



GDS Announces Private Placement of US\$620 Million 0.25% Convertible Senior Notes Due 2029 and Strategic Cooperation Agreement with Sequoia China

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SHANGHAI, China, Feb. 21, 2022 (GLOBE NEWSWIRE) -- GDS Holdings Limited ("GDS Holdings," "GDS" or the "Company") (NASDAQ :GDS; HKEX: 9698), a leading developer and operator of high-performance data centers in China, today announced that it has entered into agreements to sell US\$620 million in aggregate principal amount of 0.25% convertible senior notes due 2029 (the "Notes") to Sequoia China Infrastructure Fund I ("SCIF"), ST Telemedia Global Data Centres ("STT GDC"), and an Asian sovereign wealth fund which has a strategic relationship with GDS (collectively, the "Investors").

In conjunction with SCIF's investment in the Notes, GDS and Sequoia Capital China (together with its affiliates, "Sequoia China") have entered into a Strategic Cooperation Agreement pursuant to which GDS and Sequoia China will identify and pursue collaborative opportunities for business synergies between GDS and Sequoia China; the development and implementation of GDS's regionalization strategy; and strategic acquisitions and investments in the internet data center business in China and overseas.

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

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

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

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

"I am very pleased to secure this capital to support our business growth," said Mr. William Huang, Chairman and Chief Executive Officer of GDS. "Furthermore, I am very pleased to have done it in a way which adds value to GDS and strengthens our investor base. We welcome Sequoia China, a renowned name in the investment community, as our new investor and look forward to working with them to seek further business opportunities and synergies. We also very much appreciate the on-going support from our longstanding strategic shareholder and partner, STT GDC."

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

The Notes, the ADSs deliverable upon conversion of the Notes and the Class A ordinary shares represented thereby have not been registered under the Securities Act of 1933 or any state securities laws. They may not be offered or sold within the United States or to U.S. persons absent registration or an applicable exemption from registration. This press release shall not constitute an offer to sell or a solicitation of an offer to purchase any of these securities, nor shall there be a sale of the securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful.

J.P. Morgan acted as sole placement agent to GDS in connection with the private placement.

About GDS Holdings Limited

GDS Holdings Limited (NASDAQ: GDS; HKEX: 9698) is a leading developer and operator of high-performance data centers in China. The Company's facilities are strategically located in China's primary economic hubs where demand for high-performance data center services is concentrated. The Company also builds, operates and transfers data centers at other locations selected by its customers in order to fulfill their broader requirements. The Company's data centers have large net floor area, high power capacity, density and efficiency, and multiple redundancies across all critical systems. GDS is carrier and cloud-neutral, which enables its customers to access all the major PRC telecommunications networks, as well as the largest PRC and global public clouds which are hosted in many of its facilities. The Company offers co-location and managed services, including direct private

connection to leading public clouds, an innovative service platform for managing hybrid clouds and, where required, the resale of public cloud services. The Company has a 21-year track record of service delivery, successfully fulfilling the requirements of some of the largest and most demanding customers for outsourced data center services in China. The Company's customer base consists predominantly of hyperscale cloud service providers, large internet companies, financial institutions, telecommunications carriers, IT service providers, and large domestic private sector and multinational corporations.

About Sequoia China

The Sequoia team helps daring founders build legendary companies. In partnering with Sequoia, companies benefit from our unmatched community and the lessons we've learned over 50 years. As "The Entrepreneurs Behind the Entrepreneurs," Sequoia China focuses on three sectors: technology, consumer and healthcare. Over the past 17 years, we've had the privilege of working with more than 900 companies in China.

Sequoia China participates in this investment through its newly established Sequoia China Infrastructure Fund, which aims to support the success of Chinese entrepreneurs by leveraging its investments across various new economy infrastructure, including modern logistics, cold chain logistics, data centers, new economy business parks, modern manufacturing workshops, life science parks and new energy infrastructure.

About STT GDC

ST Telemedia Global Data Centres ("STT GDC") is one of the fastest-growing data centre providers, headquartered in Singapore. With a global platform of data centres in the world's major business markets of over 140 facilities across Singapore, UK, India, China, Thailand, South Korea, Indonesia and Japan, STT GDC offers a full suite of best-in-class, highly scalable and flexible data centre solutions, connectivity and support services that best meet customers' current and future colocation needs. For more details, please visit sttelemediagdc.com.

Safe Harbor Statement

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

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