complete, independent legal status and legal capacity to sign, deliver and perform this Agreement and can independently act as a litigant in proceedings.
- 5.1.2 It has full capacity, power and authority to sign and deliver this Agreement and all other documents related to the transaction referred to in this Agreement, and has full capacity, power and authority to complete the transaction referred to in this Agreement.
- 5.1.3 This Agreement is executed and delivered by the Shareholder lawfully and properly; this Agreement constitutes legal and binding obligations on it and is enforceable on it in accordance with the terms and conditions hereof.
- 5.1.4 The Shareholder is the sole legal registered shareholder of the Company as of the effective date of this Agreement, and except the rights created by this Agreement, the Equity Interest Pledge Agreement executed between it and the Asset Company (including amendments, supplements or restatements thereof from time to time), and the Exclusive Call Option Agreement executed among it, the Company and the Asset Company (including amendments, supplements or restatements thereof from time to time), there exists no third party right on the Authorized Rights. Pursuant to this Agreement, the Attorney may fully and sufficiently exercise the Authorized Rights in accordance with the effective articles of incorporation of the Company.
- 5.1.5 Without the consent of the Asset Company, the Shareholder shall not take any action to propose, assert or demand the amendment, revision, termination or any other change to the articles of association of the Company.

5.2 The Asset Company and the Company hereby respectively represents and warrants that:

5.2.1 It is a limited liability company duly incorporated and validly existing under the PRC Law as an independent legal person. It has complete, independent legal status and legal capacity to sign, deliver and perform this Agreement, and can independently act as a litigant in proceedings.

5.2.2 It has full internal power and authority to sign and deliver the documents to be executed by it related to the transaction referred to in this Agreement, and has full internal power and authority to complete the transaction referred to in this Agreement.

- 5.3 The Company further represents and warrants that the Shareholder is the sole legal registered shareholder of the Company on the effective date of this Agreement. Except the rights created by this Agreement, the Equity Interest Pledge Agreement executed between the Shareholder and the Asset Company (including amendments, supplements or restatements thereof from time to time), and the Exclusive Call Option Agreement executed among it, the Shareholder and the Asset Company (including amendments, supplements or restatements thereof from time to time), there are no third-party rights over the Authorized Rights. Pursuant to this Agreement, the Attorney may fully and sufficiently exercise the Authorized Rights in accordance with the effective articles of incorporation of the Company.
- 5.4 The Company hereby irrevocably undertakes to the Asset Company that, once it knows or should know of any situation where the Company's equity interests held by the Shareholder may be transferred to any third party other than the Asset Company or a person or entity designated by the Asset Company due to applicable law, or a judgment or ruling of a court or arbitration institution, or for any other reason, it shall immediately and without delay notify the Asset Company.

Article 6 Term of Agreement

- 6.1 This Agreement takes effect as of the date of due execution of all the Parties hereto, unless terminated in advance by written agreement among all Parties or in accordance with Article 9.1 of this Agreement.
- 6.2 If the Shareholder transfers all of its equity interests in the Company with prior consent of the Asset Company, it will cease to be a Party of this Agreement from the time when it has completed its relevant assistance obligations under this Agreement, all relevant necessary documents have been duly signed, and relevant internal company procedures and government approval, registration, filing and other procedures have been completed (but it shall still be bound by Articles 4, 5.1, 6, 7, 8, 9 and 10 hereof) while the obligations and undertakings of the other Parties shall not be negatively affected.

Article 7 Notice

- 7.1 All notices or other correspondences among the Parties in connection with the performance of the rights and obligations under this Agreement shall be in writing and be delivered in person, by registered mail, postage prepaid mail, recognized express mail to the Party concerned.
- 7.2 If any of such notices or other correspondences is transmitted by facsimile or telex, it shall be treated as delivered immediately upon transmission; if delivered in person, it shall be treated as delivered at the time of delivery; if posted by mail, it shall be deemed delivered five (5) days after dispatch.

Article 8 Confidentiality Obligations

- 8.1 Regardless of whether this Agreement is terminated or not, the Parties shall be under the obligation to keep strictly confidential any business secrets, proprietary information, client information and other related materials of the other Parties, as well as any other non-public information of any other Party (collectively the "**Confidential Information**") obtained during the execution and performance of this Agreement. Except with the prior written consent of the other Party or as required to be disclosed by relevant laws and regulations, securities listing rules, rules or regulations of a stock exchange, or orders of any relevant government department, competent authority, or court, the Party receiving the Confidential Information (referred to as the "**Receiving Party**") shall not disclose, give, or transfer the Confidential Information or any part thereof to any third party; except for the purpose of performing this Agreement, the Receiving Party shall not use or indirectly use the Confidential Information or any part thereof for any purpose.
- 8.2 The following information shall not be considered Confidential Information:
- 8.2.1 Any information that the Receiving Party had previously known through legal means, as evidenced in writing;
- 8.2.2 Information that has entered the public domain or become known to the public due to other reasons not attributable to the fault of the Receiving Party; or
- 8.2.3 Information that the Receiving Party lawfully obtains from other sources after receiving the Confidential Information.
- 8.3 The Receiving Party may disclose Confidential Information to its or its affiliates' relevant employees, agents, lenders or potential lenders (including agents or trustees of lenders), financing arrangers or potential financing arrangers, and professionals engaged by the aforementioned entities, provided that the Receiving Party shall ensure that the aforementioned personnel are also bound by this Agreement or (with respect to any lender (including agents or trustees of lenders),

financing arrangers) separately signed relevant confidentiality agreements to keep the Confidential Information confidential and use such Confidential Information only for the purpose of performing this Agreement.

- 8.4 The Parties agree that, regardless of any change, rescission or termination of this Agreement, this Article 8 shall remain in effect.

Article 9 Breach of Agreement

- 9.1 The Parties agree and acknowledge that, any substantial violation of any provision under this Agreement, or substantially non-performance of this Agreement by a Party (the "**Breaching Party**") constitutes a breach of the Agreement (the "**Breach of Agreement**"). Any of the non-breaching Parties (the "**Non-breaching Parties**") shall be entitled to require the Breaching Party to correct or take remedial measures within a reasonable time limit. Where the Breaching Party fails to take any remedy measures in a reasonable time limit required by the Non-breaching Party or within 10 days after the written notice of the Non-breaching Party, if the Breaching Party is the Shareholder or the Company, then the Non-breaching Party has the right to take any of the following measures at its discretion: (1) terminating this Agreement and requiring full compensation from the Breaching Party; or (2) requiring the compulsory performance of the obligations of and full compensation from the Breaching Party under this Agreement; if the Breaching Party is the Asset Company, then the Non-breaching Party has the right to require the compulsory performance of the obligations of and full compensation from the Breaching Party under this Agreement.
- 9.2 The Parties agree and acknowledge that the Shareholder or the Company shall under no circumstances prematurely terminate this Agreement for whatever reasons, unless otherwise specified in this Agreement or required by law.
- 9.3 Notwithstanding any other provisions herein, the effectiveness of this Article shall survive the suspension or termination of this Agreement.

Article 10 Miscellaneous

- 10.1 This Agreement is made in triplicate (3 copies), with each Party holding a copy.
- 10.2 The conclusion, validity, performance, amendment, interpretation and termination of this Agreement are governed by the PRC Law.
- 10.3 The Parties shall strive to settle any dispute or conflicts arising from or in connection with this Agreement through amicable negotiation. If the discrepancies cannot be solved by negotiations within thirty (30) days, they should be submitted to Shanghai International Economic and Trade Arbitration Commission for arbitration in accordance with the commission's arbitration rules in Shanghai. The award of the arbitration shall be final and binding on the Parties.

- 10.4 Any right, power or remedy granted to a Party by one term of this Agreement does not exclude the Party from any right, power or remedy granted by other terms or laws and regulations; the exercise of any right, power or remedy by a Party shall not preclude the Party's exercise of its other rights, powers or remedies.
- 10.5 No failure or delay by any Party in exercising any right, power or remedy (the "**Said Party's Rights**") provided by law or under this Agreement shall be construed as a waiver of it and no single or partial wavier of any Said Party's Rights shall preclude any other or further exercise of it or the exercise of any other Said Party's Rights.
- 10.6 The headings hereof have been inserted for convenience of reference only, under no circumstances shall such headings be construed to affect the meaning, construction or effectiveness of this Agreement.
- 10.7 The provisions of this Agreement are severable and independent to one another. If at any time one or several articles herein shall be deemed invalid, illegal or unenforceable, the validity, legality or enforceability of other provisions herein shall not be affected thereby.
- 10.8 Any amendment or supplement of this Agreement shall be made in writing and duly executed by all Parties herein before taking effect.
- 10.9 Without prior written permission from the Asset Company, the other Parties shall not transfer any of its rights and/or obligations under this Agreement to any third party. Other Parties agree that, subject to prior reasonable written notice to the other Parties, the Asset Company has the right to unilaterally transfer any rights and/or obligations under this Agreement to any third party.
- 10.10 This Agreement is binding on all the Parties herein and their respective lawful successors and assignees.

Remainder of this page intentionally left blank

In witness whereof, this Voting Proxy Agreement is entered into by the following Parties on the date and at the place first above written.

Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd.

(Seal)

Signature: _____
Name: _____
Title: _____

Changshu Yuntu Huichuang Data Technology Co., Ltd.

(Seal)

Signature: _____
Name: _____
Title: _____

Global Data Solutions Co., Ltd.

(Seal)

Signature: _____
Name: _____
Title: _____

Annex I

Power of Attorney

This Power of Attorney (hereinafter referred to as **"this Authorization"**) is executed on _____ by Global Data Solutions Co., Ltd. (hereinafter referred to as the **"Principal"**) in favor of _____ (hereinafter referred to as the **"Attorney"**).

WHEREAS, the Principal, Changshu Yuntu Huichuang Data Technology Co., Ltd. (the **"Company"**), and Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd. (the **"Asset Company"**) entered into a Voting Proxy Agreement on _____ (the **"Voting Proxy Agreement"**), the Principal hereby grants to the Attorney a general power of attorney to act as the Principal's agent, on behalf of the Company, and exercise the following rights enjoyed by the Principal as the shareholder of the Company:

- (1) Right to exercise, on behalf of the Principal, voting rights on all matters requiring shareholder resolution, including but not limited to appointing and electing the directors and other senior management personnel of the Company who should be appointed and removed by the shareholder, and selling or transferring all or part of the Principal's equity interests in the Company;
- (2) Other shareholders' voting rights under the articles of association of the Company (including any other shareholders' voting rights stipulated after the amendment of such articles);
- (3) Right to execute, as the Principal's agent on behalf of the Principal, any documents that the Principal has the right to sign in its capacity as a shareholder (including signing any necessary documents when the relevant parties transfer equity or otherwise dispose of it according to the Exclusive Call Option Agreement and the Equity Interest Pledge Agreement (including amendments, supplements or restatements thereof from time to time)) and to handle any required government approvals, registrations, filings and other procedures.

The Principal hereby irrevocably confirms that, unless the Principal issues an instruction to replace the Attorney, this Authorization shall remain in full force and effect until the expiration or early termination of the Voting Proxy Agreement.

IN WITNESS WHEREOF, this Power of Attorney is executed as follows.

(Remainder of this page intentionally left blank)

Annex to the Voting Proxy Agreement

Name of the Shareholder:

Global Data Solutions Co., Ltd.
(Seal)

Signature of Legal Representative:

Date: _____

Annex to the Voting Proxy Agreement

Zhou Hui

and

GDS (Shanghai) Investment Co., Ltd.

with regards to

Shanghai Xinwan Enterprise Management Co., Ltd.

Equity Pledge Agreement

Date: March 24, 2026

Equity Pledge Agreement

This Equity Pledge Agreement (the “**Agreement**”) is entered into by and between the following parties on March 24, 2026 in Shanghai, PRC:

Party A: Zhou Hui (hereinafter referred to as the “**Pledger**”)

Address: Room 201, Gate 2, 69th Floor, No.88 North Fourth Ring West Road, Haidian District, Beijing

ID: 110108197210173123

Party B: GDS (Shanghai) Investment Co., Ltd. (hereinafter referred to as the “**Pledgee**”)

Registered Address: Room 1046A, 55 Xili Road, China (Shanghai) Pilot Free Trade Zone

Legal Representative: Huang Wei

Whereas:

- (1) The Pledger is the registered shareholder of Shanghai Xinwan Enterprise Management Co., Ltd. (with registered address at Room 04, Basement Floor, Building 12, No. 699 Puxing Highway, Minhang District, Shanghai, China, hereinafter referred to as the “**Company**”), holding 20% of the equity interests of the Company (with a total capital contribution of RMB 200,000, hereinafter referred to as “**Company's Equity Interest**”). The capital contribution and proportion of equity interests of the Pledgers in the Company's registered capital on February 12, 2026 are as shown in **Exhibit 1** to this Agreement.
- (2) The Pledger entered into a Loan Agreement with the Pledgee on March 24, 2026 (the “**Loan Agreement**”) to borrow a loan of RMB 200,000 (the “**Loan**”) to expand the Company's business.
- (3) The Pledger entered into an Exclusive Call Option Agreement (the “**Call Option Agreement**”) and a Voting Proxy Agreement (the “**Voting Proxy Agreement**”) with the Pledgee and the Company on March 24, 2026. The Pledgee and the Company entered into an Exclusive Technology License and Service Agreement (the “**Service Agreement**”) and an Intellectual Property Rights License Agreement (the “**License Agreement**”) on December 16, 2019.
- (4) The Pledger agrees to pledge all its equity shares in the Company as security to the Pledgee for the purpose of guaranteeing the performance of the Contractual Obligations (as defined below) of the Pledger and the Company and the discharge of the Secured Debts (as defined below) under this Agreement, to which the Pledgee shall have first priority.

Now, therefore, the parties agree as follows through negotiation:

Article 1 Terms and Definitions

- 1.1 Unless otherwise specified or in cases where the context demands a different interpretation, the terms used in this Agreement shall have the following meanings:

"Contractual Obligations":	means all contractual obligations of the Pledger under the Transaction Agreements (as defined below) and this Agreement, and all contractual obligations of the Company under the Call Option Agreement, the Voting Proxy Agreement, the Service Agreement and the License Agreement.
"Secured Debts":	means all direct, indirect and derivative losses and losses of anticipated profits, suffered by the Pledgee, incurred as a result of any Event of Default by the Pledger and/or the Company, and all expenses occurred in connection with enforcement by the Pledgee of the Pledger' and/or the Company's Contractual Obligations. The Pledger's amount of pledge (i.e. the secured amount) is RMB 200,000.
"Transaction Agreements":	means the Loan Agreement, the Call Option Agreement and the Voting Proxy Agreement.
"Event of Default":	means any of the following events: (i) any breach by the Pledger of the contractual obligations under the Loan Agreement, the Call Option Agreement, the Voting Proxy Agreement or this Agreement; (ii) any breach by the Company of any obligations under the Call Option Agreement, the Voting Proxy Agreement, the Service Agreement and the License Agreement; or (iii) the License Agreement, the Service Agreement and/or any of the Transaction Agreements becomes invalid or unenforceable due to change of PRC Law, promulgation of a new PRC Law or any other reasons, and the Pledgee is unable to find an alternative arrangement to effectuate the purpose under the Transaction Agreements.
"Pledged Equity":	means all Company's Equity Interest lawfully owned by the Pledger on the effective date of the Agreement and to be pledged to the Pledgee for

the purpose of guaranteeing the performance of the Contractual Obligations by the Pledger and the Company in accordance with this Agreement. The total amount of the pledged equity from the Pledger is RMB 200,000 per 200,000 shares, plus the increased capital and dividends under Articles 2.6 and 2.7 of this Agreement.

“PRC”: means, for the purpose of this Agreement, the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

“PRC Law”: means the laws, administrative regulations, administrative rules, local regulations, judicial interpretations and other binding legal documents of the People's Republic of China that are in force at the time.

“Equity Pledge” has the same meaning as the one stipulated in Article 2.2 of this Agreement.

“Said Party's Rights” has the same meaning as the one stipulated in Article 12.6 of this Agreement.

“Power of Attorney” has the same meaning as the one stipulated in Article 12.11 of this Agreement.

1.2 Any citation of any PRC law in this Agreement shall be deemed to:

- (1) simultaneously include the citation of the content of the amendments, adjustments, complements and revisions of PRC law regardless of whether the effective date is before or after the conclusion of this Agreement; and
- (2) simultaneously include the citation of other decisions, notices and rules made or taking effect pursuant to the PRC Law.

1.3 Unless otherwise stipulated in the context of this Agreement, Article, Section, Paragraph and Subparagraph referred to in this Agreement shall mean the relevant content in this Agreement.

Article 2 Equity Pledge

2.1 The Pledger hereby agrees to pledge to Pledgee the Pledged Equity, which it lawfully owns and has the right of disposal, as the Pledgee's interest in the Transaction Agreements, and as the guarantee for the performance of the

Contractual Obligations and the discharge of the Secured Debts. Subject to other provisions of this Agreement, the Pledger's respective Pledged Equity and Secured Debts are as follows:

Pledger	Pledged Equity	Secured Debts
Zhou hui	RMB 200,000 per 200,000 shares	RMB 200,000

- 2.2 The Pledger undertakes that he/she shall record the equity pledge arrangement hereunder (the “**Equity Pledge**”) in the register of shareholders of the Company on the date of the execution of this Agreement, and shall register the Equity Pledge at the administration for industry and commerce where the Company is registered within a time period agreed by the Parties. The Pledger shall provide the Pledgee with a certificate of registration of the aforesaid Equity Pledge in the register of shareholders of the Company to the satisfaction of the Pledgee.
- 2.3 During the valid term of this Agreement, unless attributable to the Pledgee's willful conduct or the Pledgee's gross negligence with direct causation to the consequence, the Pledgee shall not be held liable to any reduction in the value of the Pledged Equity, and the Pledger shall have no right to claim any compensation or to make other requests in any way against the Pledgee.
- 2.4 Without violating the provisions of the above-mentioned Article 2.3, if there is any probability that the value of the Pledged Equity will be notably reduced which is sufficient to prejudice the rights of the Pledgee, the Pledgee may at any time auction or sell the Pledged Equity on behalf of the Pledger, and reach an agreement with the Pledger to use the proceeds from such auction or sales to prepay the Secured Debts or to withdraw and deposit such proceeds with the notary office in the place where the Pledgee is domiciled (all expenses so incurred shall be assumed by the Pledger).
- 2.5 Upon occurrence of any Event of Default, the Pledgee has the right to dispose of the Pledged Equity in accordance with Article 4 of this Agreement.
- 2.6 The Pledger may increase the registered capital of the Company with the Pledgee's prior consent. If the Pledger subscribes for the increased registered capital of the Company, the Pledger shall, as required by the Pledgee, execute the relevant equity pledge agreement for the pledge of the increased registered capital of the Company, and go through the formalities for equity pledge correspondingly.
- 2.7 The Pledger shall not distribute dividends or capital bonus (whether formed before or after the execution of this Agreement) with respect to the Pledged Equity without prior written consent of the Pledgee. The dividends or capital bonus (whether formed before or after the execution of this Agreement) distributed from

the Pledged Equity received by the Pledger shall be deposited into an account designated and supervised by the Pledgee and shall be used to discharge the Secured Debts prior and in preference to making any other payment.

- 2.8 The Pledgee shall have the right to dispose of any of the Pledged Equity of Pledger in accordance with this Agreement after the occurrence of any Event of Default.

Article 3 Release of Pledge

After the Pledger and the Company have fully and completely performed all of the Contractual Obligations and discharged all of the Secured Debts, the Pledgee shall, upon the Pledger's request, release the Equity Pledge under this Agreement and cooperate with the Pledger to cancel the registration of the Equity Pledge on the Company's register of shareholders. The Pledgee shall assume the reasonable expenses arising out of the release of the Equity Pledge.

Article 4 Disposal of Pledged Equity

- 4.1 The Pledger and the Pledgee hereby agree that in case of the occurrence of any Event of Default, the Pledgee shall have the right to, by notifying the Pledger in writing, exercise all the remedial rights and power as prescribed by the PRC Law, the Transaction Agreements and the provisions of this Agreement, including but not limited to being compensated in first priority with proceeds from auctions or sales of the Pledged Equity. The Pledgee shall not be held liable to any loss caused by its reasonable exercise of such rights and power.
- 4.2 The Pledgee shall have the right to delegate in writing its lawyers or other agents to exercise all or any part of its rights and power above, and the Pledger shall not raise any objection thereto.
- 4.3 The Pledger shall assume the reasonable expenses arising from the Pledgee's exercise of any or all of the above-mentioned rights and power; the Pledgee has the right to deduct such expenses from the proceeds gained from its exercise of such rights and power.
- 4.4 The proceeds gained from the Pledgee's exercise of its rights and power shall be settled in accordance with the following order:
- firstly, to pay all expenses arising out of the disposal of the Pledged Equity and the Pledgee's exercise of its rights and power (including but not limited to court expenses and the remuneration paid to its lawyers and agents);
- secondly, to pay the taxes and charges payable for the disposal of the Pledged

Equity; and

thirdly, to repay the Secured Debts to the Pledgee.

If any balance remains after the deduction of the above amounts, the Pledgee shall return the balance to the Pledger or any other person entitled to such amount pursuant to the relevant laws and regulations, or deposit such amount with the notary office in the place where the Pledgee is domiciled (all expenses so incurred shall be assumed by the Pledger).

- 4.5 The Pledgee has the discretion to, simultaneously or in certain sequence, exercise any remedies for defaults that it is entitled to. The Pledgee may exercise its rights to auction or sell the Pledged Equity under this Agreement without first exercising any other remedies for defaults.

Article 5 Costs and Expenses

All actual expenses related to the creation of the Equity Pledge under this Agreement, including but not limited to stamp duty, any other taxes and all legal fees, etc., shall be assumed by the Pledgee.

Article 6 Continuity and No Waiver

The Equity Pledge created under this Agreement is a continuing assurance, which shall be valid until the Contractual Obligations are fully performed or the Secured Debts are fully discharged. No waiver or grace period of any default of the Pledger given by the Pledgee, or the Pledgee's delay in performance of any of its rights under the Transaction Agreements and this Agreement, shall affect the rights of the Pledgee under this Agreement, the Transaction Agreements and the relevant PRC Law to require, at any time thereafter, the Pledger to strictly implement the Transaction Agreements and this Agreement, or the rights that the Pledgee is entitled to with respect to the Pledger's subsequent breach of the Transaction Agreements and/or this Agreement.

Article 7 Representations and Warranties

The Pledger represents and warrants to the Pledgee as follows:

- 7.1 He/she is a PRC citizen with full capacity of action, full and independent legal status, and legal capacity, and is capable of acting independently as a subject of proceedings.
- 7.2 He/she has full capacity and power to execute and deliver this Agreement and all other documents to be executed by him/her in relation to the transaction referred

to in this Agreement, and to complete the transaction referred to in this Agreement.

- 7.3 All the reports, documents and information related to the Pledger and all the matters required under this Agreement provided to the Pledgee by the Pledger prior to the effective date of this Agreement are true and accurate in all material respects as of the effective date of this Agreement.
- 7.4 All the reports, documents and information related to the Pledger and all the matters required under this Agreement provided to the Pledgee by the Pledger after the effective date of this Agreement are true, accurate and effective in all material respects at the time of provision.
- 7.5 On the effective date of the Agreement, the Pledger is the sole legal and beneficial owners of the Pledged Equity and has the right to dispose of the Pledged Equity or any part of it. There is no existing dispute with respect to the ownership of the Pledged Equity.
- 7.6 Except for the security interests created over the Pledged Equity under this Agreement and the rights created under the Transaction Agreements, there are no other security interests or third party rights over the Pledged Equity.
- 7.7 The Pledged Equity can be legally pledged and transferred, and the Pledger has full rights and power to pledge the Pledged Equity to the Pledgee in accordance with the provisions of this Agreement.
- 7.8 This Agreement, upon due execution by the Pledger, constitutes the lawful, valid and binding obligations on the Pledger.
- 7.9 All third party approvals, permits, waivers and authorizations, all approvals, permits and waivers from any governmental authorities, and all registration or filing formalities with any government authorities (if legally required), which are required with respect to the execution and performance of this Agreement and the Equity Pledge under this Agreement, have been obtained or processed, and will be fully effective during the valid term of this Agreement.
- 7.10 The execution and performance of this Agreement by the Pledger does not violate or conflict with any laws applicable thereto, any agreement, any court judgment, any arbitration award or any decision of administrative authorities to which it is a party or by which its assets is bound.
- 7.11 The pledge under this Agreement constitutes the first priority security interest over the Pledged Equity with the first priority.
- 7.12 All taxes and expenses payable for the obtainment of the Pledged Equity have been paid by the Pledger in full.

- 7.13 There is no pending or, to the knowledge of the Pledger, imminent lawsuit, legal proceeding or claim at any court or arbitration tribunal against the Pledger, its property or the Pledged Equity, or any pending or, to the knowledge of the Pledger, imminent lawsuit, legal proceeding or claim at any government authority or administrative authority against the Pledger, its property or the Pledged Equity, that will have material or adverse effect on the financial conditions of the Pledger or its abilities to perform its obligations and security liabilities under this Agreement.
- 7.14 The Pledger hereby undertakes to the Pledgee that the above representations and warranties are true and accurate and will be fully complied with under any circumstance and at any time before the Contractual Obligations are performed in full or the Secured Debts are discharged in full.

Article 8 Pledger's Undertakings

The Pledger hereby undertakes to the Pledgee as follows:

- 8.1 Without prior written consent of the Pledgee, the Pledger shall not create, or allow to be created, any new pledge or any other security interests over the Pledged Equity. Any pledge or other security interest created over all or any part of the Pledged Equity without prior written consent of the Pledgee shall be invalid.
- 8.2 Without prior written notice to and prior written consent from the Pledgee, the Pledger shall not transfer the Pledged Equity and all activities of the Pledger to transfer the Pledged Equity shall be invalid. The proceeds obtained from the Pledger's transfer of the Pledged Equity shall be used first to prepay the Secured Debts to the Pledgee or to be deposited with a third party as agreed with the Pledgee. In case Pledger transfers the Pledged Equity held by it with prior written consent from the Pledgee, the Pledged Equity held by other Pledger shall continue to be bound by the Agreement without being adversely affected.
- 8.3 In the event of occurrence of any lawsuit, arbitration or other claim which may have adverse effect on the interests of the Pledger or the Pledgee under the Transaction Agreements and this Agreement or on the Pledged Equity, the Pledger undertakes to notify the Pledgee in writing as soon as possible and in a timely manner, and, as reasonably required by the Pledgee, to take all necessary measures to ensure the pledge interest of the Pledgee over the Pledged Equity.
- 8.4 The Pledger shall not take, or allow to be taken, any activity or action which may have adverse effect on the Pledgee's interest under the Transaction Agreements and this Agreement or on the Pledged Equity.
- 8.5 The Pledger undertakes to, as reasonably required by the Pledgee, take all

necessary measures and execute all necessary documents (including but not limited to any supplemental agreement to this Agreement) to ensure the pledge interest of the Pledgee over the Pledged Equity and the exercise and realization thereof.

- 8.6 If the exercise of the right of pledge under this Agreement will result in the transfer of any Pledged Equity, the Pledger undertakes to take all measures to complete such transfer.

Article 9 Change of Circumstances

As supplement and not in conflict with the Transaction Agreements and other provisions of this Agreement, if at any time, due to the promulgation or change of any PRC Law, or the change of interpretation or application of such PRC Law, or the change of the relevant registration procedures, the Pledgee believes that it is illegal or in conflict with such PRC Law, to keep this Agreement effective and/or to dispose of the Pledged Equity in accordance with this Agreement, the Pledger shall promptly take any action and/or execute any agreement or other document upon written instruction by the Pledgee and as reasonably required by the Pledgee, so as to:

- (1) maintain this Agreement effective;
- (2) facilitate the disposal of the Pledged Equity in accordance with this Agreement; and/or
- (3) maintain or realize the security created or intended by this Agreement.

Article 10 Effectiveness and Term of this Agreement

- 10.1 This Agreement shall take effect retroactively as of February 12, 2026 upon the satisfaction of all of the following conditions:

- (1) this Agreement has been duly executed by the Parties;
- (2) the Equity Pledge under this Agreement has been legally recorded in the register of shareholders of the Company.

- 10.2 The term of this Agreement shall end upon the full performance of the Contractual Obligations or upon the full discharge of the Secured Debts.

Article 11 Notices

- 11.1 All notices between the Parties in connection with the performance of the rights

and obligations under this Agreement shall be made in writing and shall be delivered in person, by registered mail, postage prepaid mail, recognized express mail, facsimile to the party concerned.

- 11.2 If any of such notices or other correspondences is transmitted by facsimile or telex, it shall be deemed delivered immediately upon transmission; if delivered in person, it shall be deemed delivered at the time of delivery; if sent by post, it shall be deemed delivered five (5) days after dispatch.

Article 12 Miscellaneous

- 12.1 Without consent of the Pledger, the Pledgee may transfer its rights and/or obligations hereunder to any third party upon notifying the Pledger; However, the Pledger may not transfer its rights, obligations and/or liabilities hereunder to any third party without the prior written consent of the Pledgee. The successors or permitted assignees (if any) of the Pledger shall continue to perform the respective obligations of the Pledger under this Agreement.
- 12.2 This Agreement is made in duplicate (2 copies), with one (1) original to be retained by each Party hereto. More originals may be executed (when necessary) for the purpose of registration or filing formalities.
- 12.3 The conclusion, validity, performance, amendment, interpretation and termination of this Agreement shall be governed by the PRC Law.
- 12.4 Any dispute arising out of or relating to this Agreement shall be settled through amicable negotiations between the Parties. If any dispute cannot be resolved through negotiations within thirty (30) days, the dispute shall be referred to Shanghai International Economic and Trade Arbitration Commission for arbitration in accordance with the commission's arbitration rules in Shanghai. The arbitration award shall be final and binding upon the Parties. After the arbitration award takes effect, any party shall have the right to submit an application to a court with jurisdiction for enforcement of the arbitration award. The competent court shall have the right to grant a provisional remedy on request by the disputing party, such as a judgment or an order to seize or freeze the breaching party's properties or equity shares.
- 12.5 Any right, power or remedy granted to a Party by any provision of this Agreement shall not preclude the Party from any right, power or remedy granted by other provisions of this Agreement, and any exercise of any right, power and remedy by a Party shall not preclude the Party from exercising other rights, power and remedies.
- 12.6 No failure or delay by any Party in exercising any right, power or remedy (the "**Said Party's Rights**") provided by law or under this Agreement shall constitute

a waiver of the Said Party's Rights and no single or partial waiver of any Said Party's Rights shall preclude the exercise of any Said Party Rights in other means or the exercise of any other Said Party's Rights.

- 12.7 The headings hereof have been inserted for convenience of reference only, under no circumstances shall such headings be construed to affect the meaning, construction or effect of this Agreement.
- 12.8 The provisions of this Agreement are severable and independent to one another. If at any time one or several articles herein shall be deemed invalid, illegal or unenforceable, the validity, legality or enforceability of other provisions herein shall not be affected thereby.
- 12.9 Any amendments or supplements to this Agreement shall be made in writing. Except for the assignment by the Pledgee of its rights hereunder pursuant to Article 12.1, the amendments or supplements to this Agreement shall take effect only upon the due execution by the Parties to this Agreement.
- 12.10 Subject to the provisions in the above-mentioned Article 12.1, this Agreement shall be binding on the legal successors of the Parties.
- 12.11 Upon the request of the Pledgee, the Pledger shall execute a power of attorney (the "**Power of Attorney**", refer to Exhibit 2 to this Agreement) to authorize any person designated by the Pledgee (the "**Attorney**") to execute on the Pledger's behalf pursuant to this Agreement any and all legal documents necessary for the exercise of the Pledgee's rights hereunder. Such Power of Attorney shall be delivered to the Pledgee to keep once executed and, when necessary, the Pledgee may at any time submit the Power of Attorney to the relevant government authorities. When and only when the Pledgee issues a written notice to the Pledger to dismiss and replace the Attorney shall the Pledger immediately revoke the authorization to the existing Attorney under this Agreement and authorize another Attorney designated by the Pledgee at the time to execute any and all necessary legal documents on behalf of the Pledger in accordance with the stipulations of this Agreement; the new Power of Attorney shall replace the original Power of Attorney once made. Except for this, the Pledger shall under no other circumstances revoke the Power of Attorney to the Attorney.

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Signature page

In witness whereof, this Equity Pledge Agreement is executed by and between the following parties on the date and at the place first above written.

Zhou Hui

Signature: _____

GDS (Shanghai) Investment Co., Ltd.
(Seal)

Signature: _____

Name: Huang Wei
Title: Legal Representative

Signature page to Equity Pledge Agreement

Exhibit 1:

Company Profile

Company Name: Shanghai Xinwan Enterprise Management Co., Ltd.

Registered Address: Room 04, Basement Floor, Building 12, No. 699 Puxing Highway, Minhang District, Shanghai, China

Registered Capital: RMB 1,000,000

Legal Representative: Zhang Kejing

Share Structure:

Shareholder's/Pledger's name	Share of Registered Capital	Proportion of Capital Contribution
Li Wenfeng	RMB 200,000	20%
Zhou Hui	RMB 200,000	20%
Liang Yan	RMB 200,000	20%
Zhang Kejing	RMB 200,000	20%
Wang Qi	RMB 200,000	20%

Fiscal Year: January 1 to December 31

Exhibit 2

Format of Power of Attorney

I, _____, hereby irrevocably authorize _____ ID Card No.: _____, as my attorney, to execute the legal documents in connection with the exercise of the shareholder's rights (including but not limited to the transfer of such equity interests, excluding the attendance of shareholder's meetings of the Company and the exercise of voting right of shareholder in such meetings) corresponding to all the equity interests I hold in Shanghai Xinwan Enterprise Management Co., Ltd. .

Signature:
Date

Exhibit 2 Power of Attorney

GDS (Shanghai) Investment Co., Ltd.

Shanghai Xinwan Enterprise Management Co., Ltd.

and

Zhou Hui

with regards to

Shanghai Xinwan Enterprise Management Co., Ltd.

Voting Proxy Agreement

Date: March 24, 2026

Voting Proxy Agreement

This Voting Proxy Agreement ("**this Agreement**") is entered into on March 24, 2026 in Shanghai, the People's Republic of China ("**China**") by and among:

- (1) **GDS (Shanghai) Investment Co., Ltd.** (hereinafter referred to as "**WFOE**")
Registered Address: Room 1046A, 55 Xili Road, China (Shanghai) Pilot Free Trade Zone
Legal Representative: Huang Wei
- (2) **Shanghai Xinwan Enterprise Management Co., Ltd.** (hereinafter referred to as "**Shanghai Xinwan**")
Registered Address: Room 04, Basement Floor, Building 12, No. 699 Puxing Highway, Minhang District, Shanghai, China
Legal Representative: Zhang Kejing
- (3) **Zhou Hui** (hereinafter referred to as "**Shareholder**")
ID Card No.: 110108197210173123

(In this Agreement, the above parties are referred to individually as a "**Party**" and collectively as the "**Parties**".)

Whereas:

- 1. The Shareholder has been an equity interests holder of Shanghai Xinwan since February 12, 2026 and is holding 20% equity interests of Shanghai Xinwan;
- 2. The Shareholder intends to authorize an individual designated by WFOE as its voting attorney to exercise its voting right in Shanghai Xinwan, and WFOE agrees to designate an individual to accept such authorization.

Now, therefore, the Parties reach an agreement as follows through amicable negotiation:

Article 1 Voting Proxy

- 1.1 The Shareholder hereby irrevocably undertakes that it will, upon WFOE's written notification during the term of this Agreement and subject to the stipulations of Article 1.2 of this Agreement, sign a Power of Attorney to authorize (, ID Card No.:) to exercise the following rights of it as Shareholder of Shanghai Xinwan in line with the articles of incorporation of Shanghai Xinwan in force at the time:
 - (1) Right to attend the shareholders meeting on behalf of the Shareholder;
 - (2) Right to make decisions on behalf of the Shareholder on issues to be

deliberated by shareholders (including but not limited to the designation and election of directors, general manager and other senior management of Shanghai Xinwan);

- (3) Any voting rights of the Shareholder as prescribed by law;
- (4) Other voting rights of the Shareholder under the articles of incorporation of Shanghai Xinwan (including any other voting rights of Shareholder under revised and restated articles of incorporation);
- (5) Right to endorse any meeting minutes and resolutions of shareholders meeting or other legal documents; and
- (6) Right to submit documents to relevant business registration authority for filing and archiving on behalf of the Shareholder.

Shanghai Xinwan hereby irrevocably undertakes that it will, upon WFOE's written notification during the term of this Agreement and subject to the stipulations of Article 1.2 of this Agreement, sign a Power of Attorney to authorize (, ID Card No.: , together with the above attorney collectively referred to as "**Attorney**") to exercise the following rights (together with the above authorized rights collectively referred to as "**Authorized Rights**") of it as shareholder of its subsidiary in line with the articles of incorporation of such subsidiary in force at the time:

- (1) Right to attend shareholder meeting on behalf of Shanghai Xinwan;
- (2) Right to make decisions on behalf of Shanghai Xinwan on issues to be deliberated by Shanghai Xinwan (including but not limited to the designation and election of directors, general manager and other senior management of the subsidiary of Shanghai Xinwan);
- (3) Any voting rights of Shanghai Xinwan as the shareholder of its subsidiary as prescribed by law;
- (4) Other voting rights of shareholder under the articles of incorporation of the subsidiary of Shanghai Xinwan (including any other voting rights of shareholder under revised and restated articles of incorporation);
- (5) Right to endorse any meeting minutes and resolutions of shareholder meeting or other legal documents; and
- (6) Right to submit documents to relevant business registration authority for filing and archiving on behalf of Shanghai Xinwan.

- 1.2 The above-mentioned authorization and assignment are subject to the condition that the Attorney is a Chinese citizen and WFOE agrees on the authorization and

assignment. When and only when WFOE issues a written notice to the Shareholder requesting the dismissal and replacement of the Attorney shall the Shareholder immediately revoke the assignment of the current Attorney under this Agreement and authorize another Chinese citizen designated by WFOE at the time to exercise the Authorized Rights in accordance with the stipulations of this Agreement; the new authorization shall replace the original authorization immediately. Except for this, the Shareholder shall under no other circumstances revoke the authorization to the Attorney.

- 1.3 WFOE shall ensure the Attorney fulfills his/her authorized duties within the scope of authorization under this Agreement with due diligence and caution; the Shareholder shall acknowledge and be held liable for any legal consequence arising from the Attorney's exercise of the above-mentioned Authorized Rights.
- 1.4 The Shareholder hereby confirms that the Attorney does not have to consult with the Shareholder before making decisions during his/her exercise of the above-mentioned Authorized Rights. WFOE shall nonetheless ensure that the Attorney will inform the Shareholder of any such decision in a timely manner once the decision is made.

Article 2 Right to Information

The Attorney designated in accordance with Article 1.1 of this Agreement shall, for the purpose of exercising the Authorized Rights under this Agreement, have the right to access the relevant data (including but not limited to any account book, statement, contract, and internal communication, all meeting minutes of the board of directors and other documents that are related to the financial, business and operational activities,) of Shanghai Xinwan and its subsidiary in order to get necessary information of Shanghai Xinwan and its subsidiary on their operation, business, clients, finance, and employees, and Shanghai Xinwan shall give full cooperation with respect to that.

Article 3 Exercise of Authorized rights

- 3.1 The Shareholder and Shanghai Xinwan shall give full assistance to facilitate the Attorney's exercise of the Authorized Rights, including prompt execution of the decisions made by the Attorney with regards to Shanghai Xinwan and its subsidiary and other pertinent legal documents when necessary (e.g., the documents required to be submitted to government authorities for examination and approval, registration, and/or filing).
- 3.2 If, at any time during the term of this Agreement, the grant or exercise of the Authorized Rights under this Agreement is unenforceable for any reason (except for breach of this Agreement by the Shareholder or Shanghai Xinwan), the Parties shall immediately seek an alternative scheme most similar to the unenforceable one, and enter into a supplementary agreement to make modifications or adjustments to the

provisions of this Agreement when necessary, in order to ensure the continuous fulfillment of the purpose of this Agreement.

Article 4 Exemption and Compensation

- 4.1 The Parties acknowledge that WFOE shall not be requested to be liable for or compensate (monetary or otherwise) other Parties or any third party due to the exercise of the Authorized Rights by the Attorney designated by WFOE under this Agreement.
- 4.2 Shanghai Xinwan and the Shareholder agree to indemnify WFOE and the Attorney and hold them harmless against all losses incurred or likely to incur due to the exercise of the Authorized Rights by the Attorney designated by WFOE, including but not limited to any loss resulting from any litigation, demand, arbitration or claim initiated or raised by any third party against it or from administrative investigation or penalty of governmental authorities. However, losses incurred due to willful misconduct or gross negligence of WFOE or the Attorney shall not be compensated.

Article 5 Representations and Warranties

- 5.1 The Shareholder hereby represents and warrants that:
 - 5.1.1 He/she is a PRC citizen with full capacity of action, full and independent legal status, and legal capacity, and is capable of acting independently as a subject of proceedings.
 - 5.1.2 He/she has full power and authority to sign and deliver this Agreement and all other documents to be signed by him/her for the transaction referred to in this Agreement and has full power and authority to complete the transaction referred to in this Agreement.
 - 5.1.3 This Agreement is executed and delivered by the Shareholder lawfully and properly; this Agreement constitutes legal and binding obligations on him/her and is enforceable on him/her in accordance with the terms and conditions hereof.
 - 5.1.4 He/she is the registered Shareholder of Shanghai Xinwan as of the effective date of this Agreement, and except the rights created by this Agreement, the Equity Pledge Agreement between it and WFOE, and the Exclusive Call Option Agreement among it, Shanghai Xinwan and WFOE, there exists no third party right on the Authorized Rights. Pursuant to this Agreement, the Attorney may fully and sufficiently exercise the Authorized Rights in accordance with the effective articles of incorporation of Shanghai Xinwan.

5.2 WFOE and Shanghai Xinwan hereby respectively represents and warrants that:

5.2.1 It is a limited liability company duly incorporated and validly existing under the laws of China as an independent judicial person with complete, independent legal status and legal competence to sign, deliver and perform this Agreement, as an independent subject of proceedings.

5.2.2 It is vested with full internal power and authority to sign and deliver this Agreement and all the other documents to be executed by it related to the transaction referred to in this Agreement, and to complete the transaction referred to in this Agreement.

5.3 Shanghai Xinwan further represents and warranties that the Shareholder is a registered shareholder of Shanghai Xinwan on the effective date of this Agreement. Pursuant to this Agreement, the Attorney may fully and sufficiently exercise the Authorized Rights in accordance with the effective articles of incorporation of Shanghai Xinwan.

Article 6 Term of Agreement

6.1 This Agreement shall take effect retroactively as of February 12, 2026, upon its formal execution by the Parties, unless terminated in advance by written agreement among all Parties or in accordance with Article 8.1 of this Agreement.

6.2 If the Shareholder transfers its equity interests in the Shanghai Xinwan with prior consent of WFOE, it will cease to be a Party of this Agreement, while the obligations and undertakings of the other Parties shall not be negatively affected.

Article 7 Notice

7.1 All notices or other correspondences among the Parties in connection with the performance of the rights and obligations under this Agreement shall be in writing and be delivered in person, by registered mail, postage prepaid mail, recognized express mail, facsimile to the Party concerned.

7.2 If any of such notices or other correspondences is transmitted by facsimile or telex, it shall be treated as delivered immediately upon transmission; if delivered in person, it shall be treated as delivered at the time of delivery; if posted by mail, it shall be deemed delivered five (5) days after dispatch.

Article 8 Breach of Agreement

- 8.1 The Parties agree and acknowledge that, any substantial violation of any provision under this Agreement, or substantially non-performance of this Agreement by a Party (the "**Breaching Party**") constitutes a breach of the Agreement (the "**Breach of Agreement**"). Any of the non-breaching Parties (the "**Non-breaching Parties**") shall be entitled to require the Breaching Party to correct or take remedial measures within a reasonable time limit. Where the Breaching Party fails to take any remedy measures in a reasonable time limit required by the Non-breaching Party or within 10 days after the written notice of the Non-breaching Party, if the Breaching Party is the Shareholder or Shanghai Xinwan, then the Non-breaching Party has the right to take any of the following measures at its discretion: (1) terminating this Agreement and requiring full compensation from the Breaching Party; or (2) requiring the compulsory performance of the obligations of and full compensation from the Breaching Party under this Agreement ; if the Breaching Party is WFOE, then the Non-breaching Party has the right to require the compulsory performance of the obligations of and full compensation from the Breaching Party under this Agreement .
- 8.2 The Parties agree and acknowledge that the Shareholder or Shanghai Xinwan shall under no circumstances prematurely terminate this Agreement for whatever reasons, unless otherwise specified in this Agreement or required by law.
- 8.3 Notwithstanding any other provisions herein, the effectiveness of this Article shall survive the suspension or termination of this Agreement.

Article 9 Miscellaneous

- 9.1 This Agreement is made in triplicate (3 copies), with each Party holding a copy.
- 9.2 The conclusion, validity, performance, amendment, interpretation and termination of this Agreement are governed by the laws of the People's Republic of China.
- 9.3 The Parties shall strive to settle any dispute or conflicts arising from or in connection with this Agreement through amicable negotiation. If the discrepancies cannot be solved by negotiations within thirty (30) days, they should be submitted to Shanghai International Economic and Trade Arbitration Commission for arbitration in accordance with the commission's arbitration rules in Shanghai. The arbitration award shall be final and binding on the Parties. After arbitration award takes effect, any Party shall have the right to apply for the enforcement of the arbitration award to a court with jurisdiction. The competent court shall have right to grant a provisional remedy on request by the disputing party, such as a judgment or an order to seize or freeze the breaching party's properties or equity interests.
- 9.4 Any right, power or remedy granted to a Party by one term of this Agreement does not exclude the Party from any right, power or remedy granted by other terms or laws and regulations; the exercise of any right, power or remedy by a Party shall not

preclude the Party's exercise of its other rights, powers or remedies.

- 9.5 No failure or delay by any Party in exercising any right, power or remedy (the "**Said Party's Rights**") provided by law or under this Agreement shall be construed as a waiver of it and no single or partial wavier of any Said Party's Rights shall preclude any other or further exercise of it or the exercise of any other Said Party's Rights.
- 9.6 The headings hereof have been inserted for convenience of reference only, under no circumstances shall such headings be construed to affect the meaning, construction or effectiveness of this Agreement.
- 9.7 The provisions of this Agreement are severable and independent to one another. If at any time one or several articles herein shall be deemed invalid, illegal or unenforceable, the validity, legality or enforceability of other provisions herein shall not be affected thereby.
- 9.8 Any amendment or supplement of this Agreement shall be made in writing and duly executed by all Parties herein before taking effect.
- 9.9 Without prior written permission from the other Parties, no Party may transfer any of its rights and/or obligations under this Agreement to any third party.
- 9.10 This Agreement is binding on all the Parties herein and their respective lawful successors and assignees.

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Signature page

In witness whereof, this Voting Proxy Agreement is entered into by the following Parties on the date and at the place first above written.

GDS (Shanghai) Investment Co., Ltd.

(Seal)

Signature: _____
Name: Huang Wei
Title: Legal Representative

Shanghai Xinwan Enterprise Management Co., Ltd.

(Seal)

Signature: _____
Name: Zhang Kejing
Title: Legal Representative

Zhou Hui

Signature: _____

Signature page to Voting Proxy Agreement

Zhou Hui

Shanghai Xinwan Enterprise Management Co., Ltd.

and

GDS (Shanghai) Investment Co., Ltd.

with regards to

Shanghai Xinwan Enterprise Management Co., Ltd.

Exclusive Call Option Agreement

Date: March 24, 2026

Exclusive Call Option Agreement

This Exclusive Call Option Agreement (the “**Agreement**”) is entered into by and among the following parties on March 24, 2026 in Shanghai, China:

1. **Zhou Hui**, a citizen of the People's Republic of China (ID Card No.: 110108197210173123) (hereinafter referred to as the “**Existing Shareholder**”);
2. **GDS (Shanghai) Investment Co., Ltd.** (hereinafter referred to as “**WFOE**”)
Registered Address: Room 1046A, 55 Xili Road, China (Shanghai) Pilot Free Trade Zone;
3. **Shanghai Xinwan Enterprise Management Co., Ltd.** (hereinafter referred to as the “**Shanghai Xinwan**”)
Registered Address: Room 04, Basement Floor, Building 12, No. 699 Puxing Highway, Minhang District, Shanghai, China.

(In this Agreement, the above parties are referred to individually as a “**Party**” and collectively as the “**Parties**”.)

Whereas:

- (1) The Existing Shareholder is the registered shareholder of Shanghai Xinwan and has been in legal possession of 20% of the equity interests of Shanghai Xinwan since February 12, 2026 (basic information of Shanghai Xinwan on the execution date of this Agreement is shown in Exhibit 1 to this Agreement).
- (2) The Existing Shareholder intends to transfer all of its equity interests in Shanghai Xinwan to WFOE and/or any other entity or individual designated by WFOE without violating the PRC Laws and Regulations, and WFOE intends to accept the transfer.
- (3) In order to carry out the aforesaid transfer of equity interests, the Existing Shareholder hereby irrevocably grants to WFOE an exclusive call option right to purchase equity interests (the “**Stock Option**”). To the extent permitted by the PRC Laws and Regulations and in accordance with the Stock Option, the Existing Shareholder shall, based on the requirements of WFOE, transfer the Option Stock (as defined below) to WFOE and/or any other entity of individual designated by WFOE in accordance with the provisions of this Agreement.
- (4) Shanghai Xinwan agrees that the Existing Shareholder awards the Stock Option to WFOE in accordance with this Agreement.

Now, therefore, the Parties agree as follows through negotiation:

Article 1 Terms and Definitions

1.1 Unless otherwise specified or in cases where the context demands a different interpretation, the terms used in this Agreement shall have the following meanings:

"Option Stock"	means, as to the Existing Shareholder, the 20% equity interests held by the Existing Shareholder in the Registered Capital of Shanghai Xinwan (as defined below).
"Registered Capital of Shanghai Xinwan"	means, on the execution date of this Agreement, the registered capital of Shanghai Xinwan of RMB 1,000,000 Yuan, including any enlarged registered capital after future capital increase during the term of this Agreement.
"Existing Business of Shanghai Xinwan"	means, on the execution date of this Agreement, the business scope of Shanghai Xinwan as specified in its business license.
"Transferred Equity Interests"	means, when WFOE exercises its Stock Option (the " Exercise "), the equity interests of Shanghai Xinwan that WFOE has the right to request the Existing Shareholder to transfer to it or its designated entity or individual pursuant to Article 3.2 of this Agreement. The amount may be part or all of the Option Stock. The specific amount shall be decided by WFOE at its absolute discretion according to the PRC Law and its commercial considerations at the time.
"Conversion Price"	means, during each Exercise in accordance with Article 4 of this Agreement, the total consideration paid to the Existing Shareholder for the acquisition of the Transferred Equity Interests by WFOE or its designated entity or individual.
"Certificates"	means any approval, license, filing, and registration Shanghai Xinwan shall hold for legal and effective management of the Existing Business and all other business.
"Assets of Shanghai Xinwan"	means all tangible and intangible assets owned or entitled to use by Shanghai Xinwan during the term of this Agreement, including but not limited to any real estate, movable property, trademark, copyright, patent, proprietary

technology, domain name, software use right and other intellectual properties.

"Principal Agreements"	means the agreements to which Shanghai Xinwan is a party and has material effect on the business and assets of Shanghai Xinwan, including but not limited to the Exclusive Technical License and Service Agreement between Shanghai Xinwan and WFOE and other agreements regarding the business of Shanghai Xinwan.
"PRC":	means, for the purpose of this Agreement, the People's Republic of China, excluding Hong Kong, Macau and Taiwan.
"PRC Laws and Regulations"	refers to the laws, administrative regulations, administrative rules, local regulations, judicial interpretations and other binding legal documents of the People's Republic of China that are in force at the time.
"Upper Limit"	has the same meaning as stipulated in Article 3.2 of this Agreement.
"Exercise Notice"	has the same meaning as stipulated in Article 3.5 of this Agreement.
"Power of Attorney"	has the same meaning as stipulated in Article 3.7 of this Agreement.
"Confidential Information"	has the same meaning as stipulated in Article 8.1 of this Agreement.
"Breaching Party"	has the same meaning as stipulated in Article 11.1 of this Agreement.
"Breach of Contract"	has the same meaning as stipulated in Article 11.1 of this Agreement.
"Said Party's Rights"	has the same meaning as stipulated in Article 12.5 of this Agreement.

1.2 Any citation of the PRC Laws and Regulations under this Agreement shall be deemed to:

(1) simultaneously include the citation of the content of the amendments, adjustments, complements and revisions of the PRC Laws and Regulations

regardless of whether the effective date is before or after the conclusion of this Agreement; and

(2) simultaneously include the citation of other decisions, notices and rules made or taking effect pursuant to the PRC Laws and Regulations.

- 1.3 Unless otherwise stipulated in the context of this Agreement, Article, Section, Paragraph and Subparagraph referred to in this Agreement mean the relevant content in this Agreement.

Article 2 Award of Stock Option

- 2.1 The Existing Shareholder hereby irrevocably and unconditionally grants, to WFOE an exclusive Stock Option, pursuant to which, WFOE shall have the right to request the Existing Shareholder to transfer the Option Stock to WFOE or its designated entity or individual, to the extent permitted by the PRC Laws and Regulations, in accordance with the procedures specified in this Agreement. WFOE also agrees to accept such Stock Option.
- 2.2 Shanghai Xinwan hereby agrees that the Existing Shareholder awards WFOE such Stock Option in accordance with the above Article 2.1 and other provisions in this Agreement.

Article 3 Exercise Procedures

- 3.1 WFOE shall have the right to decide at its absolute discretion the specific time, procedure and number of exercise to the extent permitted by the PRC Laws and Regulations.
- 3.2 If, at the time of the Exercise, the PRC Laws and Regulations then effective allow WFOE and/or its designated entity or individual to hold all equity interests of Shanghai Xinwan, WFOE shall be entitled to exercise all the Stock Option; if at the time of the Exercise, the PRC Laws and Regulations then effective only allow WFOE and/or its designated entity or individual to hold part of the equity interests of Shanghai Xinwan, WFOE shall be entitled to decide the amount of the Transferred Equity Interests within the upper limit of the proportion of equity interests regulated by the PRC Laws and Regulations (the "**Upper Limit**"), and such amount of the Transferred Equity Interests shall be acquired by WFOE and/or its designated entity

or individual from the Existing Shareholder. Under the latter situation, WFOE is entitled to exercise the Stock Option in installments in accordance with the gradual relaxation of the Upper Limit allowed by the PRC Laws and Regulations until all the Stock Option has been exercised.

- 3.3 During each Exercise, WFOE shall have the right to decide at its discretion the number of equity interests to be transferred to itself or its designated entity or individual, and the Existing Shareholder shall transfer the Transferred Equity Interests to WFOE and/or its designated entity or individual respectively as required by WFOE. WFOE and/or its designated entity or individual shall pay the Conversion Price to the Existing Shareholder for the Transferred Equity Interests upon each Exercise.
- 3.4 During each Exercise, WFOE may purchase the Transferred Equity Interests by itself or may designate any third party to purchase all or part of the Transferred Equity Interests.
- 3.5 WFOE shall, upon its decision to exercise the Stock Option, issue a written notice to exercise the Stock Option (the “**Exercise Notice**”, the form of which is set forth in Exhibit 2 to this Agreement) to the Existing Shareholder. The Existing Shareholder shall, within thirty (30) days upon the receipt of the Exercise Notice, make a one-off transfer of the Transferred Equity Interests in whole to WFOE and/or its designated entity or individual in accordance with the Exercise Notice and the provisions of Article 3.3 of this Agreement.
- 3.6 The Existing Shareholder hereby represents and warrants that once WFOE dispatches an Exercise Notice:
 - (1) He/she shall promptly pass a shareholder resolution and take all necessary actions to agree on the transfer of the Transferred Equity Interests in whole to WFOE and/or its designated entity or individual at the Conversion Price;
 - (2) He/she shall promptly execute an equity transfer agreement with WFOE and/or its designated entity or individual to transfer the Transferred Equity Interests in whole to WFOE and/or its designated entity or individual at the Conversion Price; and
 - (3) He/she shall provide necessary support to WFOE in accordance with WFOE's requirements and applicable laws and regulations (including to provide and execute all relating legal documents, perform all government

approval, registration, filing procedures and bear all the relevant obligations) to enable WFOE and/or its designated entity or individual to obtain the Transferred Equity Interests without legal defects.

- 3.7 The Existing Shareholder shall, upon the request of WFOE, execute a power of attorney (the "**Power of Attorney**", the form of which is set forth in Exhibit 3 to this Agreement) to authorize in writing any person designated by WFOE (the "**Trustee**") to represent the Existing Shareholder to execute any and all necessary legal documents to enable WFOE and/or its designated entity or individual to obtain the Transferred Equity Interests without legal defects. The Power of Attorney shall be kept by WFOE upon execution, and, when necessary, WFOE may at any time require that the Existing Shareholder to execute multiple duplicates of the Power of Attorney and present them to relevant government authorities. When and only when WFOE issues a written notice to the Existing Shareholder to dismiss and replace the Trustee shall the Existing Shareholder immediately revoke the entrustment of the existing Trustee under this Agreement and entrust another Trustee designated by WFOE at the time to execute any and all necessary legal documents on behalf of the Existing Shareholder in accordance with this Agreement; the new Power of Attorney shall replace the original Power of Attorney once it is made. Except for this, the Existing Shareholder shall under no other circumstances revoke the Power of Attorney to the Trustee.

Article 4 Conversion Price

During each Exercise, WFOE or its designated entity or individual shall pay to the Existing Shareholder RMB one (1) yuan only or any price agreed upon by the Parties in writing. If at that time of exercise any PRC Laws and Regulations have mandatory provisions on the Conversion Price, WFOE or its designated entity or individual shall be entitled to exercise the option at the regulated minimum price in accordance with the applicable PRC Laws and Regulations.

Article 5 Representations and Warranties

- 5.1 The Existing Shareholder hereby makes the following representations and warranties, which shall remain at all times in full force as in the occasion when they are made at the time of the transfer of the Option Stock.
- 5.1.1 The Existing Shareholder is a PRC citizen with full capacity of action, full and independent legal status, and legal capacity to execute, deliver and perform this Agreement, and is capable of acting independently as a subject

of proceedings.

- 5.1.2 Shanghai Xinwan is a limited liability company duly incorporated and validly existing under the PRC Laws and Regulations as an independent judicial person and with complete, independent legal status and legal competence to execute, deliver and perform this Agreement, as an independent subject of proceedings.
- 5.1.3 The Existing Shareholder has full capacity and power to execute and deliver this Agreement and all other documents to be executed by them for the transaction referred to in this Agreement and has full capacity and power to complete the transaction referred to in this Agreement.
- 5.1.4 This Agreement is legally and appropriately executed and delivered by the Existing Shareholder. This Agreement constitutes a legal and binding obligation on it, enforceable against it in accordance with the terms of the Agreement.
- 5.1.5 At the date of this Agreement, the Existing Shareholder is the registered legal owner of the Option Stock. Except for the rights provided under this Agreement, the Equity Pledge Agreement entered into by and between the Existing Shareholder and WFOE, and the Shareholder Voting Proxy Agreement entered into by and between the Existing Shareholder, WFOE, and Shanghai Xinwan, the Option Stock is free and clear of any liens, pledge, claims, other security interests and other third-party rights; WFOE and/or its designated entity or individual shall be entitled to the ownership of the Transferred Equity Interests free of any liens, pledge, claims, other security interests and other third-party rights after the Exercise in accordance with this Agreement.

5.2 Shanghai Xinwan hereby represents and warrants that:

- 5.2.1 Shanghai Xinwan is a limited liability company duly incorporated and validly existing under the PRC Laws and Regulations as an independent judicial person. Shanghai Xinwan has full and independent legal status and legal capacity to execute, deliver and perform this Agreement, and with capacity as an independent subject of proceedings.
- 5.2.2 It is vested with full internal power and authority to execute and deliver this Agreement and all other documents to be executed by it in relation to the transaction referred to in this Agreement and to complete the transaction referred to in this Agreement.
- 5.2.3 This Agreement is legally and appropriately executed and delivered by Shanghai Xinwan. This Agreement constitutes a legal and binding obligation on Shanghai Xinwan.

- 5.2.4 The Existing Shareholder is the registered legal owners of Option Stock on the date of this Agreement. WFOE and/or its designated entity or individual shall be entitled to the ownership of the Transferred Stock free of any liens, pledge, claims, other security interests and other third-party rights after the Exercise in accordance with this Agreement.
- 5.2.5 On the date of this Agreement, Shanghai Xinwan has all the Certificates necessary for its operation. Shanghai Xinwan has sufficient rights and qualifications to operate business within the territory of China. Shanghai Xinwan has been operating its business lawfully since its foundation and there is no breach or potential breach of the regulations or requirements of Industrial and Commercial Bureau, Tax Bureau, Telecommunication Administration, Administration of Quality Supervision, Inspection and Quarantine, Labor and Social Security Bureau or other government authorities. Shanghai Xinwan is not involved in any breach of contract dispute.

Article 6 Undertakings of the Existing Shareholder

The Existing Shareholder hereby undertakes that he/she will:

- 6.1 Within the term of this Agreement, take all necessary actions to ensure that Shanghai Xinwan obtain all Certificates for its business operation in a timely manner and maintain the continuing effectiveness of the Certificates at all times;
- 6.2 During the term of the Agreement, without prior written consent by WFOE:
- 6.2.1 The Existing Shareholder shall not transfer or dispose of in any other means any Option Stock or create any security interests or third party rights on the Option Stock;
- 6.2.2 The Existing Shareholder shall not increase or decrease Registered Capital of Shanghai Xinwan;
- 6.2.3 The Existing Shareholder shall not dispose of or cause the management of Shanghai Xinwan to dispose of any of the Assets of Shanghai Xinwan (except in the ordinary course of business);
- 6.2.4 The Existing Shareholder shall not terminate or cause the management of Shanghai Xinwan to terminate the Principal Agreements or enter into any contract in conflict with the Principal Agreements;
- 6.2.5 The Existing Shareholder shall not appoint or dismiss any of the directors, supervisors or other management personnel of Shanghai Xinwan that shall

be appointed and dismissed by the Existing Shareholder;

6.2.6 The Existing Shareholder shall not declare or actually pay any distributable profits, interests, or dividends;

6.2.7 The Existing Shareholder shall ensure the continuous existence of Shanghai Xinwan and that Shanghai Xinwan will not be terminated, liquidated or dissolved;

6.2.8 The Existing Shareholder shall not modify the articles of association of Shanghai Xinwan; and

6.2.9 The Existing Shareholder shall ensure that Shanghai Xinwan will not lend or borrow any loan, or provide guarantee or provide securities in other means, or assume any material liabilities for those other than arising from the ordinary business operations;

6.3 During the term of this Agreement, use its best endeavor to promote Shanghai Xinwan's business and to ensure the legal operation of Shanghai Xinwan, without any action or nonfeasance that might damages to the assets of Shanghai Xinwan, its reputation, or the effectiveness of its Certificates.

Article 7 Undertakings of Shanghai Xinwan

7.1 If any consent, permit, waiver or authorization by any third party, or any approval, permit or exemption by any government authority, or any registration or filing formalities (if required by law) with any government authority is required to be obtained or handled with respect to the execution and performance of this Agreement and the grant of the Stock Option under this Agreement, Shanghai Xinwan shall endeavor to assist in satisfying the above conditions.

7.2 Without WFOE's prior written consent, Shanghai Xinwan shall not assist or permit the Existing Shareholder to transfer or otherwise dispose of any Option Stock or create any security interests or other third party rights on any Option Stock.

7.3 Shanghai Xinwan shall not do or permit to be done any behavior or action that may adversely affect the interests of WFOE under this Agreement.

Article 8 Confidentiality

8.1 Regardless of whether this Agreement is terminated or not, the Existing Shareholder shall be under the obligation to keep strictly confidential the following information (collectively the "**Confidential Information**");

- (i) The execution, performance and content of this Agreement;
- (ii) WFOE's business secrets, proprietary information and client information of which the Existing Shareholder may become aware or received in connection with the execution and performance of this Agreement; and
- (iii) Business secrets, proprietary information and client information of Shanghai Xinwan, of which the Existing Shareholder may become aware or received as the shareholder of Shanghai Xinwan.

The Existing Shareholder may use the Confidential Information solely in connection with the performance of its obligations hereunder. Without WFOE's written consent, the Existing Shareholder shall not disclose such Confidential Information to any third party, otherwise, the Existing Shareholder shall be held liable for its breaching this Agreement and shall indemnify WFOE against all losses.

- 8.2 Following the termination of this Agreement, the Existing Shareholder shall return, destroy or dispose of properly with other means all documents, data or software and shall stop using such Confidential Information upon the request of WFOE.
- 8.3 Notwithstanding any other provisions herein, the effect of this Article shall survive the suspension or termination of this Agreement.

Article 9 Term of Agreement

This Agreement shall take effect retroactively as of February 12, 2026, upon its formal execution by the Parties, and shall terminate until all the Option Stock under this Agreement has been transferred to WFOE or its designated entity or individual.

Article 10 Notification

- 10.1 All notices to be made by the Parties in connection with the performance of the rights and obligations under this Agreement shall be in writing and be delivered in person, by registered mail, postage prepaid mail, recognized express mail, or facsimile to the party concerned.
- 10.2 If any of such notices or other correspondences is transmitted by facsimile or telex, it shall be deemed delivered immediately upon transmission; if delivered in person, it shall be deemed delivered at the time of delivery; if sent by post, it shall be deemed delivered five (5) days after dispatch.

Article 11 Breach of Agreement

- 11.1 The Parties agree and acknowledge that, any material breach of any provision of this Agreement, or substantial non-performance of this Agreement by any party (the **"Breaching Party"**) constitutes a breach of the Agreement (the **"Breach"**). Any of the non-breaching parties (the **"Non-breaching Parties"**) shall be entitled to require the Breaching Party to correct or take remedial measures within a reasonable time. Where the Breaching Party does not take any remedy measures in a reasonable time or within 10 days after the written notice from the Non-breaching Parties to request remedial measures, if the breaching party is the Existing Shareholder or Shanghai Xinwan, then the Non-breaching Party, at its discretion, shall have the right to: (1) terminate this Agreement and require full compensation from the Breaching Party; or (2) request for compulsory performance of the obligations of the Breaching Party under this Agreement and request for full compensation from the Breaching Party under this Agreement ; if the Breaching Party is WFOE, then the Non-breaching Parties shall have the right to request for compulsory performance of the obligations of the Breaching Party under this Agreement and request for full compensation from the Breaching Party under this Agreement .
- 11.2 The Parties agree and acknowledge that the Existing Shareholder or Shanghai Xinwan shall under no circumstances prematurely terminate this Agreement for whatever reasons.
- 11.3 The rights and remedies stipulated in this Agreement are accumulative, and do not preclude other rights or remedies as prescribed by laws and regulations.
- 11.4 Notwithstanding any other provisions herein, the effect of this Article shall survive the suspension or termination of this Agreement.

Article 12 Miscellaneous

- 12.1 This Agreement is made in triplicate (3 copies), with each Party holding one (1) copy.
- 12.2 The conclusion, validity, performance, amendment, interpretation and termination of this Agreement shall be governed by the PRC Laws and Regulations.
- 12.3 The Parties shall settle any dispute arising out of or relating to this Agreement through amicable negotiation. If any dispute cannot be resolved through negotiations within thirty (30) days, the dispute shall be referred to Shanghai International Economic and Trade Arbitration Commission for arbitration in accordance with the commission's arbitration rules in Shanghai. The arbitration award shall be final and binding upon the Parties. The Existing Shareholder hereby authorizes the arbitrator the right to deliver remedies for the equity interests of Shanghai Xinwan, issue injunctions, or arbitration award requiring the liquidation of Shanghai Xinwan. After the arbitration award takes effect, any Party shall have the right to submit an application to a court with jurisdiction for

enforcement of the arbitration award. The competent court shall have the right to grant a provisional remedy on request by the disputing party, such as a judgment or an order to seize or freeze the Breaching Party's properties or equity interests.

- 12.4 Any right, power or remedy granted to a Party by any provision of this Agreement does not preclude the Party from any right, power or remedy granted by law or other provisions of this Agreement; any party's exercise of its right, power and remedy by a Party shall not preclude the Party from exercising its other rights, powers and remedies.
- 12.5 No failure or delay by any Party in exercising any right, power or remedy (the "**Said Party's Rights**") provided by law or under this Agreement shall constitute a waiver of the Said Party's Rights and no single or partial waiver of any Said Party's Rights shall preclude the exercise of any Said Party's Rights in other means or the exercise of any other Said Party's Rights.
- 12.6 The headings hereof have been inserted for convenience of reference only, under no circumstances shall such headings be construed to affect the meaning, construction or effect of this Agreement.
- 12.7 The provisions of this Agreement are severable and independent to one another. If at any time one or several articles herein shall be deemed invalid, illegal or unenforceable, the validity, legality or enforceability of other provisions herein shall not be affected thereby.
- 12.8 This Agreement upon execution shall supersede any other legal documents on the same subject matter entered into by the Parties hereto. Any amendment or supplement of this Agreement shall be made in writing and duly executed by all parties herein before taking effect.
- 12.9 The Existing Shareholder shall not assign any rights and/or obligations hereunder to any third party without the prior written consent of WFOE, while WFOE may assign any rights and/or obligations hereunder to its designated third party upon notifying the Existing Shareholder and Shanghai Xinwan.
- 12.10 This Agreement is binding on the lawful successors and assignees of the Parties.

Remainder of this page intentionally left blank

Signature page

In witness whereof, this Exclusive Call Option Agreement is executed by and between the following parties on the date and at the place first above written.

Zhou Hui

Signature: _____

GDS (Shanghai) Investment Co., Ltd.

(Seal)

Signature: _____

Name: Huang Wei

Title: Legal Representative

Shanghai Xinwan Enterprise Management Co., Ltd.

(Seal)

Signature: _____

Name: Zhang Kejing

Title: Legal Representative

Signature page to Exclusive Call Option Agreement

Exhibit 1:

Basic information of Shanghai Xinwan

Company Name: Shanghai Xinwan Enterprise Management Co., Ltd.

Registered Address: Room 04, Basement Floor, Building 12, No. 699 Puxing Highway, Minhang District, Shanghai, China

Registered Capital: RMB 1,000,000

Legal Representative: Zhang Kejing

Share Structure:

Name or Shareholder	Share of Registered Capital	Proportion of Capital Contribution
Li Wenfeng	RMB 200,000	20%
Zhou Hui	RMB 200,000	20%
Liang Yan	RMB 200,000	20%
Zhang Kejing	RMB 200,000	20%
Wang Qi	RMB 200,000	20%

Fiscal Year: January 1 to December 31

Exhibit 2:

Format of Exercise Notice

To:

Whereas, our company has entered into an Exclusive Call Option Agreement ("**Call Option Agreement**") with you and Shanghai Xinwan Enterprise Management Co., Ltd. ("**Shanghai Xinwan**") on Insert the date, 2026, which designated that under circumstances permitted by the PRC Laws and Regulations, you shall transfer your equity interests in Shanghai Xinwan to our company or any third party designated by our company upon our request.

Now, therefore, our company hereby issue the notice as follows:

Our company hereby request to exercise the Stock Option under the Call Option Agreement and requires you to transfer ____% of the equity interests held by you in Shanghai Xinwan (the "**Assigned Equity Interests**") to our company/insert entity or individual's name designated by our company. Please immediately transfer all of the Assigned Equity Interests to our company/insert entity or individual's name pursuant to the Call Option Agreement within insert days days upon receipt of this notice.

Sincerely,

GDS (Shanghai) Investment Co., Ltd.
(Seal)

Legal representative:

Date

Exhibit 2 to Exclusive Call Option Agreement

Exhibit 3:

Format of Power of Attorney

I, _____, hereby irrevocably entrusts _____ ID Card No.: _____, as its entrusted agent, to execute the legal documents among Shanghai Xinwan Enterprise Management Co., Ltd., GDS (Shanghai) Investment Co., Ltd. and me on the transfer of equity interests of Shanghai Xinwan Enterprise Management Co., Ltd.

Signature:

Date

Exhibit 3 to Exclusive Call Option Agreement

Loan Agreement

among

Zhou Hui

Chen Yilin

and

GDS (Shanghai) Investment Co., Ltd.

March 24, 2026

Loan Agreement

This Loan Agreement (the “**Agreement**”) is entered into on March 24, 2026 in Shanghai, China by and among the following parties:

1. **Zhou Hui**, a citizen of the People's Republic of China (ID Card No.: 110108197210173123) (the “**Borrower**”);
2. **GDS (Shanghai) Investment Co., Ltd.**, a wholly foreign owned enterprise duly incorporated under the laws of the People's Republic of China, with legal address at Room 1046A, 55 Xili Road, China (Shanghai) Pilot Free Trade Zone (the “**Lender**”);
3. **Chen Yilin**, a citizen of the People's Republic of China (ID Card No.: 31022219701018002X) (the “**Original Borrower**”).

(In this Agreement, the above parties are referred to individually as a “**Party**” and collectively as the “**Parties**”.)

Whereas:

1. Shanghai Xinwan Enterprise Management Co., Ltd. (“**Shanghai Xinwan**”) is a limited liability company duly incorporated under the PRC laws, with legal address at Room 04, Basement Floor, Building 12, No. 699 Puxing Highway, Minhang District, Shanghai, China, and the registered capital of RMB one million (RMB 1,000,000);
2. For the purpose of developing the business of Shanghai Xinwan, the Original Borrower and the Lender entered into a loan agreement on December 16, 2019 (the “**Original Loan Agreement**”). According to the provisions of the Original Loan Agreement, the Lender shall provide the Original Borrower with a loan of RMB 200,000 (RMB two hundred thousand) (hereinafter referred to as the “**Existing Debt**”);
3. Through the relevant equity transfer transaction, the Original Borrower transferred all the equities of Shanghai Xinwan to the Borrower on February 12, 2026. The Borrower is the existing shareholder of Shanghai Xinwan, and the Parties agree to generally assign to the Borrower all the rights and obligations of the Original Borrower under the Original Loan Agreement, including all the Existing Debt that shall be assumed by the Borrower to the Lender;
4. Now, therefore, the Parties agree as follows in order to clarify the rights and obligations of the Borrower and the Lender under the relevant arrangements for the Borrower to assume all the Existing Debt:

Article 1 Terms and Definitions

- 1.1 Unless otherwise specified in this Agreement or in cases where the context demands a different interpretation, the terms used in this Agreement shall have the following meanings:
- “Loan” refers to the RMB loan provided by the Lender to the Borrower;
- “Debt” refers to the outstanding balance under the Loan;
- “Repayment Notice” has the same meaning as stipulated in Article 4.1 of this Agreement;
- “Repayment Application” has the same meaning as stipulated in Article 4.2 of this Agreement;
- “Effective Date” refers to the date first above written on which the Parties executed this Agreement;
- “PRC”, for the purpose of this Agreement, refers to the People’s Republic of China, excluding Hong Kong, Macau and Taiwan.
- 1.2 The terms referred to herein shall have the following meanings:
- “Article” shall, unless otherwise stipulated in this Agreement, be construed as an article of this Agreement;
- “Taxes and Fees” shall be construed so as to include any tax, fee, tariff or other charges of similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).
- The “Lender” and the “Borrower” shall be construed so as to include the successors and assignees as permitted by the Parties based on their respective interests.
- 1.3 Unless otherwise provided, any reference herein to this Agreement or any other agreements or documents shall be construed as the referral to the amendments, variations, substitutions or supplements as are already made or may be from time to time made to this Agreement or such other agreements or documents, as the case may be.
- 1.4 The headings hereof have been inserted for convenience of reference only.
- 1.5 Unless the context otherwise requires, the words importing the plural shall include the singular and vice versa.

Article 2 Amount and Interest Rate of the Loan

- 2.1 The Parties hereby acknowledge that the Lender shall provide the principal of a loan with the amount of RMB two hundred thousand (RMB 200,000) to the Borrower, which has been advanced to the Original Borrower by the Lender.

The Parties agree that the Existing Debt (RMB two hundred thousand (RMB 200,000)) advanced by the Lender to the Original Borrower shall be transferred to the Borrower, and the Borrower shall assume the Existing Debt to the Lender as a debtor.

- 2.2 The interest rate of the Loan hereunder is nil, i.e., no interest is accrued thereupon.

Article 3 Purpose

The Borrower shall use the loan under this Agreement only for business expansion of Shanghai Xinwan.

Article 4 Repayment

- 4.1 The Lender may, at its own absolute discretion, at any time request that the Debt be discharged, in whole or in part, by the Borrower, upon a 30-day prior repayment notice to the Borrower (the **"Repayment Notice"**). The Lender may request that the Borrower repay the debt in whole or in part in the following methods pursuant to the preceding provision:
- a) to repay the entire debt by having the Lender purchase or designate a third party to purchase the corresponding equity interest held by the Borrower in Shanghai Xinwan at such a price equivalent to the amount of the debt requested to be discharged, provided that the ratio of the equity interest to be so purchased to the equity interest held by the Borrower in Shanghai Xinwan shall be equivalent to the ratio of the debt required to be discharged to the principal amount of the Loan borrowed by the Borrower hereunder; or
 - b) in other ways determined by resolutions passed by the board of directors of the Lender in accordance with its articles of association and the stipulations of applicable laws and regulations.
- 4.2 The Borrower may at any time request to repay the debt, in whole or in part, by servicing a 30-day prior Repayment Application (the **"Repayment Application"**) to the Lender. In such case, the Borrower may discharge its debt by transferring to the Lender the equity interest in Shanghai Xinwan in the amount equal to the debt amount to be discharged by the Borrower, or by the methods recognized by the Lender pursuant to the aforesaid Article 4.1, in whole or in part. In the former situation, the Lender shall have the right to purchase or to designate a third party to purchase part of the equity interest held by the Borrower in Shanghai Xinwan at such a price equivalent to the amount of the debt to be discharged by the Borrower, provided that

the ratio of the equity interest to be so purchased to the equity interest held by the Borrower in Shanghai Xinwan shall be equivalent to that of the debt required to be discharged to the principal amount of the Loan borrowed by the Borrower hereunder.

- 4.3 Upon the expiration of the 30-day period set forth in the Repayment Notice or the Repayment Application, as the case may be, the Borrower being requested or applied to repay the debt shall discharge the debt in accordance with the repayment method specified in the Repayment Notice, or by any other methods determined by a resolution passed by the board of directors of the Lender in accordance with its articles of association and the stipulations of applicable laws and regulations, or by any other methods stipulated in this Agreement.
- 4.4 When the Borrower discharges the debt pursuant to the above provisions of this Article 4, the Borrower and the Lender shall execute the relevant written documents to acknowledge that the debt has been absolutely discharged in accordance with the methods agreed upon in this Agreement.

Article 5 Taxes and Fees

All taxes and fees in connection with the Loan shall be borne by the Lender.

Article 6 Confidentiality

- 6.1 Regardless of the termination of this Agreement, the Borrower shall keep in confidential (i) the execution, performance and content of this Agreement, and (ii) Lender's business secrets, proprietary information and client information (the "**Confidential Information**") learnt or received by the Borrower in connection with the execution and performance of this Agreement. The Borrower may use the Confidential Information solely for the performance of its obligations hereunder. Without the Lender's written consent, the Borrower shall not disclose such Confidential Information to any third party, otherwise, such Borrower shall be held liable for the breaching of this Agreement and shall indemnify the Lender against all losses.
- 6.2 Notwithstanding any other provisions herein, the effectiveness of this Article 6 shall survive the suspension or termination of this Agreement.

Article 7 Notification

- 7.1 Any communications made as required by or pursuant to this Agreement including notices, demands, requests and other correspondences shall be delivered to the recipient in writing.
- 7.2 If any of such notices or other correspondences is transmitted by facsimile or telex, it shall be deemed delivered immediately upon transmission; if delivered in person, it shall be deemed delivered at the time of delivery; if sent by post, it shall be deemed

delivered five (5) workdays after dispatch.

Article 8 Breach of Agreement

- 8.1 The Borrower hereby undertakes that it will indemnify and hold harmless the Lender against any action, charge, claim, cost, harm, demand, fee, liability, loss and procedure suffered or incurred to Lender from the breach by the Borrower of any of its obligations hereunder.
- 8.2 Notwithstanding any other provisions herein, the effectiveness of this Article shall survive the suspension or termination of this Agreement.

Article 9 Miscellaneous

- 9.1 The Parties hereby acknowledge that this Agreement shall take effect retroactively as of February 12, 2026 (the "Effective Date"). From the Effective Date, the Original Borrower will no longer assume the Existing Debt from the Lender, and the Original Loan Agreement shall be terminated at the same time. Neither the Original Borrower nor the Lender shall assume any responsibility or obligation in connection with the Original Loan Agreement.
- 9.2 This Agreement is made in triplicate (3 copies), with each Party holding one (1) copy.
- 9.3 The conclusion, validity, performance, amendment, interpretation and termination of this Agreement shall be governed by the PRC laws.
- 9.4 The Parties shall settle any dispute arising out of or relating to this Agreement through amicable negotiation. If any dispute cannot be resolved through negotiations within thirty (30) days, the dispute shall be referred to Shanghai International Economic and Trade Arbitration Commission for arbitration in accordance with the commission's arbitration rules in Shanghai. The arbitration award shall be final and binding upon the Parties. After arbitration award takes effect, any party shall have the right to apply for the enforcement of the arbitration award to a court with jurisdiction. The competent court shall have right to grant a provisional remedy on request by the disputing party, such as a judgment or an order to seize or freeze the breaching party's properties or equity interests.
- 9.5 Any right, power or remedy granted to a Party by any provision of this Agreement shall not exclude the Party from any right, power or remedy granted by other provisions of this Agreement; and any exercise of any right, power or remedy by a Party shall not preclude the Party from exercising other rights, powers or remedies.
- 9.6 No failure or delay by any Party in exercising any right, power or remedy ("**Such Rights**") provided by law or under this Agreement shall constitute a waiver of Such

Rights and no single or partial waiver of any Such Rights shall preclude the exercise of any Such Rights in other means or the exercise of any other Such Rights.

- 9.7 The headings hereof have been inserted for convenience of reference only, under no circumstances shall such headings be construed to affect the meaning, construction or effectiveness of this Agreement.
- 9.8 The provisions of this Agreement are severable and independent to one another. If at any time one or several articles herein shall be deemed invalid, illegal or unenforceable, the validity, legality or enforceability of other provisions herein shall not be affected thereby.
- 9.9 Any amendment and supplement of this Agreement shall be made in writing and duly executed by the Parties herein before taking effect.
- 9.10 The Borrower shall not assign its rights and/or obligations hereunder to any third party without the prior written consent of the Lender, while the Lender shall have the rights to assign its rights and/or obligations hereunder to its designated third party upon notifying the other Parties.
- 9.11 This Agreement is binding on the lawful successors and assignees of the Parties.

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In witness whereof, this Loan Agreement is executed by and between the following parties on the date and at the place first above written.

Borrower

Zhou Hui

Signature: _____

Lender

GDS (Shanghai) Investment Co., Ltd.
(Seal)

Signature: _____

Name: Huang Wei
Title: Legal Representative

Original Borrower

Chen Yilin

Signature: _____

Signature Page to Loan Agreement

List of Subsidiaries of the Registrant (as of December 31, 2025)

Wholly owned subsidiaries and joint ventures	Jurisdiction of Incorporation
EDC Holding Limited	Cayman Islands
Further Success Limited	British Virgin Islands
EDC China Holdings Limited	Hong Kong
EDE I (HK) Limited	Hong Kong
EDE II (HK) Limited	Hong Kong
EDE III (HK) Limited	Hong Kong
EDB (HK) Limited	Hong Kong
EDB II (HK) Limited	Hong Kong
FEP (HK) Limited	Hong Kong
EDCQ (HK) Limited	Hong Kong
EDH (HK) Limited	Hong Kong
EDS (HK) Limited	Hong Kong
Megaport International Limited	British Virgin Islands
GDS (Hong Kong) Limited	Hong Kong
EDCD (HK) Limited	Hong Kong
EDKS (HK) Limited	Hong Kong
EDSUZ (HK) Limited	Hong Kong
GDS Data Services Company Ltd.	Macau
GDS Services Limited	Cayman Islands
GDS Services (Hong Kong) Limited	Hong Kong
RDTJ Limited	Hong Kong
EBSD (HK) Limited	Hong Kong
EDF (HK) Limited	Hong Kong
EDF I (HK) Limited	Hong Kong
EDF II (HK) Limited	Hong Kong
EDF III (HK) Limited	Hong Kong
EDSN (HK) Limited	Hong Kong
RAOJIN Limited	Hong Kong
EDP (HK) Limited	Hong Kong
EDP II (HK) Limited	Hong Kong
FEH (HK) Limited	Hong Kong
EDKH (HK) Limited	Hong Kong
RDKH (HK) Limited	Hong Kong
Guojin (HK) Limited	Hong Kong
LKH (HK) Limited	Hong Kong
EDQ (HK) Limited	Hong Kong
IECQ (HK) Limited	Hong Kong

Wholly owned subsidiaries and joint ventures	Jurisdiction of Incorporation
EDQ I (HK) Limited	Hong Kong
EDQ II (HK) Limited	Hong Kong
EDQ III (HK) Limited	Hong Kong
EDJ I (HK) Limited	Hong Kong
EDJ III (HK) Limited	Hong Kong
DNK (HK) Limited	Hong Kong
PSDC Limited	Hong Kong
EBG (HK) Limited	Hong Kong
EDL I (HK) Limited	Hong Kong
EDL II (HK) Limited	Hong Kong
EDL III (HK) Limited	Hong Kong
EDL IV (HK) Limited	Hong Kong
EDL V (HK) Limited	Hong Kong
MapletreeLog Integrated (Shanghai) (HKSAR) Limited	Hong Kong
LINKDC Pte. Ltd.	Singapore
EDS I (HK) Limited	Hong Kong
EDS II (HK) Limited	Hong Kong
EDS III (HK) Limited	Hong Kong
EDS IV (HK) Limited	Hong Kong
EKT II (HK) Limited	Hong Kong
EKT IV (HK) Limited	Hong Kong
EKT V (HK) Limited	Hong Kong
EUL I (HK) Limited	Hong Kong
ENT I (HK) Limited	Hong Kong
ENT II (HK) Limited	Hong Kong
EHY I (HK) Limited	Hong Kong
EHY II (HK) Limited	Hong Kong
EHY III (HK) Limited	Hong Kong
EXG I (HK) Limited	Hong Kong
EXG III (HK) Limited	Hong Kong
GDS Macao IDC (HK) Holding Company Limited	Hong Kong
CGNet Pte. Ltd.	Singapore
HONCLOUD HOLDING PTE. LTD.	Singapore
DigitalLand Innovation and Technology Pte. Ltd.	Singapore
Data Center Fund I (China) Company I Pte. Ltd.	Singapore
GDS Data Center Fund Management Pte. Ltd.	Singapore
GDS Data Center Fund Company Holding Pte. Ltd.	Singapore
GDS DATA TECHNOLOGY (MACAO) COMPANY LIMITED	Macau
GDS DATA INFORMATION DEVELOPMENT (MACAO) COMPANY LIMITED	Macau
GDS Investment Limited	Cayman Islands
GDS Data Center Management Limited	Cayman Islands
GDS Capital Limited	Cayman Islands

Wholly owned subsidiaries and joint ventures	Jurisdiction of Incorporation
China Data Center Fund I Limited Partnership	Cayman Islands
China Data Center Fund I Holding Limited	Cayman Islands
China Data Center Fund I (Cayman) Company I Limited	Cayman Islands
China Data Center Fund I (Cayman) Company II Limited	Cayman Islands
EDL V Holding (Cayman) Limited	Cayman Islands
EDC (Chengdu) Industry Co., Ltd.* 万国数据(成都)实业有限公司	PRC
EDC Technology (Kunshan) Co., Ltd.* 万国数据科技发展(昆山)有限公司	PRC
Shanghai Yungang EDC Technology Co., Ltd.* 上海云港万国数据科技发展有限公司	PRC
Shenzhen Yungang EDC Technology Co., Ltd.* 深圳云港万国数据科技发展有限公司	PRC
Beijing Hengpu'an Data Technology Development Co., Ltd.* 北京恒普安数码科技发展有限公司	PRC
Beijing Wanguo Shu'an Science & Technology Development Co., Ltd.* 北京万国曙安科技发展有限公司	PRC
GDS (Shanghai) Investment Co., Ltd.* 万数(上海)投资有限公司 (formerly known as Shanghai Free Trade Zone GDS Management Co., Ltd.* 上海自贸区万国数据管理有限公司)	PRC
Shenzhen Pingshan New Area Global Data Science & Technology Development Co., Ltd.* 深圳市坪山新区万国数据科技发展有限公司	PRC
Shanghai Shuchang Data Science & Technology Co., Ltd.* 上海曙长数据科技有限公司	PRC
Shanghai Wanshu Data Technology Co., Ltd.* 上海万曙数据科技有限公司	PRC
Huizhou Shi Wan Guo Yun Lan Data Technology Co., Ltd.* 惠州市万国云蓝数据科技有限公司 (formerly known as Guangzhou Shi Wan Guo Yun Lan Data Technology Co., Ltd.* 广州市万国云蓝数据科技有限公司)	PRC
Guangzhou Wanxu Technology Services Co., Ltd.* 广州万旭科技服务有限公司	PRC
Shanghai Puchang Data Science & Technology Co., Ltd.* 上海普长数据科技有限公司	PRC
Shanghai Shuyao Digital Technology Development Co., Ltd.* 上海曙耀数码科技发展有限公司	PRC
Shanghai Lingying Data Technology Co., Ltd.* 上海伶英数码科技发展有限公司	PRC
Beijing Hengchang Data Science & Technology Development Co., Ltd.* 北京恒长数码科技有限公司	PRC
Shanghai Shuge Data Technology Co., Ltd.* 上海曙格数据科技有限公司	PRC
Shanghai Shulan Data Science and Technology Ltd.* 上海曙岚数据科技有限公司	PRC
Shanghai Fengtu Data Science & Technology Co., Ltd.* 上海丰徒数据科技有限公司	PRC
Shanghai Jingyao Network Technology Co., Ltd.* 上海璟耀网络技术有限公司	PRC
Shou Xin Yun (Beijing) Science & Technology Co., Ltd.* 首信云(北京)科技有限公司	PRC

Wholly owned subsidiaries and joint ventures	Jurisdiction of Incorporation
Beijing Wan Qing Teng Science & Technology Co., Ltd.* 北京万青腾科技有限公司	PRC
Beijing Wan Teng Yun Science & Technology Co., Ltd.* 北京万腾云科技有限公司	PRC
Beijing Hua Wei Yun Science & Technology Co., Ltd.* 北京华威云科技有限公司	PRC
Shou Rong Yun (Beijing) Science & Technology Co., Ltd.* 首融云(北京)科技有限公司	PRC
Jiangsu Wan Guo Xing Tu Data Services Co., Ltd.* 江苏万国星图数据服务有限公司	PRC
Shenzhen Qian Hai Wan Chang Technology Services Co., Ltd.* 深圳前海万长技术服务有限公司	PRC
Heyuan Teng Wei Yun Science & Technology Co., Ltd.* 河源腾威云科技有限公司	PRC
Wulanchabu Wanguo Yuntu Data Services Co., Ltd.* 乌兰察布万国云图数据服务有限公司	PRC
Zhangjiakou Yunhong Data & Technology Co., Ltd.* 张家口云宏数据科技有限公司	PRC
Guangzhou Wanzhuo Data & Technology Co., Ltd.* 广州万卓数据科技有限公司	PRC
Shenzhen Miao Chuang Yun Science & Technology Co., Ltd.* 深圳市妙创云科技有限公司	PRC
Shenzhen Zhanfeng Shiye Development Co., Ltd.* 深圳展丰实业发展有限公司	PRC
Langfang Wanguo Yunxin Data Science & Technology Co., Ltd.* 廊坊万国云鑫数据科技有限公司	PRC
Langfang Yunchen Data Science & Technology Co., Ltd.* 廊坊云琛数据科技有限公司	PRC
Langfang Shucheng Data Science & Technology Co., Ltd.* 廊坊曙成数据科技有限公司	PRC
Changshu Wanguo Yunfeng Data Science & Technology Co., Ltd.* 常熟万国云丰数据科技有限公司	PRC
Shufeng (Shanghai) Data Science & Technology Co., Ltd.* 曙丰（上海）数据科技有限公司	PRC
Chongqing Wanguo Hongtong Data Science & Technology Co., Ltd.* 重庆万国宏通数据科技有限公司	PRC
Langfang Yunhan Data Science & Technology Co., Ltd.* 廊坊云瀚数据科技有限公司	PRC
Nantong Wanguo Yunjin Data Science & Technology Co., Ltd.* 南通万国云锦数据科技有限公司	PRC
Nantong Wanguo Yunqi Data Science & Technology Co., Ltd.* 南通万国云琦数据科技有限公司	PRC
Wulanchabu Wanguo Lantu Data Science & Technology Co., Ltd.* 乌兰察布万国岚图数据科技有限公司	PRC

Wholly owned subsidiaries and joint ventures	Jurisdiction of Incorporation
Beijing Hanlin Energy Science & Technology Co., Ltd.* 北京瀚琳能源科技有限公司	PRC
Beijing Xingyu Data Science & Technology Co., Ltd.* 北京星隅数据科技有限公司	PRC
Shanghai Fengqing Data Science & Technology Co., Ltd.* 上海丰晴数据科技有限公司	PRC
Shanghai Ruiqing Data Science & Technology Co., Ltd.* 上海瑞晴数据科技有限公司	PRC
Heyuan Wanguo Haitong Data Science & Technology Co., Ltd.* 河源万国海通数据科技有限公司	PRC
Wulanchabu Wanguo Haocheng Data Science & Technology Co., Ltd.* 乌兰察布万国浩诚数据科技有限公司	PRC
Wulanchabu Wanguo Hanjin Data Science & Technology Co., Ltd.* 乌兰察布万国瀚锦数据科技有限公司	PRC
Guangzhou Yinwu Data Science & Technology Co., Ltd.* 广州寅午数据科技有限公司	PRC
Huizhou Jiacheng Information, Communications & Technology Co., Ltd.* 惠州嘉承信通科技有限公司	PRC
Langfang Anyu Data Science & Technology Co., Ltd.* 廊坊安宇数据科技有限公司	PRC
Langfang Tianhong Data Science & Technology Co., Ltd.* 廊坊天宏数据科技有限公司	PRC
Langfang Yingshan Data Science & Technology Co., Ltd.* 廊坊瀛杉数据科技有限公司	PRC
Chengdu Wanguo Yuntian Data Science & Technology Co., Ltd.* 成都万国云天数据科技有限公司	PRC
Kunshan Shuming Data Science & Technology Co., Ltd.* 昆山曙明数据科技有限公司	PRC
Kunshan Bangchen Data Science & Technology Co., Ltd.* 昆山邦晨数据科技有限公司	PRC
Beijing Yize Data Science & Technology Co., Ltd.* 北京贻泽数据科技有限公司	PRC
Beijing Linze Data Science & Technology Co., Ltd.* 北京霖泽数据科技有限公司	PRC
Shanghai Jingshuo Data Science & Technology Co., Ltd.* 上海憬烁数据科技有限公司	PRC
Fenghe Warehouse (Shanghai) Co., Ltd.* 丰合仓储（上海）有限公司	PRC
Langfang Tiansheng Data Science & Technology Co., Ltd.* 廊坊天晟数据科技有限公司	PRC
Nantong Wanguo Haihong Data Science & Technology Co., Ltd.* 南通万国海宏数据科技有限公司	PRC
Shanghai Qingming Data Science & Technology Co., Ltd.* 上海青鸣数据科技有限公司	PRC

Wholly owned subsidiaries and joint ventures	Jurisdiction of Incorporation
Wulanchabu Sihong Data Science & Technology Co., Ltd.* 乌兰察布思宏数据科技有限公司	PRC
Heyuan Hengtai Data Science & Technology Co., Ltd.* 河源衡泰数据科技有限公司	PRC
Nantong Yunyao Data Science & Technology Co., Ltd.* 南通云瑶数据科技有限公司	PRC
Nantong Yunxi Data Science & Technology Co., Ltd.* 南通云熙数据科技有限公司	PRC
Wulanchabu Hongding Data Science & Technology Co., Ltd.* 乌兰察布宏鼎数据科技有限公司	PRC
Shenzhen Heming Data Science & Technology Co., Ltd.* 深圳赫名数据科技有限公司	PRC
Lanting (Beijing) Information Science and Technology Co., Ltd.* 蓝厅（北京）信息科技有限公司	PRC
Lanting Xuntong (Beijing) Science and Technology Co., Ltd.* 蓝厅讯通（北京）科技有限公司	PRC
Langfang Cloud Base Science & Technology Co., Ltd.* 廊坊云基地科技有限公司	PRC
Huailai Yutang Data Science & Technology Co., Ltd.* 怀来县雨棠数据科技有限公司	PRC
Langfang Senhong Data Science & Technology Co., Ltd.* 廊坊森弘数据科技有限公司	PRC
Shanghai Qini Data Science & Technology Co., Ltd.* 上海奇旎数据科技有限公司	PRC
Tenglong IoT (Beijing) Data Science and Technology Co., Ltd.* 腾龙物联（北京）数据科技有限公司	PRC
Beijing Yeke Nano Science and Technology Co., Ltd.* 北京冶科纳米科技有限公司	PRC
Shenzhen Qidian Chuanyue Data Science & Technology Co., Ltd.* 深圳奇点穿越数据科技有限公司	PRC
Beijing Langyuan Data Science and Technology Co., Ltd.* 北京琅沅数据科技有限公司	PRC
Langfang Zhouyu Electronic & Technology Co., Ltd.* 廊坊市舟宇电子科技有限公司	PRC
Langfang Senkai Data Science & Technology Co., Ltd.* 廊坊森锴数据科技有限公司	PRC
Huizhou Jiaheng Data Science & Technology Co., Ltd.* 惠州嘉亨数据科技有限公司	PRC
Shanghai Xinxin Information & Technology Co., Ltd.* 上海歆馨信息技术有限公司	PRC
Beijing Xingshu Data Science & Technology Co., Ltd.* 北京星曙数据科技有限公司	PRC

Wholly owned subsidiaries and joint ventures	Jurisdiction of Incorporation
Langfang Zhejun Data Science & Technology Co., Ltd.* 廊坊哲峻数据科技有限公司	PRC
Langfang Yuxi Data Science & Technology Co., Ltd.* 廊坊禹熙数据科技有限公司	PRC
Beijing Ruiwei Cloud Computing Science & Technology Co., Ltd.* 北京睿为云计算科技有限公司	PRC
Quzhou Sanwei Data Science & Technology Partnership (L.P.)* 衢州三维数据科技合伙企业 (有限合伙)	PRC
Shanghai Guoke Data Science & Technology Co., Ltd.* 上海国克数据科技有限公司	PRC
Tianjin Huikun Data Technology Co., Ltd.* 天津辉坤数据科技有限公司	PRC
Zhongyunxin Science & Technology Co., Ltd.* 中云信科技有限公司	PRC
Beijing Zhongyunxin Shunyi Data Science & Technology Co., Ltd.* 北京中云信舜义数据科技有限公司	PRC
Tianjin Zhongyunxin Data Co., Ltd.* 天津中云信数据有限公司	PRC
Shenzhen Runxun Cloud Computing Co., Ltd.* 深圳润迅云计算有限公司	PRC
Beijing Yeke Nano Materials Co., Ltd.* 北京冶科纳米材料有限公司	PRC
Nengtong Science & Technology Co., Ltd.* 能通科技股份有限公司	PRC
Zhangjiakou Yunqi Data Science & Technology Co., Ltd.* 张家口云起数据科技有限公司	PRC
Shenzhen Zhaohuayun Data Technology Co., Ltd.* 深圳兆华云数据科技有限公司	PRC
Shenzhen Pengyu Data Technology Co., Ltd.* 深圳鹏裕数据科技有限公司	PRC
Shenzhen Jinghan Data Technology Co., Ltd.* 深圳景瀚数据科技有限公司	PRC
Shanghai Wanchengyun Data Technology Co., Ltd.* 上海万诚云数据科技有限公司	PRC
Zhuhai Dingwan Data Technology Co., Ltd.* 珠海鼎万数据科技有限公司(formerly known as Zhuhai Wanding Private Equity Fund Management Co., Ltd.* 珠海万鼎私募基金管理有限公司)	PRC
Shenzhen Zhanhui Industrial Development Co., Ltd.* 深圳展辉实业发展有限公司	PRC
Yiyun (Taicang) Big Data Science & Technology Co., Ltd.* 易云 (太仓) 大数据科技有限公司	PRC
Hefeng Data & Technology (Huizhou) Co., Ltd.* 和丰数据科技 (惠州) 有限公司	PRC
Zhuhai Shouxin Yunlian Investment Partnership (Limited Partnership)* 珠海市首信云联投资合伙企业 (有限合伙)	PRC
Xianghe Jingxu Trading Co., Ltd.* 香河京旭商贸有限公司	PRC
Wuhan Chaoyunsuan Data Technology Co., Ltd.* 武汉超云算数据科技有限公司	PRC
Wuhan Yingyun Data Technology Co., Ltd.* 武汉英云数据科技有限公司	PRC
Taicang Songmao Real Estate Co., Ltd.* 太仓松茂置业有限公司	PRC
Xianghe Huahai Yungu Technology Co., Ltd.* 香河华海云谷科技有限公司	PRC
Shaoguan Lixunyun Data Technology Co., Ltd.* 韶关市粒讯云数据科技有限公司	PRC

Wholly owned subsidiaries and joint ventures	Jurisdiction of Incorporation
Shenzhen Zituoyunqi Technology Co., Ltd. * 深圳市资拓云启科技有限公司	PRC
Shaoguan Wanguo Yun Yao Data Technology Co., Ltd. * 韶关市万国云耀数据科技有限公司	PRC
Zhonghanyun Science & Technology Co., Ltd. * 中瀚云科技股份有限公司	PRC
Zhongyun Data Technology (Huizhou) Co., Ltd. * 中云数据科技（惠州）有限公司	PRC
Kunshan Guoping Data Technology Co., Ltd.* 昆山国平数据科技有限公司	PRC
Shanghai Qikai New Material Development Co., Ltd. * 上海旗开新材料发展有限公司	PRC
Langfang Yangshi Data Technology Co., Ltd. * 廊坊扬识数据科技有限公司	PRC
Changshu Yunxun Intelligent Storage Data Technology Co., Ltd. * 常熟云迅智储数据科技有限公司	PRC

Consolidated Variable Interest Entities	Jurisdiction of Incorporation
Beijing Wanguo Chang'an Science & Technology Co., Ltd.* 北京万国长安科技有限公司	PRC
Shanghai Shu'an Data Services Co., Ltd.* 上海曙安数据服务有限公司	PRC
Guangzhou Weiteng Data Services Co., Ltd.* 广州市维腾数据服务有限公司(formerly known as Guangzhou Weiteng Construction Co., Ltd.* 广州市维腾建设有限公司)	PRC
Global Data Solutions Co., Ltd.* 万国数据服务有限公司	PRC
Kunshan Wanyu Data Service Co., Ltd.* 昆山万宇数据服务有限公司	PRC
Shanghai Waigaoqiao EDC Technology Co., Ltd.* 上海外高桥万国数据科技发展有限公司	PRC
Zhangbei Yuntong Data Technology Co., Ltd.* 张北云通数据网络科技有限公司	PRC
Shenzhen Yaode Data Services Co., Ltd.* 深圳耀德数据服务有限公司	PRC
Shenzhen Jinyao Science & Technology Co., Ltd.* 深圳市晋耀科技有限公司	PRC
Guangzhou Weiteng Network Technology Co., Ltd.* 广州市维腾网络科技有限公司	PRC
Jiangsu Yunyuhao Construction Engineering Co., Ltd.* 江苏云裕豪建设工程有限公司	PRC
Cai Tuo Cloud Computing (Shanghai) Co., Ltd.* 财拓云计算(上海)有限公司	PRC
Beijing Wan Chang Yun Science & Technology Co., Ltd.* 北京万长云科技有限公司	PRC
Guangzhou Weiteng Data Science & Technology Co., Ltd.* 广州市维腾数据科技有限公司	PRC
Beijing Xingpeng Data Science & Technology Co., Ltd.* 北京星瓦数据科技有限公司	PRC
Shanghai Xinwan Enterprise Management Co., Ltd.* 上海信万企业管理有限公司	PRC
Shanghai Jingyi Data Science & Technology Co., Ltd.* 上海璟熠数据科技有限公司	PRC
Wulanchabu Saile Data Science & Technology Co., Ltd.* 乌兰察布塞勒数据科技有限公司	PRC
Shanghai Xingchang Enterprise Management Co., Ltd.* 上海星长企业管理有限公司	PRC
Beijing Xuanyu Data Science and Technology Co., Ltd.* 北京煊毓数据科技有限公司	PRC
Langfang Yundi Data Science & Technology Co., Ltd.* 廊坊云隼数据科技有限公司	PRC
Langfang Sencheng Data Science & Technology Co., Ltd.* 廊坊森丞数据科技有限公司	PRC
Shanghai Xinxing Data Science & Technology Co., Ltd.* 上海歆兴数据科技有限公司	PRC
Nantong Wanguo Yunzhen Data Science & Technology Co., Ltd.* 南通万国云臻数据科技有限公司	PRC
Heyuan Wanguo Chaotu Data Science & Technology Co., Ltd.* 河源万国朝图数据科技有限公司	PRC
Shanghai Guangxun Information Science & Technology Development Co., Ltd.* 上海广巽信息科技发展有限公司	PRC

Consolidated Variable Interest Entities	Jurisdiction of Incorporation
Langfang Yukun Data Science & Technology Co., Ltd.* 廊坊禹琨数据科技有限公司	PRC
Langfang Qihan Data Science & Technology Co., Ltd.* 廊坊启瀚数据科技有限公司	PRC
Langfang Jiaxun Data Science & Technology Co., Ltd.* 廊坊珈勋数据科技有限公司	PRC
Tianjin Zhongyunxin Science & Technology Co., Ltd.* 天津中云信科技有限公司	PRC
Shanghai Churuitong Data Science & Technology Co., Ltd.* 上海储睿通数据科技有限公司	PRC
Zhangjiakou Wanguo Yunkuo Data Technology Co., Ltd.* 张家口万国云阔数据科技有限公司	PRC
Kunshan Guocheng Data Technology Co., Ltd.* 昆山国诚数据科技有限公司	PRC
Langfang Shengman Technology Co., Ltd.* 廊坊胜满科技有限公司	PRC
Changshu Yuntu Huichuang Data Technology Co., Ltd.* 常熟云图汇创数据科技有限公司	PRC
Langfang Wanguo Yize Data Technology Co., Ltd.* 廊坊万国翊泽数据科技有限公司	PRC
Langfang Senli Data Technology Co., Ltd.* 廊坊森利数据科技有限公司	PRC
Beijing Yanwen Technology Co., Ltd.* 北京延闻科技有限公司	PRC
Beijing Yanjun Technology Co., Ltd.* 北京彦珺科技有限公司	PRC

*The English name of this subsidiary or consolidated Variable Interest Entity, as applicable, has been translated from its Chinese name.

**Certification by the Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, William Wei Huang, certify that:

1. I have reviewed this annual report on Form 20-F of GDS Holdings Limited (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 29, 2026

By: /s/ William Wei Huang

Name: William Wei Huang

Title: Chief Executive Officer

Certification by the Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Daniel Newman, certify that:

1. I have reviewed this annual report on Form 20-F of GDS Holdings Limited (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 29, 2026

By: /s/ Daniel Newman

Name: Daniel Newman

Title: Chief Financial Officer

**Certification by the Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of GDS Holdings Limited (the “Company”) on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, William Wei Huang, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 29, 2026

By: /s/ William Wei Huang

Name: William Wei Huang

Title: Chief Executive Officer

Certification by the Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the annual report of GDS Holdings Limited (the “Company”) on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Daniel Newman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 29, 2026

By: /s/ Daniel Newman

Name: Daniel Newman

Title: Chief Financial Officer

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (No. 333-214800, No. 333-244736, No. 333-262615 and No. 333-277164) on Form S-8 and the registration statement (No. 333-287594) on Form F-3 of our report dated April 29, 2026, with respect to the consolidated financial statements of GDS Holdings Limited and the effectiveness of internal control over financial reporting.

/s/ KPMG Huazhen LLP

Shanghai, China

April 29, 2026

April 29, 2026

To: **GDS Holdings Limited**
F4/F5, Building C, Sunland International,
No. 999 Zhouhai Road,
Pudong, Shanghai 200137
People's Republic of China

Re: **Annual Report on Form 20-F of GDS Holdings Limited**

Dear Sirs,

We are qualified lawyers of the People's Republic of China (the "PRC", for the purpose of this consent, excluding the Hong Kong Special Administrative Region, Macao Special Administrative Region and the region of Taiwan) and as such are qualified to advise on PRC laws, regulations or rules effective on the date hereof.

We are acting as the PRC counsel to GDS Holdings Limited (the "Company"), a company incorporated under the laws of the Cayman Islands, in connection with the Company's Annual Report on Form 20-F for the year ended December 31, 2025 (the "2025 Annual Report").

We consent to the reference to our firm under the headings "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in the People's Republic of China", "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure" and "Item 4. Information on the Company—C. Organizational Structure" in the Company's 2025 Annual Report, which will be filed with the Securities and Exchange Commission (the "SEC"). We also consent to the filing with the SEC of this consent letter as an exhibit to the 2025 Annual Report.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully,

/s/ King & Wood

King & Wood

金杜网络

北京 | 上海 | 上海临港 | 杭州 | 南京 | 苏州 | 无锡 | 广州 | 深圳 | 香港特别行政区 | 横琴(澳门联营) | 海口 | 三亚 | 成都 | 重庆 | 青岛 | 济南 | 长春 | 东京 | 纽约 | 硅谷 | 洛杉矶 | 温哥华

King & Wood Network

Beijing | Shanghai | Shanghai Lin-gang | Hangzhou | Nanjing | Suzhou | Wuxi | Guangzhou | Shenzhen | Hong Kong SAR | Hengqin (Macao SAR Associated Office) | Haikou | Sanya
Chengdu | Chongqing | Qingdao | Jinan | Changchun | Tokyo | New York | Silicon Valley | Los Angeles | Vancouver

全球合作网络

亚太 | 欧洲 | 中东 | 美洲 | 非洲

Global Cooperation Network

Asia Pacific | Europe | Middle East | America | Africa